



CB Alexander  
FOUNDATION  
**TOTAL**

# ANNUAL REPORT

## 2019/2020



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The Hon Adam Marshall MP  
Minister for Agriculture and Western NSW  
52 Martin Place  
SYDNEY NSW 2000

Dear Minister

On behalf of the CB Alexander Foundation and in accordance with the provisions of the *C.B. Alexander Incorporation Act 1969*, the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2015*, I take pleasure in presenting the Annual Report of the CB Alexander Foundation for the year ending 30 June 2020.

Yours sincerely

A handwritten signature in black ink, appearing to read "Scott Hansen".

**Scott Hansen**  
**CHAIR**  
**CB ALEXANDER FOUNDATION**

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## **Appendix A – Independent Auditors Report 2020**

## **Appendix B – Audited Financial Statements and Notes to Accounts 2020**

Photo © Image by Bill [www.facebook.com/Images-by-bill](https://www.facebook.com/Images-by-bill)

## ABOUT THIS REPORT

This annual report summarises the activities, together with a balance sheet and statement of the financial position, duly audited by the NSW Audit Office of the CB Alexander Foundation for the 2019/2020 Financial Year in accordance with Section 10 of the *C.B. Alexander Incorporation Act 1969*.

This report is available on the Tocal Homestead Website [www.tocal.com.au](http://www.tocal.com.au).

## INTRODUCTION FROM THE CHAIR

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I am pleased to introduce the CB Alexander Foundation annual report for operations and finance for the 2019/2020 financial year.

The past 12 months have shown challenges for the Foundation with a combination of drought and COVID-19 having significant impacts on many key areas of operation however, there have also been many positive achievements throughout the year.

### **Numeralla Egg Farm**

The free-range egg farm exceeded expectations by producing 1.8 million dozen eggs in 2019/2020, a fantastic achievement during a year of drought, with low water supply and high temperatures.

April 2020 also saw a clean out of 3 sheds that enabled vital repairs and maintenance to be carried out before placement of 52,200 chickens.

### **Visitations, Accommodation and Events**

The impacts of COVID-19 were clearly evident in 2020 with visitations to the Tocal Homestead down 44.25% from the previous year, tours down 42% and large events such as the Tocal Field Days, Sprout Catering wedding open days, Mother's Day, Father's Day and the Winter Feast all being cancelled. Accommodation bookings at the Barracks also decreased and the annual "Peek into the Past" event was cancelled for the first time in history.

The Foundation's Board and staff took advantage of this quiet period to implement strategies such as marketing for tours on the new website, increase brand awareness through social media, update furniture and cleaning procedures for the quality accommodation at the Barracks and adding additional booking channels for accommodation bookings.

The Foundation is looking forward to the easing of restrictions and an increased trend towards regional visitation, including stays at the Tocal Barracks.

### **Student Support**

The Foundation is proud to promote and advance agricultural education and continued to provide many opportunities for students in 2019/2020. This included education into schools through the management of funds on behalf of the Department of Primary Industry and supporting students through various means including the awarding of 30 scholarships (detailed in page 15) and the administration of the College prize fund investments.

### **Acknowledgements**

As Chair of the Foundation's Board I would like to express my thanks to the members of the Board and staff for their continued dedication through one of the toughest years in living memory in 2019/2020.

I look forward to seeing the successes that 2020/2021 year will bring through the combination of strong strategic planning, repairs and maintenance and the continued support of students, their families and the community.



**Scott Hansen**  
**CHAIR**  
**CB ALEXANDER FOUNDATION BOARD**



## 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.

### MEMBERSHIP FROM 1 JULY 2019 TO 30 JUNE 2020

**Mr Scott Hansen** - Chair and Director General, Department of Primary Industries

**Hon Mr Niall Blair MLC** – Member (finished August 2019).

**Dr Cameron Archer AM** - Member

**Dr Beth McDonald** – Member (finished in September 2019)

**Mr Simon Fraser** – Member

**Ms Sarah Sivyver** – Member (commenced in October 2019)

**Hon Ms Bronwyn Taylor MLC** – Member (commenced in February 2020).

**Ms Susan Hunt** - Ex-officio

Members of the Foundation met for three official meetings during the year to discuss a range of business.

