Tulgeen Group

A.B.N.23 001 616 100

Annual Financial Report

For the Year Ended 30 June 2015

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Directors' Report

30 June 2015

The directors present their report together with the financial report of Tulgeen Group for the financial year ended 30 June 2015 and the auditors' report thereon.

1. General information

Information on directors

The directors at any time during the financial year are:

Gae Rheinberger	Director
Qualifications	MAICD, RN, Bachelor of Arts (AdultEd), Diploma Teach, Training Consultant
Experience	Board member from October 4th 2000
Special responsibilities	Chair of the Board until April 2015; Supporting all Sub-committees
Suzanne Hartemink	Director (resigned August 2014)
Qualifications	(Hospital RNSH) Cert. Nursing & Bachelor of Nursing (RMIT)
Experience	Board member from March 26th 2009
Special responsibilities	Nil
Deborah Burrows	Director
Qualifications	Justice of the Peace, Registered Nurse, Bachelor of Health Science (Nursing) & various Graduate Certificates.
Experience	Board member from December 12th 2012
Special responsibilities	Chair of Risk, Compliance & Professional Development Sub-committee
Campbell Stewart	Director
Qualifications	Bachelor of Arts, Diploma Ed, Cert IV Workplace assessment and Training, Cert IV TESOL
Experience	Board member from December 12th 2012
Special responsibilities	Chair of Community Engagement, Marketing & Fundraising Sub-committee
Grattan Smith	Director
Qualifications	MAICD, Bachelor of Business (University of Western Sydney), Graduate of the General Manager Program (Australian Graduate School of Management)
Experience	Board member from July 29th 2014
Special responsibilities	Chair of Board from April 2015; Chair of Audit & Finance Sub-committee
Janette Neilson OAM	Director (resigned July 6th 2015))
Qualifications	Company Director, former Councilor and Deputy Mayor, awarded Order of Australia Medal in 2014 for services to the local community and local government
Experience	Board member from July 29th 2014
Special responsibilities	Member of Community Engagement, Marketing & Fundraising Sub-committee
Christine Van Den Berg	Director
Qualifications	Graduate Diploma in Health Services Management (Edith Cowan University), Post-Graduate Certificate in Health Services Management (Edith Cowan University), Bachelor of Nursing (Edith Cowan University), Graduate Certificate in Cardiothoracic and Coronary Care Nursing (Western Australian School of Nursing), Hospital-based Diploma in Registered Nursing (Launceston General Hospital)
Experience	Board member from January 15th 2015
Special responsibilities	Member of Risk, Compliance & Professional Development Sub-committee

Principal activities

The principal activity of Tulgeen Group trading as Tulgeen Disability Services is not-for-profit and community-based, providing flexible, quality support for individuals, their families, advocates, and carers. Tulgeen's vision is "enabling a good life".

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

Core Purpose

The Company's core purpose is to create opportunity and choice for people with disability to participate in communities, realise their potential, and lead full, abundant lives.

Core Services

The Company's core services are supported and open employment, skill development, accommodation support, respite care, independent living support, recreation and transport, as well as brokerage, advocacy and disability advisory services**.**

Service Catchment and Clients

Tulgeen supports people with disability, including their families and carers; as well as organisations and individuals receiving services from Tulgeen. It operates in the Bega Valley and neighbouring Local Government Areas (including Monaro, Bombala, Eurobodalla and East Gippsland).

Short-term and Long-term Objectives

The company's short-term objectives are to:

- Improve the delivery of specialist disability support services to the community it serves;
- Improve trading performance and opportunities for its Australian Disability Enterprises.
- Broaden the scope for engagement of clients with the community with the development of work and life skills through training, education and work opportunities.

The company's long-term objectives are to:

- Build a sustainable organisation that provides high quality services for its clients, and diverse opportunities for its clients and staff;
- Develop awareness of and support for the organisation so it is recognised and welcomed as an integral part of the local community.

Strategic Directions

In meeting its core purpose and delivering services, by 2020, the Company has the following strategic directions:

Leadership Outcomes:

Tulgeen is a leader in the provision of disability services. We are influential in policy development and implementation. We demonstrate leadership for inclusive communities. We are relevant, creative and competitive in delivery of core services across our geographic area.

