# CB ALEXANDER FOUNDATION

# ANNUAL REPORT

# 2018/2019

C B Alexander Foundation
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This report has been submitted to the Minister for Primary Industries in accordance with the Annual Reports (Statutory Bodies) Act 1984.

The CB Alexander Foundation is a Statutory Authority for the purpose of Section 44 of the Public Finance and Audit Act 1983 under Division 4 of the Act and is scheduled within Clause 3 of the Public Finance and Audit Regulations 1984.

## Contents

# Introduction

I am pleased to introduce the CB Alexander Foundation operation and finance report for the 2018/19 financial year.

The report provides a detailed overview of operations and audited financial statements.

**Membership and Meetings**

The Foundation met on three occasions during the year. The Hon Rick Colless resigned from the Board in March 2019 following his retirement from the NSW State Government. As the government representative on the Board, Rick provided strong guidance and assistance to the Board as a member of Parliament.

**Foundation achievements, major purchases and activities**

Across 2018-19 a complete review and restructure of Numeralla Farm was undertaken. The review was wide ranging looking at Farm management, electrical infrastructure, repairs and maintenance, water quality and the high bird mortality rate. Through implementation of the recommendations of the review and a new management structure, Numeralla Farm realised a 13% increase in egg production. Other work undertaken included an upgrade to the Numeralla Manager's cottage, upgrades to security cameras and a major refurbishment of the water supply.

The growth of activities within the Homestead Precinct continued in 2018-19 following a full re-design of the Tocal website. The Homestead was voted Best Country/Farm Wedding venue and reservations and stay nights continued to increase. A new publication "Battered to Boutique" was published, outlining a photographic history of the Barracks and its restoration to boutique accommodation.

The Friends of Tocal continued to provide their valued support of the Homestead through a range of fundraising activities, donations, visitor services and catering. Scholarships totalling $22,250 were awarded to recipients for educational opportunities.

**Foundation Day 2018**

Foundation Day began with a guided tour of the Skills Arena by Tocal Students. In the afternoon formal proceedings included the launch of two new publications "Caleb Wilson: Owner of Tocal 1834-1838" and "Tocal Barracks, Battered to Boutique". Guests were also treated to presentations from former students on the role Tocal College had in establishing their careers.

**Visitors**

During the year the Foundation welcomed more than 17,000 visitors, attending special events, weddings, tours and functions at the Tocal Homestead.

Anne Hicking
Executive Officer
Boards and Committees

## Membership of the Foundation

The CB Alexander Foundation Incorporation Act 1969 provides for five members to be appointed by the Minister for Primary Industries. The position of Chair has always been held by a senior member of the Department, usually the Director General. The remaining positions are selected from a range of fields to provide a broad cross section of government, community and business representation.

The Act calls for a minimum of three members to form a quorum to transact any business of the Foundation and they shall have, and may exercise and discharge, all the powers, duties and functions of the Foundation. Meetings are held three to four times annually, generally at either Tocal or in the Sydney Office of the Department.

**Current Membership at 30 June 2019;**

**Mr Scott Hansen** - Chair and Director General, NSW DPI
**Dr Cameron Archer AM** - Member
**Dr Beth McDonald** - Member
**Hon Mr Rick Colless MP** – until 16 March 2019
**Mr Simon Fraser** - Member
**Ms Susan Hunt** - Ex-officio

The Hon Rick Colless finished his term with the Board in March 2019 following his retirement from State Parliament.

Members of the Foundation met for three official meetings during the year to discuss a range of business. Of the business discussed, the most significant was the management of the bequest from Miss Daphne McLachlan. Following a rigorous selection process, Macquarie Bank was selected to manage the McLachlan portfolio.

**Attendance at Meetings**

| Member Name | Attendance |
|---|---|
| Mr Scott Hansen | 2 of 3 |
| Dr Cameron Archer AM | 3 of 3 |
| Dr Beth McDonald | 3 of 3 |
| Hon Rick Colless MP | 2 of 3 |
| Mr Simon Fraser | 3 of 3 |
| Ms Susan Hunt | 2 of 3 as ex-officio |

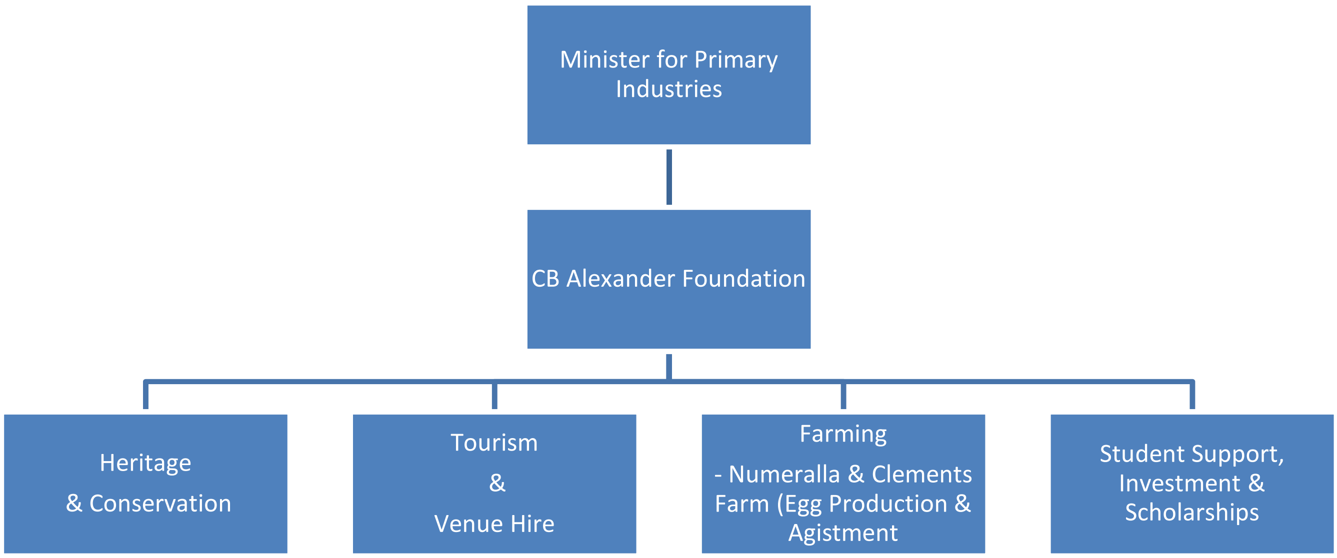
**Assistance**

Throughout the year the Foundation was assisted by the attendance of:
Mr Darren Bayley – Principal, Tocal Agricultural College
Ms Anne Hicking – Secretary of the Foundation
Ms Margo Duncan - Chair, Tocal College Advisory Council
Ms Kate Lorimer-Ward – Deputy Director General DPI Agriculture

Members also acknowledge the administrative support of the NSW Department of Primary Industries staff, in particular:

Mr Michael Ison – Centre Manager
Ms Robyn Papworth – Principal's Assistant
Ms Sandra Ognibene – College Business Manager

## Organisational Chart




## Charter

The CB Alexander Foundation is constituted under the CB Alexander Foundation Incorporation Act No 61 of 1969. This Act defines the objectives and powers of the Foundation. The objectives as stated in the Act are:

a) "to promote and advance, in consultation with the Minister for Primary Industries, agricultural education at the CB Alexander Campus of Tocal College, Tocal or other agricultural colleges or institutions",

b) "to assist and advise as far as practicable, the Minister in the operation and maintenance of the College".

As well as;

a) "to take or accept any gift, subsidy or endowment whether subject to any special trust or not, for all or any of the objects of the Foundation and to carry out any special trust to which such gift, subsidy or endowment may be subject according to the terms thereof". To facilitate this process the Foundation has established a number of tax Deductible Gift Recipient (DGR) accounts. These include; students trust deeds to enable donors to allocate scholarships to students, building fund DGR which allows donors to provide funds for building works / renovations to the Tocal Homestead and complex of buildings.

b) "to grant scholarships or financial assistance to students attending Tocal College".

c) "to effect improvements to the CB Alexander Campus or other agricultural colleges or agricultural institutions".

d) "to do such supplemental, incidental and consequential acts as may be necessary or expedient for the exercise or discharge of its powers, duties and functions under this Act".

The Foundation became the holding body from the original Trust for the lands occupied by the then CB Alexander Presbyterian Agricultural College, Tocal. It was then transferred to the State as CB Alexander Agricultural College. In other words, the CB Alexander Foundation owns the land and the State, namely

NSW Department of Primary Industries, owns and operates the buildings and infrastructure on the land. There are three exceptions to this arrangement namely;

1. Tocal Homestead and complex of buildings
2. Dunnings Hill
3. Numeralla and Clements Farm

In all three cases, the land and all structures and improvements on it are owned and operated by the Foundation.

Since its inaugural meeting in April 1970, the Foundation has provided a wide range of support to the College. These include;

- Financing the construction of the Tocal pool
- Purchasing additional land for College operations namely Dunnings Hill, Clements Farm and Numeralla
- Providing student support through a range of scholarships
- Providing staff support through staff development activities
- Sponsoring Friends of Tocal
- Facilitating an agreement whereby the Local Land Services (formally the Hunter Central Rivers Catchment Management Authority) constructed its Head Office on Foundation land through a 25 year lease arrangement.

The Foundation has also undertaken a range of maintenance and operational activities some of which are used to produce income. These include;

- Developing a series of publications. Publications in the "All about Tocal" suite, provide an historical commentary on various activities involving the Tocal property and its owners and tenants over the years.
- Using Tocal Homestead as a venue for weddings.
- Conducting conservation work around the Tocal Homestead site, including renewing structures such as the slaughter house, pig shed and yards, fencing and conservation of a range of buildings in the Homestead precinct.
- Operating a free range egg production enterprise, at Numeralla, as part of the College farm and training programs.
- Conversion of the barracks building to boutique accommodation.