### MEETING ATTENDANCE

MEMBER NAME	ATTENDANCE
Mr Scott Hansen	2 of 3
Dr Cameron Archer AM	3 of 3
Dr Beth McDonald	1 of 1 (term expired Oct 2019)
Hon Bronwyn Taylor MLC	1 of 1 (term commenced Feb 2020)
Ms Sarah Sivyver	1 of 1 (term commenced Oct 2019)
Hon Mr Niall Blair	1 of 1 (term expired Aug 2019)
Ms Susan Hunt	3 of 3 as ex-officio

### ASSISTANCE

Throughout the year the Foundation was assisted by the attendance of:

Ms Kate Lorimer-Ward – Deputy Director General DPI Agriculture

Mr Darren Bayley – Principal, Tocal College, Director Education DPI and, Director Tocal Agriculture Centre

Ms Margo Duncan - Chair, Tocal College Advisory Council

Ms Anne Hicking – Secretary of the Foundation

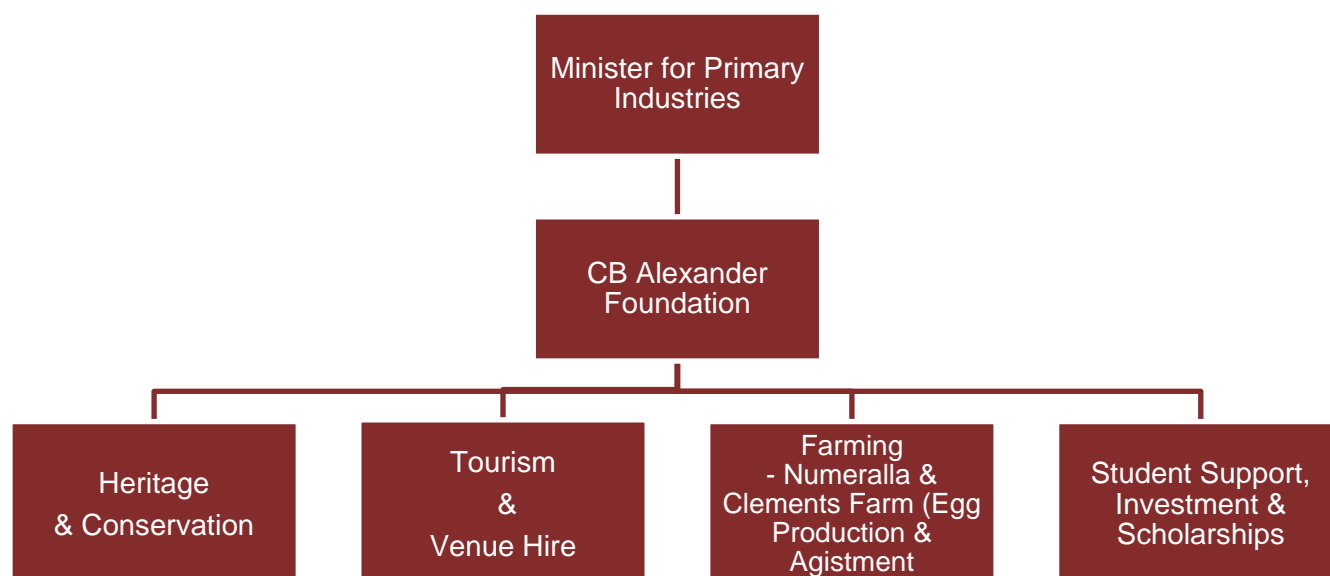
Members also acknowledge the administrative support of the NSW Department of Primary Industries staff, in particular:

Mr Michael Ison – Tocal Centre Manager

Ms Robyn Papworth – Executive 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 1969\*](#). This Act defines the objectives and powers of the Foundation. The objectives as stated in the Act are:

- a) to promote and advance, either alone or in conjunction with the Minister, agricultural education at the C.B. Alexander Agricultural College or at any other agricultural college or agricultural institution,
- b) to advise and assist, as far as is practicable, the Minister in the operation and maintenance of the C.B. Alexander Agricultural College,
- c) 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,
- d) to effect improvements to the C.B. Alexander Agricultural College or other agricultural colleges or agricultural institutions,
- e) to grant scholarships or financial assistance to students attending the C.B. Alexander Agricultural College,
- f) to support with or without grant of financial aid and whether or not initiated by the Foundation any scheme or activity which in the opinion of the Foundation is capable of assisting in the advancement of agricultural education in the State of New South Wales, and
- g) 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 slaughterhouse, 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.



