

Tulgeen Group

ABN: 23 001 616 100

Financial Statements

For the year ended 30 June 2023

Tulgeen Group

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The responsible persons present their report on Tulgeen Group for the financial year ended 30 June 2023.

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; Member, People, Culture and Community 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, Quality and Safeguarding Committee
Fay Steward	Director
Qualifications	Graduate of the Company Directors Course (AICD), Bachelor of Behavioural Science, Graduate Diploma Business Administration, Graduate Diploma Urban & Regional Planning
Experience	Board member since 1 January 2023
Special responsibilities	Chair, Quality and Safeguarding Committee; Deputy Chair
John Stylianou	Director
Qualifications	B.Bus, CPA
Experience	Board member since 30 March 2017
Special responsibilities	Chair, Audit and Finance Committee
Matt Taylor	Director
Qualifications	B Com, MBA
Experience	Board member since 30 September 2021
Special responsibilities	Chair, People, Culture and Community Committee
Natalie Baggett	Director (resigned 7 April 2023)
Qualifications	PhD (Biochemistry and Molecular Biology)
Experience	Board member since 29 May 2020
Chris McEwan	Director (resigned 1 June 2023)
Qualifications	Certificate 3 in Information technology, ITIL Foundations on IT Service Management
Experience	Board member since 27 May 2021

Peter Symonds	Director (resigned 10 November 2022)
Qualifications	Graduate Certificate of Business, Advanced Diploma of Community Service, Advanced Diploma of Leadership/Management
Experience	Board member since 1 March 2022

Operating results and review of operations for the year

The total surplus of the Company for the year amounted to \$66,338 (2022 deficit: \$252,683).

Principal activities and significant changes in nature of activities

The principal activity of Tulgeen Group during the financial year was, as a social purpose community based organisation, providing dedicated, quality support and care for people with disability, their families and carers. There were no significant changes in the nature of Tulgeen Group's principal activities during the financial year.

Short term objectives

The Company's short term objectives are to:

- 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.

Strategic directions

In meeting its core purpose to remain relevant and meaningful to our NDIS Participants today and into the future, Tulgeen has developed the following strategic objectives through to 2026:

Live

- Continue to deliver safe, high-quality services, including high intensity supports
- Facilitate allied health service delivery
- Partner with SDA property developer to increase housing availability
- Upgrade existing residences and facilities to remain appealing & functional

Work

- Demonstrate inclusive employment
- Be the destination of choice for school leavers by providing options and pathways to open employment
- Foster individual enterprise opportunities
- Actively pursue Customised Employment by partnering with local businesses and leveraging the Business Chamber

Play

- Provide holiday opportunities and enhanced short term accommodation options
- Use technology and repurpose assets to deliver contemporary program options
- Focus on the activities that younger people want
- Leverage the community resources effectively
- Increase our creative program reach and accessibility, including ceramics

Grow

- Achieve person-centred outcomes, with a focus on youth and indigenous PwD
- Engender a whole-of-person approach across our services
- Actively support development of life skills and community inclusion
- Assist in identifying and achieving individual's goals, especially longer term

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.

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 2023 the collective liability of members was \$1,650 (2022: \$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 support co-ordination, 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, 22 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 in addition to the People, Culture and Community Committee as 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	8	6	4	2	7	3	3	3
Natalie Baggett	7	7	-	-	6	6	-	-
Chris McEwan	7	7	3	3	-	-	-	-
Alice Howe	8	6	-	-	5	3	1	-
Fay Steward	4	4	-	-	1	1	1	1
John Stylianou	8	7	4	4	-	-	-	-
Peter Symonds	3	3	-	-	2	1	-	-
Matt Taylor	8	8	-	-	-	-	3	3

Signed in accordance with a resolution of the Board of directors.



John Stylianou
Director

Dated: 23 November 2023

Tulgeen Group
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	5	8,508,940	8,426,636
Finance income	6	9,431	603
Other income - gain disposal of plant and equipment		455	-
Employee benefit expenses		(6,893,794)	(7,269,191)
Impairment losses on financial assets		-	(298)
Cost of sales		(303,400)	(251,919)
Depreciation and amortisation expenses		(450,110)	(391,491)
Loss on disposal of assets		-	(2,501)
Administrative and overhead expenses		(571,474)	(524,080)
Property expenses		(161,034)	(157,483)
Motor vehicle and travel expenses		(45,646)	(51,461)
Finance expenses	6	(27,030)	(31,498)
Surplus / (Deficit) before income tax		66,338	(252,683)
Income tax expense	3.a	-	-
Surplus / (Deficit) from continuing operations		66,338	(252,683)
Profit (loss) for the year		66,338	(252,683)
Other comprehensive income, net of income tax			
Items that will not be classified subsequently to profit or loss			
Revaluation changes for property, plant and equipment		-	1,863,272
Other comprehensive income for the year, net of tax		-	1,863,272
Total comprehensive income for the year		66,338	1,610,589

The accompanying notes form part of these financial statements.