# CB Alexander Foundation Tocal 2016-2020

## Vision

To promote and advance agricultural education
To improve Tocal College and its assets
To provide student scholarships and financial assistance

<table>
<tr><td>Our strategic priorities:<br>TOCAL HOMESTEAD HISTORIC PRECINCT</td><td>To preserve, maintain and improve heritage buildings and infrastructure</td><td colspan="2">To provide community access and enhance appreciation and interpretation of the historic homestead site and surrounds through coordinated events and visitation</td><td>To promote the site's history, Aboriginal land use, environment and agricultural heritage to school students using curriculum-aligned visits, tours and resources</td><td>To build a sense of place and connection with the local community and surrounding region</td></tr>
<tr><td>We aim to:</td><td>Activate and make effective use of the Barracks and the Daly Kidd Cottage to provide an integrated accommodation service to support weddings and other major events</td><td colspan="2">Maximise revenue from the Tocal Function Centre through collaboration with events coordinator to increase wedding bookings and mid-week events (especially corporate sector). Update and digitise homestead tour app and key heritage photos to aid interpretation of site</td><td>Develop the Schools Program to ensure curriculum alignment and connection with schools in the region and an increase in visitation</td><td>Host six significant community events each year to engage the broader community (eg. Peek into the Past)</td></tr>
<tr><td>By concentrating on:</td><td>A commercial focus for all Tocal Homestead operations to be financially sustainable allowing for reinvestment in the site, associated programs and student support</td><td>Collaboration with catering and events contractor to increase bookings and general performance, and to ensure contract is effectively implemented</td><td>Income streams to support a scheduled maintenance plan for heritage buildings including the Blacket Barn, Bull Barn and to start work on Thunderbolt's Cottage</td><td>Working with the DPI schools team to develop programs that engage schools and teachers</td><td>Growing the Friends of Tocal membership and number of active volunteers. Includes identifying different roles and functions that will attract a diversity of volunteers and capabilities</td></tr>
<tr><td>Measures:</td><td>The Barracks providing a valuable income and the Daly Kidd Cottage in use</td><td colspan="2">Increase in wedding and function centre bookings. New homestead tour app completed. Key heritage photos digitised and accessible.</td><td>Three new school programs aligned to curriculum and promoted through school networks and website; increase school visits and age range of programs</td><td>Six community events at the site. Established as part of the community calendar; engaging and valued by community members</td></tr>
<tr><td>Core services:</td><td>Visitation and accommodation</td><td colspan="2">Weddings and community access</td><td>School programs</td><td>Tours and events</td></tr>
</table>

*Our work is underpinned by the values of service, accountability, integrity and connection*

# Visitation

The total number of visitors to the Tocal Homestead site was 17,143; an increase of 12% on the previous financial year. Visitation numbers are a result of events such as Peek into the Past, Mother's Day High Tea, Wedding open days, Scouts groups and school and seniors tours. This financial year sets the record for the widest variety of groups for visitation as well as the highest numbers of visitors.

### General Summary of Visitors

*Figures are shown as: number of events/number of visitors*

| 2018 | Schools | Tours | Weddings | Events | Functions | Sundays |
|---|---|---|---|---|---|---|
| July | 8/602 | 2/77 | 3/250 | 6/2128 | 1/150 | 91 |
| Aug | 14/994 | 3/93 | 5/500 | 0 | 0 | 72 |
| Sept | 12/708 | 3/63 | 8/689 | 1/18 | 2/126 | 128 |
| Oct | 3/194 | 4/89 | 7/650 | 0 | 1/48 | 78 |
| Nov | 9/517 | 2/69 | 9/925 | 0 | 0 | 54 |
| Dec | 0 | 0 | 4/325 | 1/50 | 2/50 | *Closed* |
| **2019** | | | | | | |
| Jan | 0 | 1/3 | 0 | 0 | 0 | *Closed* |
| Feb | 0 | 2/48 | 2/208 | 1/60 | 1/50 | *Closed* |
| Mar | 3/226 | 4/80 | 5/529 | 2/63 | 0 | 111 |
| April | 2/125 | 0 | 6/586 | 0 | 1/60 | 124 |
| May | 14/956 | 5/110 | 3/300 | 2/1426 | 1/36 | 73 |
| June | 10/997 | 2/65 | 0 | 0 | 0 | 100 |
| | | | | | | |
| **TOTAL** | **75/5319** | **28/697** | **52/4962** | **13/3745** | **9/520** | **831** |

### Homestead weekend openings

Tocal Homestead is open on Sundays March to November, 1000 to 1500, giving the chance for local and regional people to visit the homestead as casual visitors.

Visitors use the Acoustiguide handsets to guide themselves around the site. The updated handsets and interactive app from the previous year has been a fantastic asset. More rooms including exterior buildings showcasing horse drawn carts have been cleared, giving visitors the opportunity to explore more of the site.

In February the small room at the top of the staircase in the Homestead was restored, with the housing for the lift being reassembled (with the lift cabin inside it) as a more permanent interpretation of the lift.
It has been returned to its original position upstairs, however due to house renovations in the 1940s it now faces 180 degrees round from the original installation. The lift parts had been stored in the stable for over 70 years and were surprisingly quite complete, including the lift door which was found to run on a series of large ball bearings. Friends of Tocal contributed to the interpretation with the reupholstering of furnishings in the room.

# Accommodation

### The Barracks

This year we have seen an increase in both reservations and stay nights.

Additional booking channels such as Air BNB and Booking.com have been added along with the creation of a separate email address for accommodation enquiries.

A price increase to $380 per room per night has been put in place and will take affect for all stay nights from 1st January 2020.

Guests now have the option of added extras like a chilled bottle of locally produced Boydell's wine for arrival or a cheese and wine hamper from local supplier Gathered Gift Co, when booking online.

In November a 'famil' of The Barracks was held in conjunction with Old Duninald, a restored homestead offering accommodation and located in Paterson. A great attendance from local residents, volunteers and businesses showed solid support in working together and promoting accommodation in our region. From this we established close working relationships in the local community and added benefits for guests when dining at selected businesses. As a result, a 9-page story including colour images, was published in the Hunter & Coastal Lifestyle Magazine. This story tells the timeline of the accommodation, Tocal Homestead and our unique connection to Old Duninald. A copy of this glossy magazine is available in each suite for our guests to enjoy.

'Battered to Boutique', a new publication that was added to the Tocal Book series, was released and officially launched on Foundation Day.

In September 2018, an Accommodation coordinator was appointed on a part time basis.

Many positive reviews about the Barracks stays have been received and posted on sites such as Trip Advisor, Expedia and social media sites. Google has acknowledged our reviews and we now hold a 5 star rating on Google.

| Financial Year | Reservations | Stay nights |
|---|---|---|
| 1 July 2017 – 30 June 2018 | 94 | 139 |
| 1 July 2018 – 30 June 2019 | 135 | 192 |

| **Booking Channels** | | | | |
|---|---|---|---|---|
| Financial Year | Direct | Expedia | Extranet | Booking.com |
| 1 July 2017 – 30 June 2018 | 33 | 37 | 24 | |
| 1 July 2018 – 30 June 2019 | 78 | 45 | 11 | 1 |

# Weddings

Our wedding caterers, Sprout Catering, hosted 52 weddings this financial year. By consistently providing quality food and service to their clients, in April at the Newcastle and Hunter Brides Choice Awards. Tocal Homestead also won Best Country/Farm Wedding Venue 2019, and Sprout Catering received Highly Commended as Wedding Caterer. These awards were won from a large field of nominees.

## Community Access

Friends of Tocal actively supported the Homestead with visitor services, catering and fundraising activities. They provided funds for replacing finials on buildings as well as fixing the interior blinds in the Homestead, and smaller projects such as providing tools for Valley Garden.
The Friends of Tocal Citizenship Award presented at Graduation Day this year was awarded to Casey Hall. The award is a cash prize to recognise a student who has given their time and skills to improve their community.

Scouts groups continue to use the site for their annual camps, our local Pre-School also uses part of the grounds for their colour run.

## Schools Program

Schools have continued a steady interest in the programs offered at Tocal Homestead and farms with over 5000 students visiting in the year.   High school geography and agriculture teachers have supported the newly introduced curriculum-based programs; 'Sustainable Biomes', 'Dairy Product Study' and 'Dairy Case Study'.  This year, Primary teachers also endorsed 'Paddock to Plate' as a valuable science curriculum resource.

During the year, ten students from Bourke High School visited the Tocal farms as part of a ten day excursion looking at the diversity of agricultural operations in eastern NSW.  This was made possible by a significant donation to the school from a Victorian cattle farmer to assist agriculture students during the continuing drought conditions in western NSW.

## Tours

Tour group numbers increased slightly from previous years, with a diverse group of visitors from the Department of Primary Industries groups, senior bus tours and special interest groups. A total of 697 people visited the site as part of an organised group tour. As part of a new strategy, a push on tours for the next financial year via the new website as well as promoting directly to bus companies will be conducted.

## Events

Six events were held this year; 'Peek Into The Past' in July attracted 1,929 visitors making it the second largest turnout since the events fruition. A push on social media and an introduction of online ticket sales could credit the high number of visitors. Tocal Field Days attracted 1,118 visitors, and the theatrical performance 'Pete the Sheep' attracted 350. Sprout Catering ran the Mother's Day High Tea again for 2019 with 154 guests attending. Sprout Catering also ran a 'Winter Feast' dinner and 'Open Days' where prospective brides came to view the site with vendors decking out the venue for display. The International Back to Back Wool Challenge did not run in 2019 as done in previous years, due to the dissolution of its community group.

## Publications

The Foundation's series of books, 'All about Tocal', which consists of 30 books covering all aspects of Tocal history including the people, convicts, heritage values, the buildings and the bushranger, Captain Thunderbolt.  Two new books were launched at our Foundation Day; 'Tocal Barracks – battered to boutique' a pictorial history of the Barracks building and its journey from farm worker accommodation to the high-end boutique suites it is today. The second book; is 'Caleb Wilson – owner of Tocal 1834 – 1838', where until now, little has been known about Caleb Wilson the second European owner of Tocal. This book is the result of many years of meticulous research by author Jean Archer who builds up a picture of the man Caleb Wilson; a free settler, skilled tailor/turned farmer, shop keeper, money lender, real estate trader, successful entrepreneur and wealthy businessman. As well as the story of Caleb Wilson and his son Felix, this book provides fascinating glimpses into everyday life in colonial Sydney in the 1820s and 30s through extensive reference to newspapers, official records and letters.