Customer & Community Outcome:

Tulgeen provides a wide range of flexible, agile services for people with disability, giving them choice and control within their communities. We offer a diversity of support through service agreements with at least 100 customers, and via our thriving social enterprises.

Tulgeen People Outcome:

Tulgeen respects, values and recognises its people through engagement, development and alignment of its needs with expectations. People are secure in their employment, look to the past with pride and the future with confidence; they are committed to teamwork and have a professional attitude.

Performance and Sustainability:

Tulgeen is a financially sustainable, strong, contemporary not-for-profit organisation. Revenue will be diversified and growing to exceed $10m. We measure and communicate our performance to demonstrate effectiveness, governance and sustainability, while continually leading Person Centred Approaches (PCA) through the NDIS.

Key Performance Measures

The company measures its performance through the use of qualitative and quantitative benchmarks. The benchmarks are used by management and the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Members guarantee

Tulgeen Group is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each members and any person or association who ceased to be a member in the year prior to the winding up, is limited to $50 for members that are subject to the provisions of the company's constitution.

At 30 June 2015 the collective liability of members was $1,500 (2014: $1,500).

Operating results and review of operations for the year

The surplus of the Company for the year amounted to $172,026 (2014: Deficit of $219,111).

Meetings of directors

During the financial year, 7 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Gae Rheinberger	7	5
Grattan Smith	7	7
Deborah Burrows	7	7
Campbell Stewart	7	7
Janette Neilson	7	4
Chris van den Berg	3	3
Sue Hartemink	1	1

Auditor's independence declaration

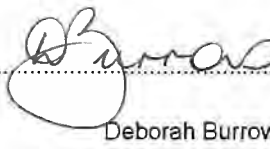
The lead auditor's independence declaration in accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* for the year ended 30 June 2015 has been received and can be found on page 6 of the financial report.

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

Director:

Grattan Smith

Dated Nov 10th 2015

Director: 

Deborah Burrows

Dated Nov 10th 2015

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF TULGEEN GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

1. the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

2. any applicable code of professional conduct in relation to the audit.

Selina Stanford
Audit Director

Dated: 6 November 2015

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TULGEEN GROUP

Report on the Financial Report

We have audited the accompanying financial report of Tulgeen Group ('the Company'), which comprises the statement of financial position as at 30 June 2015, the statement of Profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the directors of Tulgeen Group, would be in the same terms if given to the directors as at the time of this auditor's report.

Auditor's Opinion

In our opinion the financial report of Tulgeen Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

Inherent Uncertainty Regarding Continuation as a Going Concern

As described in Note 1(a) Going concern basis of accounting of the financial statements the Company has projected cash flows for the next twelve months to ensure that they are able to meet their obligations when they fall due. The directors will continue to monitor cash flows on a regular basis and tightly manage discretionary expenditure. On this basis the directors believe the adoption of the going concern basis of accounting is justified.

Synergy Group Audit
Selina Stanford
Audit Director

Dated: 10 November 2015

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

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and:

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

   b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Company.

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

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

Director: .....

Grattan Smith

Director: .....

Deborah Burrows

Dated: Nov 10th 2015 Nov 10th 2015

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
Revenue	2	**6,191,413**	6,074,425
Other revenue	2	**351,861**	248,069
Other income	2	**43,528**	65,050
		6,586,802	6,387,544
Employee benefits expense		**(5,005,126)**	(5,230,892)
Administrative and overhead expenses		**(644,679)**	(700,385)
Finance costs	3(b)	**(46,491)**	(58,919)
Depreciation expense	3(b)	**(130,873)**	(190,945)
Cost of sales		**(150,012)**	(115,047)
Travel expenses		**(199,118)**	(96,460)
Property expenses		**(238,477)**	(214,007)
		(6,414,776)	(6,606,655)
Surplus/(deficit) for the year		**172,026**	(219,111)
Other comprehensive income		-	-
Total comprehensive income/(deficit) for the year		**172,026**	(219,111)