## Vision

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

### Our strategic priorities:

TOTAL HOMESTEAD  
HISTORIC PRECINCT

To preserve, maintain and improve heritage buildings and infrastructure

To provide community access and enhance appreciation and interpretation of the historic homestead site and surrounds through coordinated events and visitation

To promote the site's history, Aboriginal land use, environment and agricultural heritage to school students using curriculum-aligned visits, tours and resources

To build a sense of place and connection with the local community and surrounding region

### We aim to:

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

Maximise revenue from the **Total 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

Develop the **Schools Program** to ensure curriculum alignment and connection with schools in the region and an increase in visitation

Host six significant community **events** each year to engage the broader community (eg. Peek into the Past)

### By concentrating on:

A commercial focus for all Total Homestead operations to be financially sustainable allowing for reinvestment in the site, associated programs and student support

Collaboration with catering and events contractor to increase bookings and general performance, and to ensure contract is effectively implemented

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

Working with the DPI schools team to develop programs that engage schools and teachers

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

### Measures:

The Barracks providing a valuable income and the Daly Kidd Cottage in use

Increase in wedding and function centre bookings. New homestead tour app completed. Key heritage photos digitised and accessible.

Three new school programs aligned to curriculum and promoted through school networks and website; increase school visits and age range of programs

Six community events at the site. Established as part of the community calendar; engaging and valued by community members

### Core services:

Visitation and accommodation

Weddings and community access

School programs

Tours and events

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

## VISITATIONS

The impacts of COVID-19 can be seen throughout this report and is mainly reflected in the site's overall visitation numbers. The total number of visitors to the Tocal Homestead site during the 2019-2020 financial year was 9,556, a 44.25% decrease in visitation as compared to the previous year's 17, 143 visitors. Visitation numbers are a result of Peek into the Past 2019, school and seniors' tours.

This financial year sets the record for the lowest number of visitors in every category; however, it is worth noting that Function levels are increasing, along with a boost of visitors on Sundays after the Visitor Centre re-opened. Tocal Field Days being cancelled in May 2020, along with majority of 2020 weddings had the most significant impact on overall visitation numbers.

### GENERAL SUMMARY OF VISITORS FOR FINANCIAL YEAR 2019/20\*

MONTH	SCHOOLS	TOURS	WEDDINGS	EVENTS	FUNCTIONS ETC	SUNDAYS
<b>2019</b>						
July	5/250	4/100	1/93	1/1,928	4/49	4/41
Aug	5/126	3/87	5/416	0	0	4/82
Sept	8/495	1/20	5/459	0	0	4/85
Oct	8/548	0	8/861	0	1/100	4/102
Nov	2/79	5/198	8/848	2/384	3/448	4/43
Dec	3/72	2/86	2/203	1/90	0	<i>Closed</i>
<b>2020</b>						
Jan	2/67	0	1/76	1/90	0	<i>Closed</i>
Feb	3/198	1/13	2/199	0	1/35	<i>Closed</i>
Mar	2/113	0	6/588	0	2/85	3/78
April	0	0	0	0	0	0
May	0	0	1/10	0	0	0
June	0	0	0	0	1/32	4/144
<b>TOTAL 2019/2020</b>	<b>38/1,948</b>	<b>16/504</b>	<b>31/3,378</b>	<b>5/2,402</b>	<b>12/749</b>	<b>27/575</b>
<b>TOTAL 2018/2018 as comparison</b>	<b>75/5,319</b>	<b>28/697</b>	<b>52/4,962</b>	<b>13/3,745</b>	<b>9/520</b>	<b>39/831</b>

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

### HOMESTEAD WEEKEND OPENINGS

Tocal Homestead is open on Sundays March to November, 10am to 3pm, giving the chance for local and regional people to visit the homestead as casual visitors. Due to COVID-19, the site was closed to the community from the end of March until June 1<sup>st</sup>. COVID-19 has seen an increase in local communities supporting one another with larger numbers of locals visiting the site compared to out of area tourists.

There was a total of 575 visitors on weekend openings in the 2019/2020 Financial Year.

# ACCOMMODATION

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## THE BARRACKS

The 2019/2020 Financial Year saw total reservations and stay nights decrease as cancellations flowed in due to the impact of COVID-19.

Agoda was added to the growing list of booking channels and all rooms from 1<sup>st</sup> January 2020 were charged at \$380 per room per night. Gift vouchers were also made available to purchase online.