Tulgeen Group
Statement of financial position
As at 30 June 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,775,697	484,909
Trade and other receivables	9	315,458	1,357,253
Inventories - raw materials and stores		362,472	237,740
Other assets - prepayments		101,640	98,619
Total current assets		2,555,267	2,178,521
Non-current assets			
Property, plant and equipment	10	9,502,715	9,860,270
Intangible assets	11	1,190	11,374
Right-of-use assets	12	-	381,460
Total non-current assets		9,503,905	10,253,104
Total assets		12,059,172	12,431,625
Liabilities			
Current liabilities			
Trade and other payables	13	1,045,761	1,015,522
Lease liabilities	12	-	59,797
Employee benefits	15	634,741	668,522
Income received in advance		-	7,446
Total current liabilities		1,680,502	1,751,287
Non-current liabilities			
Borrowings	14	876	773
Lease liabilities	12	-	346,622
Employee benefits	15	33,726	55,213
Total non-current liabilities		34,602	402,608
Total liabilities		1,715,104	2,153,895
Net assets		10,344,068	10,277,730
Equity			
Reserves	16	4,263,485	4,271,779
Retained earnings		6,080,583	6,005,951
Total equity		10,344,068	10,277,730

The accompanying notes form part of these financial statements.

Tulgeen Group
Statement of changes in equity
For the year ended 30 June 2023

2022	Retained earnings	Revaluation surplus	Public benevolent fund	Building fund reserve	Total equity
	\$	\$	\$	\$	\$
Opening balance	5,983,745	883,207	300,189	1,500,000	8,667,141
Result for the year	(252,683)	-	-	-	(252,683)
Other comprehensive income	-	1,863,272	-	-	1,863,272
Transfers to/(from reserves)	274,889	-	(274,889)	-	-
Closing balance	6,005,951	2,746,479	25,300	1,500,000	10,277,730

2023	Retained earnings	Revaluation surplus	Public benevolent fund	Building fund reserve	Total equity
	\$	\$	\$	\$	\$
Opening balance	6,005,951	2,746,479	25,300	1,500,000	10,277,730
Result for the year	66,338	-	-	-	66,338
Transfers to/(from reserves)	8,294	-	(8,294)	-	-
Closing balance	6,080,583	2,746,479	17,006	1,500,000	10,344,068

The accompanying notes form part of these financial statements.

Tulgeen Group
Statement of cash flows
For the year ended 30 June 2023

	2023	2022
	\$	\$
Cash flows from operating activities:		
Receipts from customers	8,810,082	6,976,356
Grants received	865,470	1,470,790
Payments to suppliers and employees	(8,260,290)	(8,160,162)
Interest received	9,431	603
Income taxes paid	(27,030)	(31,498)
Net cash flows from/(used in) operating activities	1,397,663	256,089
Cash flows from investing activities:		
Proceeds from sale of property, plant and equipment	455	23,682
Purchase of property, plant and equipment	(15,423)	(1,083,390)
Net cash provided by/(used in) investing activities	(14,968)	(1,059,708)
Cash flows from financing activities:		
Repayment of borrowings	-	(13,762)
Repayment of leases	(91,907)	(57,335)
Net cash provided by/(used in) financing activities	(91,907)	(71,097)
Net increase/(decrease) in cash and cash equivalents	1,290,788	(874,716)
Cash and cash equivalents at beginning of year	484,909	1,359,625
Cash and cash equivalents at end of financial year	1,775,697	484,909

The accompanying notes form part of these financial statements.

1. Introduction

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.

Comparatives are consistent with prior years, unless otherwise stated.

2. Basis of preparation

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

The Company has adopted AASB 1060 General Purpose Financial Statements - Simplified Disclosure for the first time in these statements. Previously the Company prepared statements in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. The change has no impact on the recognition and measurement of amounts in the financial statements. Some disclosures have been added or amended in line with the requirements of AASB 1060.