The accompanying notes form part of the financial statements

Statement of Financial Position

As at 30 June 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**428,103**	436,052
Trade and other receivables	5	**218,542**	125,781
Inventories	6	**64,756**	40,619
TOTAL CURRENT ASSETS		**711,401**	602,452
NON-CURRENT ASSETS			
Property, plant and equipment	7	**3,028,642**	3,314,960
Intangibles	8	**22,422**	-
TOTAL NON-CURRENT ASSETS		**3,051,064**	3,314,960
TOTAL ASSETS		**3,762,465**	3,917,412
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**433,494**	468,690
Borrowings	10	**67,052**	102,844
Employee benefits	11	**348,067**	401,699
Deferred revenue		**87,451**	70,996
TOTAL CURRENT LIABILITIES		**936,064**	1,044,229
NON-CURRENT LIABILITIES			
Borrowings	10	**563,499**	838,649
Employee benefits	11	**98,833**	42,491
TOTAL NON-CURRENT LIABILITIES		**662,332**	881,140
TOTAL LIABILITIES		**1,598,396**	1,925,369
NET ASSETS		**2,164,069**	1,992,043
EQUITY			
Reserves		**521,966**	521,966
Retained earnings		**1, 642,103**	1,470,077
TOTAL EQUITY		**2,164,069**	1,992,043

The accompanying notes form part of the financial statements

Statement of Changes in Equity

For the Year Ended 30 June 2015

2015

	Note	Retained Earnings	Asset Revaluation Reserve	Total
		$	$	$
Balance at 1 July 2014		**1,470,077**	**521,966**	**1,992,043**
Surplus for the year		**172,026**	**-**	**172,026**
Balance at 30 June 2015		**1,642,103**	**521,966**	**2,164,069**

2014

	Retained Earnings	Asset Revaluation Reserve	Total
	$	$	$
Balance at 1 July 2013	1,689,188	521,966	2,211,154
Deficit for the year	(219,111)	-	(219,111)
Total other comprehensive income for the year:			
- Revaluation of land and buildings	-	-	-
Balance at 30 June 2014	1,470,077	521,966	1,992,043

The accompanying notes form part of the financial statements

Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**1,016,764**	1,042,289
Grants received		**6,016,680**	6,108,597
Payments to suppliers and employees		**(6,888,006)**	(7,491,884)
Tax refunds		**-**	33,453
Interest received		**28,277**	34,308
Interest paid		**(46,491)**	(61,757)
Net cash used by operating activities		**127,224**	(334,993)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**409,350**	132,000
Purchase of property, plant and equipment		**(211,159)**	(395,161)
Purchase of intangibles		**(22,422)**	-
Net cash generated from investing activities		**175,769**	(263,161)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		**-**	392,301
Repayment of borrowings		**(310,942)**	(72,186)
Net cash used by financing activities		**(310,942)**	320,115
Net decrease in cash and cash equivalents held		**(7,949)**	(278,039)
Cash and cash equivalents at beginning of the financial year		**436,052**	714,091
Cash and cash equivalents at end of financial year	4	**428,103**	436,052

The accompanying notes form part of the financial statements

Notes to the Financial Statements
For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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

The financial statements were authorised for issue on 10th November 2015 by the directors of the Company. The directors have the power to amend and reissue the financial report.

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

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations of the Australian Accounting Standards Board, the *Australian Charities and Not-for-profits Commission Act 2012* and the *Corporations Act 2001*.

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

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

Going concern basis of accounting

The financial report has been prepared on the going concern basis. The Group has made a profit for the year of $172,026 (2014: deficit of $219,111). At year end, the Group has Retained Earnings of $1,642,103 (2014 Retained Earnings of $1,470,077). The balance of cash and cash equivalents at 30 June 2015 is $428,103 (2014 Cash and cash equivalents $436,052). The Group has prepared cash flow forecasts for the next twelve months that show that the Group will be able to meet its debts as and when they fall due. These cash flow forecasts are based on a number of assumptions in particular about the Group's revenues from government sources, and likely expenditure on staffing, which forms the largest part of the group's expenditure.

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

(b) Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements. However as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of plant and equipment

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

Notes to the Financial Statements
For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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

Key estimates - provision for impairment of receivables

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

Key estimates - provisions

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

(c) Economic dependence

Tulgeen Group is dependent on government grants and subsidies for the majority of its revenue used to operate the business. Current funding agreements were renewed for three years from 30 June 2015. At the date of this report the directors have no reason to believe the government will not continue to support the Tulgeen Group.

(d) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the entity and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts, rebates and taxes paid.

Grant revenue

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

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Residential board and service fees

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Notes to the Financial Statements
For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

Other income/revenue

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

Donations and bequests are recognised as revenue when received.