There was a continuation of cross promote with several other local businesses across the region, including local dining options. Established working connections were also created with My Maitland, Dungog District Chamber of Commerce, Visit Dungog & Dungog Regional Tourism. There was evidence of positive relationships with local businesses, who encouraged reservations at The Barracks, Tocal.

A series of brochures promoting the main tourist attractions in the Dungog region were produced by Dungog Regional Tourism Inc. An image of the Barracks, Tocal was selected as their main image along with other various photos of the site.

A review of the furniture led to the purchase of new outdoor seating with the old furniture sold to the highest bidder and all proceeds returned to the Foundation for future repairs and conservation.

Additional safety and sanitation measures were put in place to ensure the Barracks continued to meet the public's 5-star expectations. The health and safety of cleaning staff and guests remained a priority and all precautions were taken to ensure our guests were well looked after during their stay. This led to an increase in expenditure for cleaning supplies.

As government COVID-19 restrictions eased, a high level of bookings and enquiries were received. There was also an increase in the length of stays and last-minute bookings from travellers visiting the area. All of these bookings were non-wedding related with one booking being a repeat guest stay.

Brand awareness continually increased through social media channels with listings on Facebook, Instagram, Twitter, Trip Advisor and Google. Guests were encouraged to post reviews on booking channel sites to create further awareness and improve ratings.

Based on 2019/2020 reservations, planned marketing campaigns and the anticipation that COVID-19 restrictions will continue to ease, the Barracks is working towards an increase in reservations and duration of stays for the 2020/2021 Financial Year.

In 2019, The Barracks was honoured to be awarded Winner of 'Outstanding New Business' with Dungog District Chamber of Commerce. The Barracks was also listed as a finalist for the 2019 Hunter Region Business Excellence Awards and as 2020 finalist for the Brides Choice Awards – Hunter Valley & Newcastle.



BOOKINGS			
FINANCIAL YEAR	RESERVATIONS	STAY NIGHTS	CANCELLED
1 July 2017 – 30 June 2018	94	139	-
1 July 2018 – 30 June 2019	134	186	-
1 July 2019 – 30 June 2020	115	155	48

BOOKING CHANNELS						
FINANCIAL YEAR	DIRECT	EXPEDIA	EXTRANET	BOOKING.COM	AGODA	AIR BNB
2017/2018	33	37	24	-	-	-
2018/2019	78	44	11	1	-	-
2019/2020	50	19	16	25	2	3

## WEDDINGS

Sprout Catering hosted 31 weddings in 2019/2020 with more than 26 weddings either cancelling or postponing due to COVID-19 (a loss of over \$114,000), therefore the measure of reaching 65 weddings per annum was not accomplished.

Sprout Catering consistently provided quality food and service to their clients and handled the COVID-19 pandemic professionally, working together with the Homestead team within the ever-changing restrictions. The 2020 Newcastle and Hunter Brides Choice Awards saw Total Homestead win Best Country/Farm Wedding Venue for the second year in a row. This award was won from a large field of nominees.



## COMMUNITY ACCESS

The Friends of Tocal actively supported the Homestead with visitor services, catering and fundraising activities. They provided funds for purchasing of aprons to use for events and contributed over \$5,000 to the repairs and painting of the original blinds in the Homestead. The focus of the Friends is to provide opportunities for students, awarding \$2,500 through scholarships. These awards/scholarships recognise student/s who have given their time and skills to improve their community.

Tocal Homestead is open on Sundays, March to November, 10am to 3pm, giving the chance for local and regional people to visit the homestead as casual visitors. Due to COVID-19, the site was closed to the community from the end of March 2020 until 1 June 2020. COVID-19 saw an increase in local communities supporting one another with larger numbers of locals visiting the site compared to out of area tourists.



Scouts Australia, local school fun-runs, and larger events of the Tocal Field Days and the "Peek into to Past" were all cancelled due to COVID-19 however, it is worth noting that the local community spirit has grown stronger because of COVID-19.

## SCHOOLS PROGRAM

The school's programs, both heritage and farm excursions, attracted a lot of interest during 2019/2020.

During this time the Paddock to Plate program and HSC Agriculture Case Study programs were further refined, staff training materials developed, and a school holiday program for OOSH centres developed and successfully trialled.

Due to COVID-19, the total number of school visitors for the year was 1,520. This was less than half of the expected. All school visits were cancelled for April, May and June 2020, the three busiest months of the year.