## Website

The Tocal Homestead team took on the mammoth job to redesign the Homestead website.  This included sourcing new images, writing new dialogue and compiling all the information to create a concise platform where the public could access everything they would need to know.  Visit www.tocal.com.au

## Numeralla

The free range egg production at Numeralla has staged a significant recovery throughout the 2019 year and is now on track to meet production and financial targets for 2019-20 financial year. Egg production is up on 2018 moving from 1.52m dozen eggs to 1.71m dozen eggs—an increase of 13%. Significant improvements were recorded across a range of indicators used by PACE farm including floor egg percentages, mortalities, broody hens, rodent numbers, stress levels and overall cleanliness and presentation of the farm.

During the late winter and spring period of 2018, a complete renewal of the management operations and structure was completed. This involved the implementation of a Business Restructure plan. Wendy Franklin acted as the on-farm manager of this restructure until mid-November. The plan provided a series of Situation Reports to the CBAF executive during the implementation phase.

In October 2018, new Farm Manager, Pat Gallagher, was inducted to Numeralla and commenced implementing new systems of production. Pat has worked tirelessly over the past 12 months to return the farm to a productive state, tackling issues related to a rodent plague, damaged electrical equipment, high bird mortalities, repairs and maintenance issues, water quality and staff management.

The staff at Numeralla shifted across to the Pastoral Award over a period of five months between December and April 2019 and this ensured a more appropriate employment arrangement for all staff.

There were two lots of bird cleanout in 2018-19 with 52,300 birds placed in sheds 3, 4 and 5 during the first week of January 2019 and 38,600 new birds placed in Sheds 1 and 2 in June 2019.

Major refurbishment of the water supply system was carried out during 2018-19 with a complete upgrade to filtration and valve systems at the Numeralla dam site. The cool pad system was refurbished on Sheds 3 and 4.

The Numeralla manager’s cottage was repaired and renovated during 2018-19 with $33,058 spent on a series of upgrades including repainting inside and new floor coverings throughout.

Major upgrades to security cameras and lighting was carried out to improve security on site. Other maintenance areas completed were upgrades to the generator auto starter and egg packer delivery tray/rollers replaced.

In April, Ghulam Amur from NSW DPI, investigated power usage at Numeralla as a follow up to exceptionally high summer power bills. He was very helpful and from his investigation provided the recommendations and ideas for the installation of solar power capacity at Numeralla. Quotes for this install are currently being sought.

Overall the rate of improvement and the results have been very pleasing with congratulations going to Pat Gallagher for managing this turn-around and to Wendy Franklin for her efforts during the Business restructure in 2018. The farm’s presentation is now excellent and regular reports from Pace Farms have been highly favourable.

## Heritage Management - Buildings

The collection of heritage buildings on our site play a significant role in keeping our convict history alive. Therefore conserving and maintaining our buildings for future generations is of paramount importance and works on our site are always carried out by professional tradesmen and artisans that respect our history.
The Homestead precinct is subject to heritage controls that require a Conservation Management Plan (CMP). The first one for the site was prepared in 1987 and since then has been revised in 1999 and then again in 2012/2013. The CMP was endorsed by the Heritage Office in 2014 and has continued to guide the conservation and development of the Tocal Homestead precinct. A guiding principle of the CMP is the Burra Charter. This is Australia’s major conservation convention and is complementary to the Venice Charter, the international Convention of monuments and sites. Burra Charter principles were incorporated into day to day decisions of the site. Where specific work is needed that is not covered by the plan, separate approval is gained from the Heritage Office of NSW. Local council approval is also sought where required.
The adaptive reuse of the hay shed which was converted into the Tocal Homestead Function Centre was selected by the NSW Heritage Council as an exemplar of best practice in heritage management. The opportunity to run non

heritage business activities such as wedding receptions allows the Homestead precinct to promote the site's history through this community access as well as provide an income stream for its ongoing maintenance. Other examples of conservation and preservation of buildings made possible through individual donors, bequests and grants have included the 2012 conversion of the former dairy building to a visitor reception centre and the 2017 opening of the restored Barracks building into a boutique accommodation destination.

## Tocal Alumni

In the last twelve months the Tocal Alumni have continued to be represented at Tocal College events such as Foundation Day, Graduation Day and Tocal Field Days.
The Tocal Alumni have also continued to sell merchandise (Alumni logo embroidered RM Williams vests) with sales steady and comparable to 2018. The community on social media such as Facebook has grown by 5.32% in the last twelve months (1,528 to 1,614 people) and the ex-student database 'Potentiality' also increasing in numbers, recording a total number of 1,224 members. Major projects for 2019 included the creation of a reunion policy, as these events become engrained in the Alumni curriculum as well as the development and discussion of Alumni awards (ongoing). Tocal Alumni continue to provide a quarterly newsletter to its members which entail Tocal College news.

## Student Support

Throughout the year the Foundation continued to provide a number of student educational opportunities. The Foundation promoted education into schools through management of funds on behalf of the Department of Primary Industry. The Foundation supported students in 2019 through various means in particular scholarships and the administration of the College prize fund investments.

In 2019 the following scholarships were granted;

- CB Alexander Foundation scholarship - recipient was Benjamin Gillett – Chittaway Bay
- Professor Stephen Powles scholarship to Mackinley Skinner - Aberglasslyn
- Jeff Stevenson Memorial to Ariel Hill - Bundook
- Hunt Family scholarship to Michael Manuel – Nelsons Plains
- Gardiner Family scholarship to Abbey Flinn – Lambs Valley
- George and Jenny Hammond to Tahlia Metcalf-Carroll - Quipolly
- Colin H Dunlop Memorial to Tahnee Gainsford - Mardi
- Tocal Alumni scholarship to Nicholas Stuckings – Duns Creek
- Bruce Urquhart Memorial scholarship to Bridget Pate - Wallerawang
- Rosemary Dunlop Memorial to Catherine Mitchell - Kootingal
- Gill Family scholarship to Philadelphia Coleman – Salt Ash
- Brooks Family scholarship to Isobel McDougall - Wingham
- HC White Memorial scholarship to;
    - Philadelphia Coleman – Salt Ash
    - Kareena Dawson - Armadale
    - Jasmin Evans - Huntington
    - Ariel Hill - Bundook
    - Courtney Knaggs - Dubbo
    - Jane Laurie - Lorne
    - Tahlia Metcalfe-Carroll - Quipolly
    - Karly Page - Medowie
    - Bridget Pate - Wallerawang
    - Jessica Pearce - Bellbird
    - Luke Richards - Horsley
    - Ebony Collier - Armidale
    - Jessica Hudson - Wingham

The Foundation administers the Jean Wilson Alexander Memorial Scholarship; a scholarship available to graduates of the College to pursue further education. It is for graduates who wish to study at universities, colleges, TAFE or to undertake travel or study tours. This year it was unclaimed.

## Appreciation

The Foundation would like to thank the many people associated with it for their assistance during the year, in particular;

- Patrick Gallagher, Manager Numeralla
- Tess Neilson, Homestead Coordinator
- Sandra Earle, Schools Coordinator
- Rennae Coleman, Barracks Coordinator
- All staff associated with the Foundations operations at Tocal Homestead and Numeralla
- Michael Cairney, Homestead Caretaker
- Tess Neilson, Alumni Officer
- Carol Cairney for Accounts Administration and preparation of this report
- Ruth Luckner for her IT support for our website www.tocal.com
- Friends of Tocal and volunteers for their ongoing support at Tocal Homestead
- Tocal College Students
- Sandra Ognibene and Allen from Firebug Photography for the photos supplied.

# INDEPENDENT AUDITOR'S REPORT

**CB Alexander Foundation**

To Members of the New South Wales Parliament

## Opinion

I have audited the accompanying financial statements of CB Alexander Foundation (the Foundation), which comprise the Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Summary of Significant Accounting Policies and other explanatory information, and the responsible person's declaration.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

My opinion should be read in conjunction with the rest of this report.

## Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Foundation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Other Information

The Foundation's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Foundation are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by Members of the CB Alexander Foundation.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Member's Responsibilities for the Financial Statements

The members of the Foundation are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the PF&A Act, and the *Australian Charities and Not-for-Profits Commission Act 2012*, and for such internal control as the members of the Foundation determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members of the Foundation are responsible for assessing the Foundation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

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

My opinion does *not* provide assurance:

- that the Foundation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Margaret Crawford
Auditor-General of New South Wales

23 January 2020
SYDNEY

## Statement by Members of the CB Alexander Foundation

Pursuant to section 41C (1B) of the *Public Finance and Audit Act, 1983* and in accordance with a resolution of the members of the CB Alexander Foundation, we declare on behalf of the Foundation that in our opinion:

1. The financial statements consisting of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements of the CB Alexander Foundation for the year ended 30 June 2019 exhibit a true and fair view of the financial position and transactions of the Foundation; and

2. The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act, 1983*, as amended, the Public Finance and Audit Regulation, 2015, the Australian Charities and Not-for-profits Commission Regulation 2013, Australian Accounting Standards (which includes Australian Accounting Interpretations) and with the Treasurer's Directions as they relate to the preparation of these statements.

Further, there are no circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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Chair
CB Alexander Foundation

.................................................................