(e) Borrowing costs

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

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

(f) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

Operating Cash flows included in the statement of cash flows are included on a gross basis. Investing and Financing Cash flows included in the statement of cash flows are included on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows and included in payments to suppliers and employees.

(g) Income Tax

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

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and are net of any rebates and discounts received.

(j) Property, Plant and Equipment and Intangibles

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

Cost Model

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

Notes to the Financial Statements
For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

Revaluation Model

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

Depreciation

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

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

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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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

Intangible assets

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

The useful lives used for intangibles are shown below:

Intangibles	2 to 10 years

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

(k) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that 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 the statement of profit and loss where transaction costs are expensed as incurred).

Financial Assets

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

Notes to the Financial Statements
For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

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

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

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

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

(I) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in the statement of profit and loss.

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

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

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

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

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

Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the income statement line items "borrowing costs" or "interest income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements
For the Year Ended 30 June 2015

1 Summary of Significant Accounting Policies continued

Impairment of financial assets

At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(m) Financial assets at amortised cost

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

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

(n) Impairment of non-financial assets

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

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

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

(o) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled in wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of the current trade and other payables in the statement of financial position.

Other long-term employee benefits

The Company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the Company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligations is recognised in profit or loss classified under employee benefits expense.

1 Summary of Significant Accounting Policies continued

The Company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the Company receive defined contribution superannuation entitlements, for which the Company pays the fixed superannuation guarantee contribution to the employee's superannuation fund of choice. All contributions in respect of the employee's defined contributions entitlements are recognised as an expense when they become payable. The Company's obligation with respect to employees' defined contribution entitlements is limited to the obligation for any unpaid superannuation guarantee obligations and any amounts that have been withheld under salary sacrifice arrangements which had not been paid at the end of the reporting period. All obligations for unpaid superannuation contributions are measured at the undiscounted amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Company's statement of financial position.

(p) Restatement

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

Notes to the Financial Statements
For the Year Ended 30 June 2015

2 Revenue and Other Income

	2015 $	2014 $
Revenue		
- Grants received	**5,453,254**	5,531,787
- Residential board and service fees	**185,026**	184,613
- Sale of goods	**553,133**	358,025
	6,191,413	6,074,425
Other revenue		
- Interest revenue - other parties	**28,277**	28,991
- Other revenue from rendering of services	**323,584**	219,078
	351,861	248,069
Other Income		
- Net gain on disposal of property, plant & equipment	**43,487**	29,097
- Other income	**41**	2,500
- Tax Refunds	**-**	33,453
	43,528	65,050

3 Surplus for the year

(a) Individually significant revenues included in profit:

Non-recurrent capital grants:

- ADHC Maple Court Development	**-**	49,604
- ADHC TES Bay 4	**165,602**	(27,060)
- Cassandra Grant Foundation	**(1,532)**	17,659
- NSW Trade & Investment	**-**	39,645
- Bega Valley Shire Clubs	**2,000**	5,337
- Mumbulla Grant	**7,500**	-
	173,570	85,185

(b) Surplus includes the following specific expenses:

Depreciation of property, plant and equipment	**130,873**	190,945
Net movements in provision for:		
- Employee benefits	**2,710**	(120,420)
Defined contribution superannuation expense	**399,113**	395,755
Interest and finance changes paid/payable on loan	**46,491**	58,919

Notes to the Financial Statements
For the Year Ended 30 June 2015

	2015 $	2014 $
4 Cash and cash equivalents		
Cash on hand	**1,016**	6,423
Cash at bank	**427,087**	429,630
	428,103	436,052
5 Trade and other receivables		
CURRENT		
Trade receivables	**173,882**	127,594
Provision for impairment	**(600)**	(3,377)
	173,282	124,218
Prepayments	**42,050**	1,563
Other debtors	**3,210**	-
	218,542	125,781
6 Inventories		
Raw materials and stores - at cost	**64,756**	40,619
7 Property, plant and equipment		
Freehold land - at fair value	**603,990**	603,990
	603,990	603,990
Buildings - at fair value	**2,072,745**	1,883,842
Less: accumulated depreciation	**(95,685)**	(46,372)
	1,977,060	1,837,469
Total land and buildings	**2,581,050**	2,441,459
Plant & equipment - at cost	**1,213,185**	1,190,306
Less: accumulated depreciation	**(957,099)**	(889,106)
	256,086	301,200
Motor vehicles - at cost	**95,339**	504,779
Less: accumulated depreciation	**(65,304)**	(101,087)
	30,035	403,692
Improvements - at cost	**213,827**	213,827
Less: accumulated depreciation	**(52,356)**	(45,218)
	161,471	168,609
Total property, plant and equipment	**3,028,642**	3,314,960