Photo © Image by Sandra Ognibene [www.tocal.com.au](http://www.tocal.com.au)

The Foundation is grateful to Tocal farm staff, College lecturers, DPI Schools Team and Local Land Services staff for their continued support of the farm visit programs.

## TOURS

A total of 504 people visited the site as part of an organised group tour. Tour group numbers decreased by 42% from previous years however, the groups that were able to come were a diverse group of visitors from the NSW Department of Primary Industries, senior's bus tours and special interest groups.

As part of the new strategy, a push on tours was marketed via the new website which saw an increase in bookings from tour agencies. This proved to be a worthwhile investment which was measured through continual record keeping.

## EVENTS

The risk of COVID-19 meant that the strategic measures of maintaining 5 community events a year was unachievable in 2019/2020. The events sector was greatly affected by the pandemic and for the first time in history the annual "Peek into the Past" event was cancelled. As were the Tocal Field Days, Sprout Catering weddings open days, Mother's Day, Father's Day and the Winter Feast Dinner. This led to not only a financial loss (close to \$20,000) but a loss to the community, including the Friends of Tocal.

November 2019 saw the first time event of Santa Photos at the Tocal Homestead site which was a huge success with 238 people visiting over two Saturdays. The event was such a success that it is again planned to run in November 2020 over three weekends. Conferences and a student formal were the remaining events in this financial period.

## PUBLICATIONS

There were no new publications created this year. Two large orders were placed by the Paterson Historical Society and McDonalds bookstore, with the remaining sales (less than 50 publications) sold on weekends and during Seniors Tours.

## WEBSITE

The new website [www.tocal.com.au](http://www.tocal.com.au) continues to be a useful tool in providing information to the public that otherwise could only be attained by email or phone call.

14,417 people accessed the website 18,712 times in 2019/2020 totalling 42,722 page views. The data also showed that website views increased in the months where events were held and when schools returned.

## Numeralla

The free-range egg production at Numeralla faced a challenging year as the drought conditions intensified with 32 days recorded with temperatures over 38 degrees, water levels dropping in the dams which affected water quality running through the pumps. The COVID-19 pandemic also had an indirect impact and while biosecurity procedures implemented throughout the year included escalated cleaning and disinfecting of docks, rooms and entry points, further hygiene and social distancing procedures were put into place to ensure staff operated in a COVID safe environment.

Despite these challenges, Numeralla's production for the 2019/2020 financial year exceeded expectations. While the production budgets were set conservatively at median production levels, actual levels exceeded best case scenarios; 1.8M dozen eggs were produced while best case scenario targets were set at 1.75M dozen eggs.



These results demonstrate the progress the farm has made since being under Patrick Gallagher's management. These behind the scenes progress include;

- Strict implementation and adherence of biosecurity and COVID measures. No staff time was lost to COVID.
- Regular staff performance reviews including safety and training plans.
- Excellent oversight of the bird's health and wellbeing.
- April 2020 clean out of sheds 3, 4 and 5. Before placement of 52,200 birds, the clean out enabled vital repairs and maintenance to be carried out.
- New road infrastructure designed to lessen the impact on the birds during clean out.
- Quotes and plans for the installation of solar panelling in the August 2020 clean out.
- Quotes and plans for the raising of the dam wall by a metre.
- An emphasis on excellent presentation of the farm.

The success of the farm was validated not only by production levels but also by the regular successful audit reports received by Pace Farms. Patrick and his team at Numeralla are commended for their dedication and hard work in bringing Numeralla to this excellent standard.

## Heritage Management - Buildings

The collection of heritage buildings on our site plays 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

The financial year for the Tocal Alumni has remained steady, after the growth period of last year it has now entered a maintenance level. The Alumni has continued to represent the body at Tocal College events of Foundation Day (2019) but was unable to at any 2020 events, meeting the promotion goals as set out in the strategic plan core services.

Three reunions were organised for 2020 for the year groups 1975 – 1977, 1984 – 1985 and 1970, however due to COVID-19 all have been postponed for 2020. Tocal Field Days was also cancelled, the biggest day for the Alumni. The loss of this event meant the strategic measure of being able to promote to a wide audience, as well as gain more Alumni, was not able to be achieved. Graduation Day, the second biggest day for the Alumni calendar, was also cancelled. Both events were also opportunities to sell more merchandise.

The Tocal Alumni have continued to sell merchandise (Alumni logo embroidered RM Williams vests), with sales steady and comparable to 2018/2019.