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*.

b. Revenue and other income

i. 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.

3. Summary of significant accounting policies

b. Revenue and other income

i. Revenue from contracts with customers

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.

ii. 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 asset's 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.

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 payables are stated inclusive of GST.

3. Summary of significant accounting policies

c. Goods and services tax (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.

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.

i. Land and buildings

Land and buildings are measured using the revaluation model.

ii. Plant and equipment

Plant and equipment are measured using the cost model.

iii. Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the asset's 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.

3. Summary of significant accounting policies

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).

i. 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.

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 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, analysis based on the Company's historical experience, informed credit assessment and 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.

3. Summary of significant accounting policies

f. Financial instruments

i. Financial assets

Trade receivables and contract assets

Impairment of trade receivables and contract assets 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 contract asset, 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, 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 is 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, the lifetime losses are estimated and recognised.

ii. 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 and a bank loan.

g. Intangible assets

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 one and three 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

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

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.

3. Summary of significant accounting policies

i. Leases

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, 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. Those 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, plus related on-costs.

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.

4. Critical accounting estimates and judgements

The responsible persons 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, the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

a. 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.

b. Key estimates - receivables

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

5. Revenue and other income

	2023	2022
	\$	\$
Revenue from contracts with customers		
Grants received - recurrent	613,711	669,578
Grants received - capital	251,759	801,212
National Disability Insurance Scheme	6,615,341	5,638,969
Residential accommodation and service fees	224,300	170,285
Sale of goods	670,513	639,848
Other revenue from rendering of services	49,426	74,657
Other income	6,821	20
	8,431,871	7,994,569
Other revenue from other sources		
COVID-19 employment subsidies	-	276,448
Donations	7,211	3,750
Member subscriptions	-	36
Wage expense recoveries	69,858	151,833
	77,069	432,067
Total revenue	8,508,940	8,426,636

6. Finance income and expenses

Finance income	2023	2022
	\$	\$
Interest income on cash at bank	9,431	603
Finance expenses		
Interest expense on lease liability	26,259	30,509
Interest on borrowings	771	989
Total finance expenses	27,030	31,498

7. Result for the year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
Net (gain)/loss on disposal of property, plant and equipment	(455)	2,501
Impairment of receivables: Bad debts provision net movement	-	298
Provision for employee benefits: other	-	600,000
Individually significant revenues included in result: Grants received - capital	251,759	801,212
COVID-19 Employment Subsidies	-	276,448

8. Cash and cash equivalents

a. Cash and cash equivalent details

	2023	2022
	\$	\$
Cash at bank and in hand	1,775,697	484,909

b. Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	1,775,697	484,909
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9. Trade and other receivables

Current	2023	2022
	\$	\$
Trade receivables	308,102	1,360,295
Provision for impairment	(8,626)	(8,626)
	299,476	1,351,669
GST receivable	15,982	5,584
	315,458	1,357,253

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. Property, plant and equipment

a. Property, plant and equipment details

Summary	2023	2022
	\$	\$
Land and buildings		
Land	1,970,000	1,970,000
Buildings		
At fair value	7,255,000	7,255,000
Accumulated depreciation	(236,125)	-
Total buildings	7,018,875	7,255,000
Total land and buildings	8,988,875	9,225,000
Plant and equipment		
At cost	1,082,520	1,074,534
Accumulated depreciation	(834,653)	(777,092)
Total plant and equipment	247,867	297,442
Motor vehicles		
At cost	389,158	389,158
Accumulated depreciation	(257,223)	(193,860)
Total motor vehicles	131,935	195,298
Right-of-use - leasehold improvements		
At cost	203,295	203,295
Accumulated depreciation	(69,257)	(60,765)
Total Right-of-use - leasehold improvements	134,038	142,530
Total property, plant and equipment	9,502,715	9,860,270

Tulgeen Group

Notes to the financial statements

For the year ended 30 June 2023

2023	Land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Opening balance	1,970,000	7,255,000	297,442	195,298	142,530	9,860,270
Additions	-	-	15,423	-	-	15,423
Depreciation	-	(236,125)	(64,998)	(63,363)	(8,492)	(372,978)
Closing balance	1,970,000	7,018,875	247,867	131,935	134,038	9,502,715

As at 30 June 2023

At cost	1,970,000	7,018,875	247,867	131,935	134,038	9,502,715
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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