Notes to the Financial Statements
For the Year Ended 30 June 2015

Movements in carrying amounts of property, plant and equipment

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

Parent	Land	Buildings	Plant and Equipment	Motor Vehicles	Improvements	Total
	$	$	$	$	$	$
Year ended 30 June 2015						
Balance at the beginning of year	**603,990**	**1,837,469**	**301,200**	**403,692**	**168,609**	**3,314,960**
Additions	**-**	**188,904**	**22,255**	**-**	-	**211,159**
Disposals	**-**	-	-	**(365,864)**	**-**	**(365,864)**
Depreciation expense	**-**	**(49,313)**	**(67,369)**	**(7,793)**	**(7,138)**	**(131,613)**
Balance at the end of the year	**603,990**	**1,977,060**	**256,086**	**30,035**	**161,471**	**3,028,642**

Land and building valuation

Independent valuers revalued the Company's land and buildings at 30 June 2013. Valuations were made on the basis of open market value in an arms length transaction based on similar properties. The revaluation surplus was credited to an asset revaluation reserve in equity in 2013. No further adjustment to these valuations has been made in 2015.

	2015	2014
	$	$
8 Intangibles		
Intangibles - at fair value	**22,422**	-
	22,422	-
9 Trade and other payables		
CURRENT		
Trade payables	**136,547**	24,735
GST payable	**148,911**	150,310
Other creditors	**148,036**	293,645
	433,494	468,690

Notes to the Financial Statements
For the Year Ended 30 June 2015

	2015 $	2014 $
10 Borrowings		
CURRENT		
IMB Spindler St Loan	**36,372**	12,131
CORENA Community Solar Loan	**4,000**	4,000
Motor Vehicle Finance Loans	**-**	86,713
Hire Purchase	**26,680**	-
	67,052	102,844
NON-CURRENT		
IMB Spindler St Loan	**561,499**	598,034
CORENA Community Solar Loan	**2,000**	6,000
Motor Vehicle Finance Loans	**-**	234,615
	563,499	838,649
Total Borrowings	**630,551**	941,493

The bank debt is secured by a registered first mortgage over certain freehold properties owned by the Company.

11 Employee provisions

	2015 $	2014 $
CURRENT		
Provision for employee benefits: annual leave	**222,866**	227,771
Provision for employee benefits: long service leave	**125,201**	173,928
	348,067	401,699
NON-CURRENT		
Provision for employee benefits: long service leaves	**98,833**	42,491
	446,900	444,190

(a) Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their entitlement.

12 Reserves

The asset revaluation reserve records unrealised gains on revaluation of property, plant and equipment recorded at fair value.

Notes to the Financial Statements
For the Year Ended 30 June 2015

13 Related Party Disclosures

Directors

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

Gae Rheinberger
Campbell Stewart
Deb Burrows
Sue Hartemink
Grattan Smith
Janette Neilson
Christine Van Den Berg

Key management personnel compensation

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

The total remuneration paid to key management personnel of the company is $388,177 (2014: $344,252).

Directors transactions with the Company

No transactions occurred during the year either with directors of the Company, or with entities that directors of the Company hold positions with that result in them having control or significant influence over the financial and/or operating policies of these entities.

In general, the terms and conditions of any transactions with directors and their director related entities are no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

14 Capital and Lease Commitments

Capital Commitments
The company has no capital commitments.

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

	2015	2014
	$	$
Within one year	**126,587**	-
One to five years	**147,522**	-
	274,109	-

The company has twelve motor vehicles under a fleet leasing arrangement with lease end dates ranging from 9 July 2016 to 9 October 2018.

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

Notes to the Financial Statements
For the Year Ended 30 June 2015

15 Contingent Liabilities

Under the terms of the funding agreement with the state government body, any unspent funding may be required to be refunded. Further, a proportion of any funds advanced for the purpose of purchasing assets maybe required to be refunded on disposal of the assets. The financial effect of this possible liability is unable to be determined at the time of this report.