Secretary
CB Alexander Foundation

24 December 2019

Dated

# Start of Audited Financial Statements

## Statement of Comprehensive Income

For the year ended 30 June 2019

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| **Continuing operations** | | | |
| **Expenses excluding losses** | | | |
| Employee benefits expenses | 2 (a) | 1,041,781 | 876,215 |
| Operating expenses | 2 (b) | 419,074 | 369,360 |
| Repairs and maintenance | 2 (b) | 238,096 | 184,819 |
| Depreciation and amortisation expenses | 2 (c) | 217,983 | 216,319 |
| Grants and subsidies | 2 (d) | 52,200 | 53,300 |
| Finance costs | 2 (e) | 95,663 | 99,192 |
| **Total expenses excluding losses** | | **2,064,797** | **1,799,205** |
| **Revenue** | | | |
| Sale of goods and services | 3 (a) | 1,096,262 | 1,144,445 |
| Investment revenue | 3 (b) | 322,191 | 262,031 |
| Grants and other contributions | 3 (c) | 390,744 | 233,917 |
| Other income | 3 (d) | 773 | 11,610 |
| **Total revenue** | | **1,809,970** | **1,652,003** |
| **Operating result** | | **(254,827)** | **(147,202)** |
| Gains / (losses) on disposal | 4 | (24,102) | 961,013 |
| **Net result from continuing operations** | | **(278,929)** | **813,811** |
| **Net result** | | **(278,929)** | **813,811** |
| **Other comprehensive income** | | | |
| *Items that will not be reclassified to net result in subsequent periods* | | | |
| Changes in revaluation surplus of property, plant and equipment | | 3,014,006 | - |
| Net gains / (losses) on equity instruments at fair value through other comprehensive income | | 360,141 | - |
| *Items that may be reclassified to net result in subsequent periods* | | | |
| Available-for-sale financial assets | | | |
| - Net gains / (losses) during the period | | - | 261,192 |
| - Reclassified to net result | | - | (669,796) |
| **Total other comprehensive income** | | **3,374,147** | **(408,604)** |
| **TOTAL COMPREHENSIVE INCOME** | | **3,095,218** | **405,207** |

# Statement of Financial Position

As at 30 June 2019

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 5 | 511,021 | 2,179,633 |
| Receivables | 6 | 168,152 | 328,753 |
| **TOTAL CURRENT ASSETS** | | **679,173** | **2,508,386** |
| **NON-CURRENT ASSETS** | | | |
| Financial assets at fair value | 7,8 | 8,760,617 | 6,991,385 |
| Property, plant and equipment | | | |
| - Land and buildings | | 24,642,419 | 21,274,632 |
| - Plant and equipment | | 334,010 | 343,011 |
| - Infrastructure systems | | 628,226 | 911,469 |
| - Jewellery and artefacts | | 176,935 | 176,935 |
| Total property, plant and equipment | 9,10 | 25,781,590 | 22,706,047 |
| **TOTAL NON-CURRENT ASSETS** | | **34,542,207** | **29,697,432** |
| **TOTAL ASSETS** | | **35,221,380** | **32,205,818** |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Payables | 11 | 310,391 | 280,028 |
| Borrowings | 12 | 90,000 | 90,000 |
| Provisions | 13 | 51,492 | 71,511 |
| **TOTAL CURRENT LIABILITIES** | | **451,883** | **441,539** |
| **NON-CURRENT LIABILITIES** | | | |
| Borrowings | 12,14 | 1,580,000 | 1,670,000 |
| **TOTAL NON-CURRENT LIABILITIES** | | **1,580,000** | **1,670,000** |
| **TOTAL LIABILITIES** | | **2,031,883** | **2,111,539** |
| **NET ASSETS** | | **33,189,497** | **30,094,279** |
| **EQUITY** | | | |
| Reserves | 15 | 16,973,081 | 13,598,934 |
| Accumulated funds | 15 | 16,216,416 | 16,495,345 |
| **TOTAL EQUITY** | | **33,189,497** | **30,094,279** |

## Statement of Changes in Equity

For the year ended 30 June 2019

| | Note | Retained Earnings | Asset Revaluation Reserve | Financial Assets at FVOCI Reserve | Financial Assets Available-for-sale Reserve | Total |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| **Balance at 1 July 2017** | | 15,681,534 | 13,306,176 | | 701,362 | 29,689,072 |
| Profit for the period | | 813,811 | | | | 813,811 |
| Available-for-sale financial assets: | | | | | | |
| - Net gains during the period | | | | | 261,192 | 261,192 |
| - Reclassified to net result | | | | | (669,796) | (669,796) |
| **Total comprehensive income for the year** | | 813,811 | | | (408,604) | 405,207 |
| **Balance at 30 June 2018** | | 16,495,345 | 13,306,176 | | 292,758 | 30,094,279 |
| **Balance at 1 July 2018** | | 16,495,345 | 13,306,176 | | 292,758 | 30,094,279 |
| Reclassification of financial assets | | | | 292,758 | (292,758) | |
| **Restated balance at 1 July 2018** | | 16,495,345 | 13,306,176 | 292,758 | - | 30,094,279 |
| **Comprehensive income** | | | | | | |
| Loss for the period | | (278,929) | | | | (278,929) |
| Revaluation of property, plant and equipment | | | 3,014,006 | | | 3,014,006 |
| Net gains / (losses) on equity instruments at fair value through other comprehensive income | | | | 360,141 | | 360,141 |
| **Total comprehensive income for the year** | | (278,929) | 3,014,006 | 360,141 | - | 3,095,218 |
| **Balance at 30 June 2019** | | 16,216,416 | 16,320,182 | 652,899 | - | 33,189,497 |

# Statement of Cash Flows

For the year ended 30 June 2019

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| **Payments** | | | |
| Employee related | | (858,775) | (686,270) |
| Suppliers for goods and services | | (601,484) | (525,906) |
| Grants and subsidies | | (52,200) | (44,300) |
| Finance costs | | (97,050) | (99,433) |
| GST paid | | (130,265) | (112,090) |
| **Total Payments** | | (1,739,774) | (1,467,999) |
| **Receipts** | | | |
| Sale of goods and services | | 1,119,409 | 1,141,264 |
| Interest received | | 22,796 | 45,646 |
| Dividends and trust distributions received | | 283,595 | 246,666 |
| Grants and other contributions | | 308,051 | 47,178 |
| Other | | 160,632 | 172,707 |
| **Total Receipts** | | 1,894,483 | 1,653,461 |
| **Net cash provided by operating activities** | 16 | 154,709 | 185,462 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Proceeds from sale of land and buildings, plant and equipment and infrastructure systems | | - | 3,636 |
| Proceeds from sale of investments | | 852,965 | 5,420,755 |
| Purchase of land and buildings, plant and equipment and infrastructure systems | | (279,520) | (239,795) |
| Purchase of financial assets | | (2,306,766) | (7,133,432) |
| **Net cash used in investing activities** | | (1,733,321) | (1,948,836) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Repayments of borrowings and advances | | (90,000) | (90,000) |
| **Net cash used in financing activities** | | (90,000) | (90,000) |
| **Net decrease in cash and cash equivalents held** | | (1,668,612) | (1,853,374) |
| Opening cash and cash equivalents | 5 | 2,179,633 | 4,033,007 |
| **Closing cash and cash equivalents** | 5 | 511,021 | 2,179,633 |

## Note 1: Summary of Significant Accounting Policies

### *(a)* Reporting entity

The CB Alexander Foundation (the entity) is a NSW statutory authority created under the CB Alexander Foundation Incorporation Act 1969. The entity is a not-for-profit entity (as profit is not its principal objective).

These financial statements for the year ended 30 June 2019 have been authorised for issue by the CB Alexander Foundation on 6 November 2019.

### *(b)* Basis of Preparation

The entity's financial statements are general purpose financial statements which have been prepared on an accruals basis and in accordance with:

* applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations);
* the requirements of the Public Finance and Audit Act 1983 (the Act) and Public Finance and Audit Regulation 2015;
* The Australian Charities and Not-for-profits Commission Act 2012 and Regulations; and
* Treasurer's directions issued under the Act.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale, financial assets at 'fair value through profit or loss' and available-for-sale financial assets are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

### *(c)* Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### *(d)* Income Tax

The entity is exempt from Income Tax purposes under Subdivision 50B of the Income Tax Assessment Act of 1997.

### *(e)* Accounting for the Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

* amount of GST incurred by the entity as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
* receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### *(f)* Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

### *(g)* Changes in accounting policies, including new or revised AAS

(i) Effective for the first time in 2018 - 19

The accounting policies applied in 2018 -19 are consistent with those of the previous financial year except as a result of the following new or revised AAS that have been applied for the first time:

The entity has adopted AASB 9 *Financial Instruments* (AASB 9), which resulted in changes in accounting policies in respect of recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. AASB 9 also significantly amends other standards dealing with financial instruments such as the revised AASB 7 *Financial Instruments: Disclosures* (AASB 7R).

The entity applied AASB 9 retrospectively but has not restated the comparative information which is reported under AASB 139 *Financial Instruments: Recognition and Measurement* (AASB 139). Any differences arising from the adoption of AASB 9 have been recognised directly in accumulated funds and other components of equity. The entity applies the hedge accounting requirements of AASB 9 prospectively.

a) Classification and measurement of financial instruments
On 1 July 2018 (the date of initial application of AASB 9), the entity's management has assessed which business models apply to the financial assets held by the entity and has classified its financial instruments into the appropriate AASB 9 categories. The main effects resulting from this reclassification are as follows:

| | Notes | FVPL | FVOCI (AFS) $ | Loans and receivable (L&R) |
|---|---|---|---|---|
| **Closing balance 30 June 2018 – AASB 139** | | | 6,991,385 | |
| Reclassify securities from available for-sale (AFS) to FVOCI* | | | | |
| **Opening balance 1 July 2018 – AASB 9** | 7 | | 6,991,385 | |

* The closing balances as at 30 June 2018 show available-for-sale (AFS) financial assets under FVOCI. These reclassifications have no impact on the measurement categories.

The impact of transition to AASB 9 on reserves and accumulated funds is, as follows:

| | Notes | Effect on AFS Reserve | Effect on FVOCI Reserve | Total Change in Equity |
|---|---|---|---|---|
| **Closing balance 30 June 2018 – AASB 139** | | 292,758 | | |
| Reclassification adjustments in relation to adopting AASB 9 | | (292,758) | 292,758 | - |
| **Total impact** | | - | 292,758 | - |
| **Opening balance 1 July 2018 – AASB 9** | | - | 292,758 | - |

The nature of the above adjustments are described below:
Under AASB 9, subsequent measurement of debt financial assets is based on assessing the contractual cash flow characteristics of the debt instrument and the entity's business model for managing the instrument.

The assessment of the entity's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the entity. The entity continued measuring at fair value, all financial assets previously held at fair value under AASB 139.

The following are the changes in the classification of the entity's financial assets:

- Trade receivables and other financial assets (i.e., term deposits) classified as 'Loans and receivables' under AASB 139 as at 30 June 2018 are held to collect contractual cash flows representing solely payments of principal and interest. At 1 July 2018, these are classified and measured as debt instruments at amortised cost.
- The entity has not designated any financial liabilities at fair value through profit or loss. There are no changes in the classification and measurement for the entity's financial liabilities.