Summary	2023 \$	2022 \$
Computer software		
Cost	93,460	93,460
Accumulated amortisation and impairment	(92,270)	(82,086)
Net carrying value	1,190	11,374
Total Intangibles	1,190	11,374

2023	Computer software \$
Opening balance	11,374
Amortisation	(10,184)
Total	1,190
As at 30 June 2023	1,190

12. Leases

a. Terms and conditions of leases

The company leased office space in one location, with the lease ending in October 2023. As the lease has ended 3 months after balance date, the lease liability and asset has been brought back to nil with the remaining 3 months rental payments after 30 June 2023 to be expensed in the 30 June 2024 financial year.

12. Leases

a. Terms and conditions of leases

The company leases photocopiers. The terms of the leases were re-negotiated in the 30 June 2023 financial year, which changed the lease liability and asset to an insignificant amount. As such, the lease liability and asset have been written back to nil as at 30 June 2023. The remaining lease repayments will be expensed on a monthly basis.

b. Right-of-use assets

2023	Office space \$	Office equipment \$	Total \$
Opening balance	369,755	11,705	381,460
Depreciation charge	(58,383)	(8,565)	(66,948)
Adjustment to right-of-use assets	(311,372)	(3,140)	(314,512)
Closing balance	-	-	-

c. Lease liabilities

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

	2023 \$	2022 \$
< 1 year	-	86,056
1 - 5 years	-	307,621
> 5 years	-	108,602
Total undiscounted lease liabilities	-	502,279

Lease liabilities included in the statement of financial position

Operating leases - current	-	59,797
Operating leases - non-current	-	346,622
Total Lease liabilities included in the statement of financial position	-	406,419

13. Trade and other payables

Current	2023 \$	2022 \$
Trade payables	208,417	73,299
Accrued expenses and other payables	837,344	942,223
	1,045,761	1,015,522

13. Trade and other payables

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

Non-current	2023	2022
	\$	\$
Secured		
Bank loan - IMB Spindler St loan	876	773

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

Current	2023	2022
	\$	\$
Provision for employee benefits: long service leave	233,103	244,706
Provision for employee benefits: annual leave	401,638	423,816
	634,741	668,522
Non-current		
Provision for employee benefits: long service leave	33,726	55,213

16. Reserves

The Company holds 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:

	2023	2022
	\$	\$
Public benevolent fund	17,006	25,300
Building fund reserve	1,500,000	1,500,000
Asset revaluation reserve	2,746,479	2,746,479
Total	4,263,485	4,271,779

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 2023 the number of members was 33 (2022: 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
John Stylianou
Natalie Baggett
Chris McEwan
Alice Howe
Peter Symonds
Matt Taylor
Fay Steward

The position of a director is on a voluntary basis, and does not include any remuneration.

For the remuneration of 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 \$293,882 (2022: \$287,194). Director Grattan Smith acted as interim Chief Executive Officer during the 30 June 2023 financial year and his remuneration is included in the reported figure.

22. Events after the end of the reporting period

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

Directors' declaration

For the year ended 30 June 2023

The directors declare that in the directors' opinion:

- there are reasonable grounds to believe that the company 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 and the Charitable Fundraising Act 1991; and
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the the Company from all fundraising appeals; and
- the financial statements give a true and fair view of all income and expenditure with respect to fundraising appeals.

This declaration is made in accordance with a resolution by the Board and is signed for and behalf of the Board by:



John Stylianou
Director

Dated: 23 November 2023



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 2023, 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)
23 November 2023



CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

DIRECTORS

Simon Byrne
Fiona Dunham
Ben Marshman
Gary Pearce
Kevin Philistin
Gary Skelton

BEGA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
JINDABYNE

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Kothes Chartered Accountants
ABN 36 472 755 795

Independent Regional Member of Walker Wayland Australasia Limited



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 2023, 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 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

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 - Simplified Disclosures 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.



DIRECTORS
Simon Byrne
Fiona Dunham
Ben Marshman
Gary Pearce
Kevin Philistin
Gary Skelton

BEGA
MERIMBULA
EDEN
BOMBALA
BERMAGUI
COOMA
JINDABYNE

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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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

KOTHES
Chartered Accountants

A handwritten signature in black ink, appearing to read 'S. Byrne', with a long horizontal stroke extending to the left.

SIMON BYRNE
Partner
Registered Company Auditor (# 153624)
23 November 2023