16 Contingent Assets

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

17 Events Occurring After the Reporting Date

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.

18 Company Details

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

19 Financial Risk Management

The Company's principal financial instruments comprise cash at bank and on deposit, receivables, accounts payable and borrowings. These financial instruments arise from the operations of the Company.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 are detailed in the accounting policies to these financial statements and are as follows:

	2015	2014
	$	$
FINANCIAL ASSETS		
Cash and cash equivalents	**428,103**	436,052
Receivables	**218,542**	125,781
	646,645	561,833
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost		
Trade and other payables	**433,494**	468,690
Borrowings	**630,551**	941,493
	1,064,045	1,410,183

INDEPENDENT REVIEW REPORT

TO THE MEMBERS OF TULGEEN GROUP

Scope of Review

We have reviewed the detailed income statement of Tulgeen Group ('the Company') for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the detailed income statement and the information contained therein. We have performed a review of the detailed income statement in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that it is not presented fairly in accordance with the accounting policies adopted in the annual financial report of the Company.

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

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

Statement

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the detailed income statement of Tulgeen Group for the year ended 30 June 2015 does not present fairly the financial performance of the Company for the year then ended in accordance with the accounting policies adopted in the annual financial report of the Company.

Synergy Group Audit
Selina Stanford
Audit Director

Dated: 10 November 2015

SYNERGY GROUP AUDIT PTY LTD
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Detailed Income Statement

For the Year Ended 30 June 2015

	2015 $	2014 $
TRADING STATEMENT		
Sales	**553,133**	358,025
Less: Cost of goods sold		
Opening Stock	**(40,619)**	(30,367)
Add: purchases	**(174,149)**	(125,299)
Less: closing Stock	**64,756**	40,619
Cost of goods sold	**(150,012)**	(115,047)
Gross trading profit	**403,121**	242,978
INCOME STATEMENT		
Income		
Department of Ageing, Disability and Home Care	**4,903,359**	4,875,973
Department of Social Services (2013: FaHCSIA)	**577,882**	593,173
Other grants	**(27,988)**	62,641
Interest revenue - other parties	**28,277**	28,991
Residential board and service fees	**185,026**	184,613
Net gain on disposal of property, plant & equipment	**43,487**	29,097
Other income from rendering of services	**114,933**	17,747
Other income	**208,693**	237,285
Total income and gross trading profit	**6,436,790**	6,272,497
Expenses:		
Borrowing costs	**46,491**	58,919
Employment Expenses		
Fringe benefits	**(5)**	(1,340)
Provision for Annual Leave / Long Service Leave	**490,720**	375,370
Staff and client amenities	**17,427**	23,437
Staff training	**78,101**	29,136
Superannuation	**399,113**	395,765
Workers' Compensation Insurance	**134,751**	264,067
Wages	**3,885,019**	4,144,467
	5,005,126	5,230,892
Travel Expenses		
Motor vehicle expenses	**187,020**	78,367
Travel, fares etc	**12,098**	20,243
	199,118	98,611
Depreciation expense	**130,873**	190,945
Property Expenses		
Power	**61,829**	57,617
Rates	**20,273**	15,771
Rent	**21,668**	48,943
Repairs and maintenance	**134,707**	91,676
	238,477	214,007

Detailed Income Statement continued

For the Year Ended 30 June 2015

	2015 $	2014 $
Administration & Overhead Expenses		
Advertising and promotions	**19,691**	23,488
Bad debts expense	**(2,777)**	3,577
Bank charges	**3,470**	2,260
Computer expenses	**58,976**	86,720
Fees:		
Audit and accounting fees	**164,814**	221,231
Legal fees	**380**	500
Consulting fees	**47,183**	196,919
Freight	**1,517**	1,949
General *	**206,900**	2,410
Insurance	**54,914**	56,701
Occupational health and safety	**6,052**	5,072
Phone	**34,627**	47,287
Printing/Postage/Stationery	**17,201**	19,578
Programme expenses	**13,953**	10,289
Security expenses	**5,147**	3,441
Subscriptions/Licences	**12,631**	16,812
	644,679	698,234
Total expenses	**6,264,764**	6,491,608
Surplus/(Deficit) for the period	**172,026**	(219,111)

* GENERAL amount includes $137,035 for miscellaneous asset purchases <$5k each