In summary, upon the adoption of AASB 9, the entity had the following required or elected reclassifications as at 1 July 2018:

| | **Measurement category** | |
|---|---|---|
| | **AASB 139** | **AASB 9** |
| Trade receivables | L & R | Amortised cost |
| Financial assets at fair value | AFS | FVOCI |

The reclassification has no impact on the carrying amount of trade receivables.

b) Impairment

The adoption of AASB 9 has changed the entity's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. There is no material impact to the entity on adopting the new impairment model.

ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS, unless Treasury determines otherwise.

The following new AAS have not been applied and are not yet effective:

AASB 15, AASB 2014-5, AASB 2015-8 and 2016-3 regarding Revenue from Contracts with Customers

AASB 16 Leases

AASB 1058 Income of Not-for-profit Entities

AASB 2016-8 Amendments to Australian Accounting Standards Australian Implementation Guidance for Not-for-Profit Entities

AASB 2017-6 Amendments to Australian Accounting Standards Prepayment Features with Negative Compensation

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

It is considered that the adoption of these standards and interpretations in future periods will have no material financial impact on the financial statements of the entity.

## Note 2: Expenses Excluding Losses

| | 2019 $ | 2018 $ |
|---|---|---|
| (a) EMPLOYEE RELATED EXPENSES | | |
| Salaries and wages (including annual leave) | 736,068 | 622,384 |
| Departmental salaries | 197,835 | 159,739 |
| Superannuation – defined contribution plans | 69,697 | 54,597 |
| Provision for employee entitlements | 27,825 | 29,879 |
| Workers' compensation insurance | 10,356 | 9,616 |
| TOTAL | 1,041,781 | 876,215 |
| (b) OPERATING EXPENSES | | |
| Operating expenses include the following: | | |
| Auditor's remuneration | | |
| - audit of the financial statements | 20,400 | 19,885 |
| Cost of sales | 4,785 | 5,897 |
| Operating lease rental expense – minimum lease payments | 2,834 | 5,920 |
| Insurance | 34,513 | 36,020 |
| Catering | 11,233 | 22,819 |
| Consultants | 33,978 | 22,508 |
| Contracted services | 73,413 | 60,922 |
| Utilities | 111,793 | 82,909 |
| Overseas tour groups | 28,971 | 18,606 |
| Fuel and oil supplies | 6,554 | 6,956 |
| Minor equipment | 3,872 | 3,251 |
| Motor vehicle expenses | 2,291 | 3,865 |
| Other expenses | 84,437 | 79,802 |
| TOTAL | 419,074 | 369,360 |
| REPAIRS AND MAINTENANCE | | |
| Maintenance expense | 238,096 | 184,819 |
| TOTAL | 238,096 | 184,819 |

**Recognition and Measurement**

***Maintenance expense***

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

***Insurance***

The entity's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

***Operating leases***

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

## Note 2: Expenses Excluding Losses

| | 2019 $ | 2018 $ |
|---|---|---|
| (c) DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation | | |
| - Land and buildings | 140,014 | 140,663 |
| - Plant and equipment | 39,296 | 32,741 |
| - Infrastructure systems | 38,673 | 42,915 |
| TOTAL | 217,983 | 216,319 |

Refer to Note 9 for recognition and measurement policies on depreciation.

| | 2019 $ | 2018 $ |
|---|---|---|
| (d) GRANTS AND SUBSIDIES | | |
| General Grant expenses | 7,300 | - |
| Scholarships | 44,900 | 53,300 |
| TOTAL | 52,200 | 53,000 |
| (e) FINANCE COSTS | | |
| Bank charges | 2,684 | 2,882 |
| Interest expense from borrowings | 92,980 | 96,311 |
| TOTAL | 95,663 | 99,192 |

**Recognition and Measurement**

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

## Note 3: Revenue and Other Income

| | 2019 $ | 2018 $ |
|---|---|---|
| (a) SALE OF GOODS AND SERVICES REVENUE | | |
| SALES REVENUE | | |
| Sale of eggs and litter income | 716,877 | 763,856 |
| Sale of Alumni merchandise | 2,364 | 3,727 |
| Sale of publications and souvenirs | 2,878 | 1,860 |
| Tours, open days and wedding income | 360,923 | 357,583 |
| Labour hire income | 13,221 | 17,419 |
| TOTAL SALE OF GOODS AND SERVICES REVENUE | 1,096,262 | 1,144,445 |

**Recognition and Measurement**

***Sale of goods***
Revenue from the sale of goods and services is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods. No interest is earned on trade debtors.

## Note 3: Revenue and Other Income

The CB Alexander Foundation holds a contract to produce free range eggs on its Numeralla property. Income from this operation is derived through the payment of a fee for the production of premium and product eggs. Premium eggs are greater than 43 grams and product eggs are less than 43 grams and include cracked and dirty eggs after grading. The contract sets out owner and contractor obligations under the agreement.

***Rendering of services***
Revenue from rendering of services is recognised when the service is provided.

(b) INVESTMENT REVENUE

| | 2019 $ | 2018 $ |
|---|---|---|
| Interest income | 19,663 | 42,325 |
| Rental income | 32,114 | 40,042 |
| Dividend income | 114,563 | 95,660 |
| Managed fund distributions | 155,851 | 84,004 |
| TOTAL INVESTMENT REVENUE | 322,191 | 262,031 |

**Recognition and Measurement**
***Interest income***
Interest income is recognised using the effective interest rate method to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For assets that become credit impaired the effective interest rate is applied to the amortised cost of the financial asset (ie after deducting the loss allowance for expected credit losses).

***Rental income***
Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

***Dividend income***
All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

(c) GRANTS AND OTHER CONTRIBUTIONS

| | 2019 $ | 2018 $ |
|---|---|---|
| Industry: | | |
| Tocal Homestead Maintenance | 27,000 | 27,000 |
| Staff contribution to Foundation | 197,835 | 159,739 |
| Building Fund Donations | 1,017 | 1,428 |
| Scholarship Payments by donors | 21,350 | 20,750 |
| Other government grants | 143,542 | 25,000 |
| TOTAL GRANTS AND OTHER CONTRIBUTIONS | 390,744 | 233,917 |

**Recognition and Measurement**
Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

Contributions are recognised at their fair value. Contributions of services are recognized when and only when a fair value of those services can be reliably determined and the services would be purchased if no donated.

## Note 3: Revenue and Other Income

| | 2019 $ | 2018 $ |
|---|---|---|

***Buildings and Maintenance***
An allocation of $27,000 (Last Year : $27,000) was made by State Treasury to Department of Industry during the financial year. This allocation was expended by the Department on essential care and maintenance of the Tocal Homestead.

***Staff and Students***
The services of students and staff to the entity's enterprises are an integral part of the Tocal College and as such it is difficult to accurately determine cost the Department of Industry's input to the entity's operations.

The Charter of the Foundation as contained within the C B Alexander Foundation Incorporation Act 1969 is aimed essentially towards assisting the College with the provision of practical training and education at the College by use of its facilities.

The assessed input of Department of Industry to the entity is calculated to be approximately $197,835 (Last Year : $159,739).

(d) OTHER INCOME

| | 2019 | 2018 |
|---|---|---|
| Insurance claim | 638 | 11,606 |
| Other minor income | 135 | 4 |
| TOTAL OTHER INCOME | 773 | 11,610 |

## Note 4: Gains / (Losses) on Disposal

| | 2019 $ | 2018 $ |
|---|---|---|
| Net gain/(loss) on financial assets | (24,102) | 957,685 |
| Sale of assets | - | 3,328 |
| TOTAL GAINS / (LOSSES) ON DISPOSAL | (24,102) | 961,013 |

## Note 5: Cash and Cash Equivalents

| | | Note | 2019 | 2018 |
|---|---|---|---|---|
| Cash on hand | - petty cash | | 750 | 750 |
| Cash at bank | - building fund | | 4,008 | 506 |
| Cash at bank | - working accounts | | 231,544 | 71,553 |
| Cash at bank | - barracks project account | | - | 24,055 |
| | | | 236,302 | 96,864 |
| Restricted assets | | 8 | 274,719 | 2,082,769 |
| TOTAL CASH AND CASH EQUIVALENTS | | | 511,021 | 2,179,633 |

For the purposes of the statement of Cash Flows, cash and cash equivalents include cash on hand, short-term deposits with original maturities of three months or less, and net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

RECONCILIATION OF CASH AND CASH EQUIVALENTS
Cash and cash equivalents 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:

| | 2019 | 2018 |
|---|---|---|
| Cash and cash equivalents | 511,021 | 2,179,633 |
| | 511,021 | 2,179,633 |

Refer Note 14 for details regarding credit risk and market risk arising from financial instruments.

## Note 6: Receivables

| | 2019 $ | 2018 $ |
|---|---|---|
| CURRENT | | |
| Sale of goods and services | 164,556 | 322,931 |
| Accrued income | 3,596 | 5,822 |
| TOTAL CURRENT | 168,152 | 328,753 |

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 14.

**Recognition and Measurement**
All 'regular way' purchases or sales of other financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of other financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

***Subsequent measurement under AASB 9 (from 1 July 2018)***
The entity holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

**Subsequent measurement under AASB 139 (for comparative period ended 30 June 2018)**
Subsequent measurement is at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

**Impairment under AASB 9 (from 1 July 2018)**
The entity recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, the entity applies a simplified approach in calculating ECLs. The entity recognises a loss allowance based on lifetime ECLs at each reporting date.

Impairment under AASB 139 (for comparative period ended 30 June 2018)
Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The entity first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised. Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

## Note 7: Financial Assets at Fair Value

| | 2019 $ | 2018 $ |
|---|---|---|
| NON-CURRENT | | |
| Investment in equity shares | | |
| - Shares in listed companies | 2,280,903 | 2,082,518 |
| - Managed funds | 6,479,714 | 4,908,867 |
| TOTAL NON-CURRENT | 8,760,617 | 6,991,385 |

Refer to Note 14 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

**Recognition and Measurement**
All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

***Classification and measurement under AASB 9 (from 1 July 2018)***
The entity's financial assets at fair value are classified, at initial recognition, as subsequently measured at either fair value through other comprehensive income or fair value through profit or loss.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in net results. Transaction costs of financial assets carried at other comprehensive income are included as part of their fair value and amortised to net results using the effective interest method.

***Financial assets at fair value through other comprehensive income***
The entity measures financial assets at fair value through other comprehensive income when they are held for both collection of contractual cash flows and for selling the financial assets, and where the assets' cash flows represent solely payments of principal and interest.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in net results. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to net results and recognised in other gains/(losses).

Interest income from these financial assets is included in investment revenue using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

Dividends are recognised as income under 'investment revenue' when the right of payment has been established

***Classification and measurement under AASB 139 (for comparative period ended 30 June 2018)***
The entity classified its financial assets as available-for-sale financial assets. The classification was based on the purpose of acquiring such financial assets.

## Note 7: Financial Assets at Fair Value

***Available-for-sale financial assets***
Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Other financial assets that do not fall into any other category are accounted for as available-for-sale financial assets and are initially measured at fair value plus transaction costs and subsequently measured at fair value. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Gains or losses on available-for-sale financial assets are recognised in other comprehensive income until disposed or impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in the net result for the year. However, interest calculated using the effective interest method and dividends are recognised in the net result for the year.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

***Impairment***
***Impairment of financial assets at fair value through other comprehensive income under AASB 9 from 1 July 2018***
The entity recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). In addition, the entity considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The entity's debt financial assets classified as financial assets at fair value through other comprehensive income are issued by financial institutions that have strong credit ratings and therefore considered to be low credit risk investments. Hence, the entity measures the loss allowance for these debt financial assets at an amount equal to 12-month ECL. However, when there is a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The entity uses the ratings from external credit rating agencies both to determine whether there has been a significant increase in credit risk on the debt financial assets and to estimate ECLs. These estimates are performed at every reporting date.

Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

***Impairment of available-for-sale financial assets under AASB 139 (for the comparative period ended 30 June 2018)***

Available-for-sale financial assets are subject to an annual review for impairment.

In the case of debt instruments classified as available-for-sale financial assets, these are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The amount of the cumulative loss is reclassified from equity to the net result as a reclassification adjustment, measured as the difference between the acquisition cost and current fair value, less any impairment loss previously recognised in the net result.

## Note 7: Financial Assets at Fair Value

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases, the previously recognised cumulative impairment loss is adjusted. If a write-off is later recovered, the recovery is recorded in the net result.

In the case of equity investments classified as available-for-sale financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the net result is removed from other comprehensive income and recognised in the net result. Impairment losses on equity investments are not reversed through the net result; increases in their fair value after impairment are recognised in other comprehensive income.

## Note 8: Restricted Assets

The entity's financial statements include cash assets, accrued income and financial assets at fair value which is restricted by externally imposed conditions. The assets are only available for application in accordance with the terms of the donor restrictions.

| | 2019<br>$ | 2018<br>$ |
|---|---|---|
| **Restricted assets comprise** | | |
| Cash and cash equivalents | 274,719 | 2,082,769 |
| Accrued income: | | |
| - proceeds on disposal of investments | 38,090 | 21,014 |
| - interest | - | 3,133 |
| - dividends and trust distributions | 33,561 | 25,729 |
| Financial assets at fair value | 8,760,617 | 6,991,385 |
| Less: unpaid scholarships | (14,150) | (15,000) |
| settlement of listed shares acquired | (17,482) | - |
| TOTAL | 9,075,355 | 9,109,030 |
| **Movement in carrying amount of restricted assets** | | |
| Opening Balance | 9,109,030 | 8,656,748 |
| **Changes in equity:** | | |
| New donations - trust accounts (Note 3 (c)) | 20,450 | 20,750 |
| Interest received | 12,323 | 41,855 |
| Dividends and trust distributions received | 251,880 | 179,664 |
| Direct investment expenses | (43,177) | (34,761) |
| Scholarships paid (Note 2 (d)) | (69,913) | (53,300) |
| McLachlan bequest funds expended | (541,277) | (251,097) |
| Net capital gain / (loss) on disposal of investments (Note 4) | (24,102) | 957,685 |
| Movement in market value of investments | 360,141 | (408,604) |
| **Total changes in restricted assets** | (33,675) | 452,283 |
| **Total restricted assets at year end** | 9,075,355 | 9,109,030 |

In September 2015 the CB Alexander Foundation was notified of a significant bequest from the late Miss Daphne McLachlan. The total bequest of $6,697,975 valued at the date of the transfer 20 May 2016 comprised listed company shares and cash.

## Note 8: Restricted Assets

Under the terms of Miss McLachlan's will this bequest is to be used "for the primary purpose of training students at Tocal Agricultural College (or such other institution as shall succeed Tocal College if Tocal College should change its name) with the object of improving land pastures and stock particularly sheep and beef cattle and secondly for the general purposes of the College".

During 2017 the Board of the CB Alexander Foundation approved outsourcing the management of this bequest with oversight by a committee appointed by the Board. A tender process was used to select Macquarie Investment Management Limited to manage the bequest funds and terms of reference were developed to guide the committee. The new arrangements commenced in July 2017.

| | 2019 $ | 2018 $ |
|---|---|---|
| SUMMARY | | |
| McLachlan bequest | 8,164,101 | 8,249,597 |
| Scholarship prize funds | 911,254 | 859,433 |
| TOTAL | 9,075,355 | 9,109,030 |

## Note 9: Property, Plant and Equipment

| | Land and Buildings | Plant and Equipment | Infrastructure Systems | Jewellery and Artefacts | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **At 1 July 2018 - fair value** | | | | | |
| Gross carrying amount | 21,747,355 | 567,766 | 1,068,152 | 176,935 | 23,560,208 |
| Accumulated depreciation and impairment | (472,723) | (224,755) | (156,683) | - | (854,161) |
| Net carrying amount | 21,274,632 | 343,011 | 911,469 | 176,935 | 22,706,047 |
| **At 30 June 2019 - fair value** | | | | | |
| Gross carrying amount | 24,676,375 | 596,958 | 636,210 | 176,935 | 26,086,478 |
| Accumulated depreciation and impairment | (33,956) | (262,948) | (7,984) | - | (304,888) |
| Net carrying amount | 24,642,419 | 334,010 | 628,226 | 176,935 | 25,781,590 |

**Reconciliation**

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

| | Land and Buildings | Plant and Equipment | Infrastructure Systems | Jewellery and Artefacts | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Year ended 30 June 2019** | | | | | |
| Net carrying amount at beginning of year | 21,274,632 | 343,011 | 911,469 | 176,935 | 22,706,047 |
| Additions | 245,263 | 33,047 | 1,210 | - | 279,520 |
| Transfers | 2,752 | (2,752) | - | - | - |
| Revaluation increments/ (decrements) | 3,259,786 | - | (245,780) | - | 3,014,006 |
| Depreciation expense | (140,014) | (39,296) | (38,673) | | (217,983) |
| Net carrying amount at end of year | 24,642,419 | 334,010 | 628,226 | 176,935 | 25,781,590 |

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 10.

| | Land and Buildings | Plant and Equipment | Infrastructure Systems | Jewellery and Artefacts | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **At 1 July 2017 - fair value** | | | | | |
| Gross carrying amount | 21,738,115 | 402,893 | 1,032,470 | 176,935 | 23,350,413 |
| Accumulated depreciation and impairment | (332,060) | (221,706) | (113,768) | - | (667,534) |
| Net carrying amount | 21,406,055 | 181,187 | 918,702 | 176,935 | 22,682,879 |
| **At 30 June 2018 - fair value** | | | | | |
| Gross carrying amount | 21,747,355 | 567,766 | 1,068,152 | 176,935 | 23,560,208 |
| Accumulated depreciation and impairment | (472,723) | (224,755) | (156,683) | - | (854,161) |
| Net carrying amount | 21,274,632 | 343,011 | 911,469 | 176,935 | 22,706,047 |

## Note 9: Property, Plant and Equipment

**Reconciliation**
A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

| | Land and Buildings | Plant and Equipment | Infrastructure Systems | Jewellery and Artefacts | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Year ended 30 June 2018** | | | | | |
| Net carrying amount at beginning of year | 21,406,055 | 181,187 | 918,702 | 176,935 | 22,682,879 |
| Additions | 9,240 | 194,873 | 35,682 | - | 239,795 |
| Disposals | - | (308) | - | - | (308) |
| Depreciation expense | (140,663) | (32,741) | (42,915) | - | (216,319) |
| Net carrying amount at end of year | 21,274,632 | 343,011 | 911,469 | 176,935 | 22,706,047 |

**Recognition and Measurement**

***Acquisition of property, plant and equipment***
Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition. Plant and equipment acquired upon the purchase of the Numeralla property was valued by the CB Alexander Foundation based on estimated useful remaining life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Plant and equipment acquired with Tocal Homestead is regarded primarily as having an historic value and is being used as exhibits for public display as they are restored, valued and catalogued. A separate insurance policy exists for contents, plant and artefacts.

***Daly Kidd Cottage***
Work on restoration of the Daly Kidd Cottage was completed in May 2017. Work included interior fitout, installation of bathroom and kitchen, completion of back verandah and steps and completion of basement / garage. The cottage has been refurbished to house the Homestead Caretakers and the Caretakers now occupy this dwelling.

An independent rental valuation was undertaken to obtain a value for rent for the Caretakers.

***Capitalisation thresholds***
Property, plant and equipment and intangible assets costing $5,000 and above individually (or forming part of a network costing more than $5,000) are capitalised. All other repairs and maintenance are charged to the statement of profit or loss & other comprehensive income during the financial period in which they are incurred.

## Note 9: Property, Plant and Equipment

***Major inspection costs***
When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

***Restoration costs***
The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

***Depreciation of property, plant and equipment***
Except for certain non-depreciable assets, depreciation is provided for on a straight-line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to the entity.

All material identifiable components of assets are depreciated separately over their useful lives.

Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings such as the Homestead may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation rates used for each class of depreciable assets are:

| **Class of Fixed Asset** | **Depreciation Rate** |
|---|---|
| Buildings | 0% - 2.5% |
| Plant and equipment | 10% - 33.33% |
| Infrastructure | 2.5% - 10% |

***Revaluation of property, plant and equipment***
Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy. This policy adopts fair value in accordance with AASB 13, AASB 116 and AASB 140 Investment Property.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on a market participants' perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer to Note 11 for further information regarding fair value.

Revaluations shall be made with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from its fair value at reporting date. The entity conducts a comprehensive revaluation at least every five years for its land and buildings (except infrastructure and land under infrastructure) where the market or income approach is the most appropriate valuation technique and at least every five years for other classes of property, plant and equipment.

The land valuation dated 30 June 2019 was undertaken by Preston Rowe Paterson in accordance with the Department of Industry revaluation policy.

The buildings and infrastructure valuation report dated 31 March 2019 was prepared for NSW Department of Industry by Azurium Real Estate.

Revaluation of furniture and artefacts was undertaken during 2017 by the relevant experts. Jewellery and artefacts were valued by Ann Newman, Hunter Region Valuation Services and furniture was valued by Swan Murray and Hain. Both valuations were completed by 30 June 2017.

## Note 9: Property, Plant and Equipment

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For other assets valued using other valuation techniques, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are recognised in other comprehensive income and credited to revaluation surplus in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation surplus on the same class of assets, in which case, the decrement is debited directly to the revaluation surplus.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Where an asset that has previously been revalued is disposed of, any balance remaining in the revaluation surplus in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

***Impairment of property, plant and equipment***

As a not-for-profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in rare circumstances such as where the costs of disposal are material.

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

## Note 10: Fair value measurement of non-financial assets

**Fair value measurement and hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

* Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
* Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
* Level 3 - inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

| (a) **Fair value hierarchy** | **2019 Level 1** | **Level 2** | **Level 3** | **Total fair value** |
|---|---|---|---|---|
| Property, plant and equipment (Note 9): | | | | |
| - Land and buildings | | | 24,642,419 | 24,642,419 |
| - Plant and equipment | | | 334,010 | 334,010 |
| - Infrastructure systems | | | 628,226 | 628,226 |
| - Jewellery and artefacts | | | 176,935 | 176,935 |
| Financial Assets at Fair Value (Note 7): | | | | |
| Managed funds at fair value | 6,479,714 | | | 6,479,714 |
| Shares in listed companies at fair value | 2,280,903 | | | 2,280,903 |
| | 8,760,617 | | 25,781,590 | 34,542,207 |

| | **2018 Level 1** | **Level 2** | **Level 3** | **Total fair value** |
|---|---|---|---|---|
| Property, plant and equipment (Note 9): | | | | |
| - Land and buildings | | | 21,274,632 | 21,274,632 |
| - Plant and equipment | | | 343,011 | 343,011 |
| - Infrastructure systems | | | 911,469 | 911,469 |
| - Jewellery and artefacts | | | 176,935 | 176,935 |
| Available-for-sale financial assets (Note 7): | | | | |
| Managed funds at fair value | 4,908,867 | | | 4,908,867 |
| Shares in listed companies at fair value | 2,082,518 | | | 2,082,518 |
| | 6,991,385 | | 22,706,047 | 26,697,432 |

There were no transfers between Level 1 or 2 during the periods.

**(b) Valuation techniques, inputs and processes**

**Land**

Land is valued at fair value having regard to current use.

The subject land has been valued using the direct comparison approach. A rate per hectare of land has been deduced from market sales. These rates have then been directly compared to the subject property having regard to matters such as heritage restrictions, zoning, location, topography, aspect, frontage, size, shape, date of contract execution and current market sentiment.

## Note 10: Fair value measurement of non-financial assets

**Buildings**
Where current market buying prices cannot be observed, an asset's fair value is best measured by its depreciated replacement cost. Given the specialised nature of the Tocal Homestead and Numeralla improvements, this is considered the appropriate method of valuation. Specialised properties are valued at written down replacement cost, assuming a modern technical equivalent asset.
The only exception to this rule is when valuing Heritage buildings. These buildings have to be replicated according to their heritage characteristics with replacement costs higher in comparison to a modern equivalent building.

Please refer to Note 9 for further information.

**(c) Reconciliation of recurring Level 3 fair value measurements**

| | Property, plant and equipment | Total Recurring Level 3 Fairvalue |
|---|---|---|
| Fair value as at 1 July 2018 | 22,706,047 | 22,706,047 |
| Additions | 279,520 | 279,520 |
| Revaluation increments | 3,014,006 | 3,014,006 |
| Depreciation expense | (217,983) | (217,983) |
| **Fair value as at 30 June 2019** | 25,781,590 | 25,781,590 |

| | Property, plant and equipment | Total Recurring Level 3 Fairvalue |
|---|---|---|
| Fair value as at 1 July 2017 | 22,682,879 | 22,682,879 |
| Additions | 239,795 | 239,795 |
| Disposals | (308) | (308) |
| Depreciation expense | (216,319) | (216,319) |
| **Fair value as at 30 June 2018** | 22,706,047 | 22,706,047 |

## Note 11: Current Liabilities - Payables

| | 2019 $ | 2018 $ |
|---|---|---|
| CURRENT | | |
| Trade creditors | 37,907 | 15,064 |
| Payroll liabilities | 28,665 | 25,996 |
| GST payable | 24,191 | 44,653 |
| Accrued salaries, wages and on-costs | 11,285 | 8,765 |
| Other accrued expenses | 21,891 | 45,551 |
| Income in advance | 186,452 | 140,000 |
| TOTAL CURRENT | 310,391 | 280,028 |

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 14.

**Recognition and measurement**
Payables represent liabilities for goods and services provided to the entity and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised net result when the liabilities are derecognised as well as through the amortisation process.

## Note 12: Current/Non-Current Liabilities - Borrowings

| | 2019 $ | 2018 $ |
|---|---|---|
| CURRENT | | |
| Commercial loan - secured | 90,000 | 90,000 |
| TOTAL CURRENT | 90,000 | 90,000 |
| NON-CURRENT | | |
| Commercial loan - secured | 1,580,000 | 1,670,000 |
| TOTAL NON-CURRENT | 1,580,000 | 1,670,000 |
| TOTAL | 1,670,000 | 1,760,000 |

In order to finance the transition from Broiler growing to Free Range Eggs a flexible loan facility of $2,000,000 was secured through the National Australia Bank. In accordance with the CB Alexander Foundation Act to secure the loan, the Foundation was required to seek and obtained the NSW Governor's consent to register a mortgage over the entity's properties known as 'Numeralla' and 'Clements Farm'. These properties are represented as Lot 171, DP610453 and Lot 8, 975697 respectively.

The carrying amounts/fair values of the properties pledged as security is as follows:

| | |
|---|---|
| Numeralla & Clements Farm | $2,705,000 |

Details regarding liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 14.

**Recognition and measurement**

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Finance lease liabilities are determined in accordance with AASB 117.

Changes in liabilities arising from financing activities:

| | 1 July 2018 | Cash flows | 30 June 2019 |
|---|---|---|---|
| Commercial loan - secured | 1,760,000 | (90,000) | 1,670,000 |
| TOTAL | 1,760,000 | (90,000) | 1,670,000 |

## Note 13: Current Liabilities

| | 2019 $ | 2018 $ |
|---|---|---|
| CURRENT – PROVISIONS | | |
| Provision for Annual Leave | 20,716 | 38,256 |
| Provision for Long Service Leave | 30,776 | 33,255 |
| TOTAL CURRENT LIABILITIES | 51,492 | 71,511 |

**Recognition and Measurement**

***Employee benefits and related on-costs***

***Salaries and wages, annual leave and sick leave***
Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The entity has assessed the actuarial advice based on the entity's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

***Long service leave and superannuation***
Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

***Consequential on-costs***
Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

## Note 14: Financial Instruments

The entity's principal financial instruments are outlined below. These financial instruments arise directly from the entity's operations or are required to finance the entity's operations. The entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The entity's main risks arising from financial instruments are outlined below, together with the entity's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

A finance committee consisting of committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.
The committee's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the entity. Risk management policies are approved and reviewed by the entity on a regular basis. These include credit risk policies and future cash flow requirements.

### a) Financial instrument categories

| Class | Note | Category | 2019 $ Carrying Amount | 2018 $ Carrying Amount |
|---|---|---|---|---|
| *Financial Assets* | | | | |
| Cash and cash equivalents | 5 | N/A | 511,021 | 2,179,633 |
| Trade and other receivables | 6 | Loans and receivables at amortised cost | 168,152 | 328,753 |
| Financial assets at fair value | 7 | Fair value through other comprehensive income | 8,760,617 | 6,991,385 |
| TOTAL | | | 9,439,790 | 9,499,771 |
| *Financial Liabilities* | | | | |
| Payables | 11 | Financial liabilities measured at amortised cost | 310,391 | 280,028 |
| Borrowings | 12 | Financial liabilities measured at amortised cost | 1,670,000 | 1,760,000 |
| TOTAL | | | 1,980,391 | 2,040,028 |

The entity determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

### b) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire; or if the entity transfers the financial asset:
* where substantially all the risks and rewards have been transferred; or
* where the entity has not transferred substantially all the risks and rewards, if the entity has not retained control.

Where the entity has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of the entity's continuing involvement in the asset. In that case, the entity also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay.

## Note 14: Financial Instruments

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

**c) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**d) Financial risks**

**i. Credit Risk**
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

*Cash and cash equivalents*
Cash includes cash on hand, investments and cash in the bank. Interest is earned on a daily basis on bank account balances. The average interest rate during the year was .05% (2017: .05%). This rate is variable depending upon cash held within the account.

*Accounting policy for impairment of trade debtors and other financial assets under AASB 9*
*Receivables - trade debtors*
Collectability of trade debtors is reviewed on an ongoing basis. Procedures are followed to recover outstanding amounts, including letters of demand.

The entity applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.
Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 180 days past due. Sales are made on thirty-day terms.

No loss allowance for trade debtors has been applied as all outstanding amounts are considered to be fully collectable. The credit risk is the carrying amount.

The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

*Accounting policy for impairment of trade debtors and other financial assets under AASB 139 (comparative period only).*
All trade debtors are recognised as receivables at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures are followed to recover outstanding amounts, including letters of demand.

No provision for impairment has been used as all outstanding amounts are considered to be fully collectable. The credit risk is the carrying amount.

The carrying amount approximates net fair value. Sales are made on thirty-day terms.

*Managed funds and shares in listed companies*
The fair value of listed shares held directly in the prior year was determined using closing quoted bid prices at the end of the 2019 reporting period obtained from the active market of the Australian Stock Exchange.

The fair value of managed funds and listed company shares was determined using closing quoted prices at the end of the 2019 reporting period obtained from the fund manager Macquarie Investment Management Limited.

## Note 14: Financial Instruments

### ii. Liquidity risk

Liquidity risk is the risk that the entity will be unable to meet its payment obligations when they fall due.

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

During the current and prior year, there were no defaults of loans payable. The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

*Bank Overdrafts*

The entity has a bank overdraft limit of $50,000. The interest rate for the facility is 5.97% (2017: 6.87%). This facility is presently unused.

*Credit Card Facility*

The entity introduced a credit card facility in April 2013 and a card was issued to the Secretary. The card is not used to obtain petty cash and no interest is payable as monthly transactions are cleared automatically by the bank at the end of each month. Interest for the facility is 15.5%.

*Payables*

Liabilities are recognised for amounts due to be paid in the future for goods or services received whether or not invoiced. Amounts owing to suppliers (all unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. No interest was paid during the year.

*Financial Liabilities*

The entity currently has a flexible rate loan of $2,000,000. At 30 June $1,670,000 of the loan has been drawn. The variable interest rate on the loan at 30 June 2019 is 5.019%. Repayment of the loan commenced from October 2015. The facility has an expiry date of 30 September 2030.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

***Maturity analysis and interest rate exposure of financial liabilities***

| | | | Interest Rate Exposure | | | Maturity Dates | | |
|---|---|---|---|---|---|---|---|---|
| | Weighted Average Effective Int. Rate | Nominal Amount | Fixed Interest Rate | Variable Interest Rate | Non-interest bearing | < 1 year | 1-5 years | > 5 years |
| **2019** | | | | | | | | |
| Payables | | | | | 310,391 | 310,391 | | |
| Borrowings | 5.42% | 2,329,900 | - | 2,329,900 | - | 171,978 | 642,025 | 1,515,897 |
| **2018** | | | | | | | | |
| Payables | | | | | 280,028 | 280,028 | | |
| Borrowings | 5.34% | 2,558,945 | 1,032,221 | 1,526,724 | - | 182,895 | 681,133 | 1,694,916 |

Note: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the entity can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the amounts in the Statement of Financial Position.

## Note 14: Financial Instruments

**iii. Market risk**
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The entity's exposures to market risk are primarily through interest rate risk on the entity's borrowings and other price risks associated with the movement in the share and unit prices of the Macquarie Investment Management Limited portfolios. The entity has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the entity operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2018. The analysis assumes that all other variables remain constant.

*Interest rate risk*

Exposure to interest rate risk arises primarily through the entity's interest bearing liabilities. This risk is minimised by undertaking managed with a mixture of fixed and floating rate debt. The entity does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The entity's exposure to interest rate risk is set out below.

| | | -1% | | 1% | |
|---|---|---|---|---|---|
| | **Carrying Amount** | **Net Result** | **Equity** | **Net Result** | **Equity** |
| **2019** | | | | | |
| ***Financial Assets*** | | | | | |
| Cash and cash equivalents | 511,021 | (5,110) | (5,110) | 5,110 | 5,110 |
| ***Financial Liabilities*** | | | | | |
| Borrowings | 1,670,000 | (16,700) | (16,700) | 16,700 | 16,700 |
| **2018** | | | | | |
| ***Financial Assets*** | | | | | |
| Cash and cash equivalents | 2,179,633 | (21,796) | (21,796) | 21,796 | 21,796 |
| ***Financial Liabilities*** | | | | | |
| Borrowings | 1,760,000 | (17,600) | (17,600) | 17,600 | 17,600 |

## Note 14: Financial Instruments

*Other price risk - Macquarie Investment Management Limited portfolios*

Exposure to 'other price risk' primarily arises through the investment in Macquarie Investment Management Limited (Macquarie) portfolios, which are held for strategic rather than trading purposes. The entity holds equity investments through two separately managed Macquarie accounts and holds units in a number of investment trusts through a Macquarie management investments portfolio as follows:

| Facility | Investment Sectors | Investment Horizon | 2019 Carrying Amount | 2018 Carrying Amount |
|---|---|---|---|---|
| RAM Australian Diversified Fixed Interest & Credit Securities Managed Account | Australian listed credit securities | 1.5 years to 3 years | 437,348 | 444,747 |
| Macquarie PPM Core Australian Equity Managed Account | Australian listed equities | 3 years to 7 years | 1,843,555 | 1,637,771 |
| Macquarie Managed Investment Trusts | Infrastructure, Australian and international bonds, listed property and International shares | 7 years and over | 6,479,714 | 4,908,867 |

Macquarie manages credit risk and interest rate risk exposures applicable to specific fixed-interest investments of the entity in accordance with an asset portfolio mandate agreed between the two parties. For this service Macquarie receives a fee based on the dollar value of the portfolio.

The Macquarie investment team closely monitor risk at a stock, sector and thematic level using Macquarie's proprietary risk management systems. Derivatives are not used. Investment in the Macquarie portfolios limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

At reporting date the carrying value of securities, investment trusts and funds at call, managed by Macquarie stood at $9,018,842 (2018: $7,920,424).

| | | -10% | | 10% | |
|---|---|---|---|---|---|
| | Carrying Amount | Net Result | Equity | Net Result | Equity |
| **2019** | | | | | |
| Financial assets at fair value | 8,760,617 | (876,062) | (876,062) | 876,062 | 876,062 |
| **2018** | | | | | |
| Financial assets at fair value | 6,991,385 | (699,139) | (699,139) | 699,139 | 699,139 |

**e) Fair value measurement**

**i. Fair value compared to carrying amount**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

The Macquarie investment facilities are measured at fair value. Management assessed that the carrying amount of all other financial instruments approximate their fair values, largely due to the short-term maturities of these instruments.

## Note 14: Financial Instruments

### ii. Fair value recognised in the Statement of Financial Position

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:
* Level 1 - quoted (unadjusted) prices in active markets for identical assets / liabilities that the entity can access at the measurement date.
* Level 2 - inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
* Level 3 - inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

| | 2019 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| ***Financial assets at fair value*** | | | | |
| RAM Australian Diversified Fixed Interest & Credit Securities Managed Account | 437,348 | | - | 437,348 |
| Macquarie PPM Core Australian Equity Managed | 1,843,555 | | - | 1,843,555 |
| Macquarie Managed Investment Trusts | 6,479,714 | | - | 6,479,714 |

| | 2018 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| ***Financial assets at fair value*** | | | | |
| RAM Australian Diversified Fixed Interest & Credit Securities Managed Account | 444,747 | | - | 444,747 |
| Macquarie PPM Core Australian Equity Managed | 1,637,771 | | - | 1,637,771 |
| Macquarie Managed Investment Trusts | 4,908,867 | | - | 4,908,867 |

There were no transfers between Level 1 or 2 during the periods.

## Note 15: Equity

### Recognition and Measurement

***Revaluation surplus***
The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. This accords with the entity's policy on the revaluation of property, plant and equipment as discussed in Note 10.

***Accumulated Funds***
The category 'Accumulated Funds' includes all current and prior period retained funds.

***Reserves***
Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or AAS (e.g. revaluation surplus and foreign currency translation reserve).

## Note 16: Cash Flow Information

| | Note | 2019 $ | 2018 $ |
|---|---|---|---|
| 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 | 5 | 511,021 | 2,179,633 |
| | | 511,021 | 2,179,633 |
| RECONCILIATION OF CASH FLOWS | | | |
| Cash flows from operations are reconciled to profit from ordinary activities after income tax as follows: | | | |
| Profit/(loss) from ordinary activities after income tax | | (278,929) | 813,811 |
| Non-cash flows in profit from ordinary activities after income tax | | | |
| Depreciation | | 217,983 | 216,319 |
| Net (gains)/losses on disposals of property, plant and equipment | | - | (3,328) |
| Net (gains)/losses on disposals of investments | | 24,102 | (957,685) |
| Total non-cash flows in profit from ordinary activities after income tax | | 242,085 | (744,694) |
| Changes in assets and liabilities | | | |
| (Increase)/Decrease in trade and other receivables | | 58,692 | (87,483) |
| (Increase)/Decrease in inventories | | - | 1,907 |
| Increase/(Decrease) in trade and other payables | | 152,880 | (174,608) |
| Increase/(Decrease) in provisions | | (20,019) | 27,313 |
| Total changes in assets and liabilities | | 191,553 | 116,345 |
| TOTAL CASH FLOWS FROM OPERATIONS | | 154,709 | 185,462 |

## Note 17: Emoluments

Members of the Foundation act in an honorary capacity and have not sought reimbursement of expenses incurred or for fees normally payable to part time members of State authorities.

## Note 18: Commitments

The entity has a commitment to contribute $150,000 to the construction of the Queen Bee breeding special purpose building. This contribution is committed on the condition that the remainder of the funds become available and are allocated for the building; and that the foundation would not provide the funds until July 2019. To date there is $3.1 million allocated for research and development (currently $1.6 million has been secured by NSW DPI) however finance is yet to be secured for the building construction.

## Note 19: Contingent Liabilities

There were no contingent liabilities in respect of the entity as at 30 June 2019 (nil in 2018).

## Note 20: Segment Reporting

The entity operates predominantly in one business and geographical segment, being the promotion and advancement of agricultural education at the CB Alexander Agricultural College.

## Note 21: Related Party Disclosures

During the year, the CB Alexander Foundation incurred Nil Expenses in respect of those key management personnel, having authority and responsibility for planning, directing and controlling the activities of CB Alexander Foundation.
During the year, the entity did not enter into transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

*Terms and conditions with related parties*
All transactions with related parties are conducted on an arm's length basis and on normal commercial terms. During the year, the Department of Industry provided the CB Alexander Foundation with administration services of $224,835 (2018 $186,739). The Department waived the costs in favour of the Foundation.

During the year, the entity entered into transactions with other entities that are controlled / jointly controlled / significantly influenced by NSW Government. These transactions (incurred in the normal course of business) in aggregate are a significant portion of the entity's revenue and expenses, and the nature of these significant transactions are detailed below.

| Entity | Nature of Transaction |
|---|---|
| Audit Office of NSW | Independent audit services of the Trust's financial statements |
| Department of Industry | Administrative, secretarial support and operational assistance |

## Note 22: Events Subsequent to Balance Date

There are no known subsequent events as at the date of this report.

## Note 23: Foundation Details

The principal place of business is:

CB Alexander Foundation
815 Tocal Road
Paterson NSW 2421