- 9 RM Williams/Alumni vests have been purchased in 2020 (income of \$900 so far in 2020/profit of \$111.15)
- Purchase of 150 vests from RM Williams since first order in 2018 - \$10,147.00 (purchased by CB Alexander Foundation).
- Sale of 93 vests since first order in 2018 - \$9,300.00
- Value of remaining vests - \$4,600.00

The community on Facebook has grown by 3.58% in the last twelve months from 1,614 to 1,674 people, with the ex-student database 'Potentiality' recording a total number of 1,485 members, an increase 261 members.

Major projects for 2019/2020 included updating of the Potentiality website and changing domain names. Tocal Alumni continue to provide a quarterly newsletter to its members which increase community awareness 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 2020 through various means in particular scholarships and the administration of the College prize fund investments.

In 2020 the following scholarships were granted;

- CB Alexander Foundation scholarship - recipient was Jazmin Neilson – Gillieston Heights
- Professor Stephen Powles scholarship to Jessica Cheers - Karangi
- Jeff Stevenson Memorial to Harry Gillett – Gillieston Heights
- Hunt Family scholarship to Kieran Randle – West Pennant Hills
- Gardiner Family scholarship to Elizabeth Wylie – Tea Gardens
- George and Jenny Hammond to Keely Blackburn - Maleny
- Colin H Dunlop Memorial to Hayley Garforth-Burke - Quorrobolong
- Tocal Alumni scholarship to Connor Thomas – Anna Bay
- Bruce Urquhart Memorial scholarship to Isaak Frazier - Inverell
- Rosemary Dunlop Memorial to Nicholas Stuckings – Duns Creek
- Gill Family scholarship to Ben Innes - Cessnock
- Brooks Family scholarship to Isaak Frazier - Inverell
- HC White Memorial scholarship to;
  - Erin Bryce – Dalwood
  - Tahlia Metcalf Carroll - Quipolly
  - Jessica Cheers - Karangi
  - Angel Clarke - Tunglebung
  - Harry Gillett – Gillieston Heights
  - Holly Gorham - Cowra
  - Hannah Hopping - Tenambit
  - Keely Johns – New Lambton
  - Beth Jordan - Branxton
  - Nikki-Lee Lalor – Salt Ash
  - Lara Mitchell - Cobar
  - Grace Piepers – Unima Beach
  - Samuel Price – Raymond Terrace
  - Callum Ryan – Bargo
  - Eliza Stokes – Merbein
  - Mason Windle – Carrabolla
  - Jye Youtlen – Heddon Greta
  - Zayhne Zwirek - Telarah

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 scholarship was unclaimed in 2019/2020.



## 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.au](http://www.tocal.com.au)
- Friends of Tocal and volunteers for their ongoing support at Tocal Homestead
- Tocal College Students
- Photos from Sandra Ognibene Photography and Michael Cairney.





Mr Scott Hansen  
Chairman  
CB Alexander Foundation  
Tocal Agricultural College  
Tocal NSW 2421

Contact: Min Lee  
Phone no: 02 9275 7151  
Our ref: D2102188/0100

8 March 2021

Dear Mr Hansen

## **STATUTORY AUDIT REPORT**

**for the year ended 30 June 2020**

**CB Alexander Foundation**

I have audited the financial statements of CB Alexander Foundation (the Foundation) as required by the *Public Finance and Audit Act 1983* (PF&A Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2020, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Foundation. The PF&A Act requires me to send this report to the Foundation, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Foundation's financial statements. I enclose the Independent Auditor's Report, together with the Foundation's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

### **Audit result**

I expressed an unmodified opinion on the Foundation's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

## **Misstatements in the financial statements**

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the Foundation's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the PF&A Act requires agencies to obtain the Auditor-General's approval for all changes to the financial statements originally submitted for audit. The more significant/material changes are reported in a Statutory Audit Report
- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the Foundation.

The Appendix lists and explains the nature and impact of the misstatements contained in the financial statements.

- Table one reports significant uncorrected misstatements and disclosure deficiencies
- Table two reports the effect on the reported net result of misstatements that have not been corrected in the period in which they occurred.

Based on my evaluation, none of the misstatements reported are due to fraud.

## **Compliance with legislative requirements**

My audit procedures are targeted specifically towards forming an opinion on the Foundation's financial statements. This includes testing whether the Foundation complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context. My testing did not identify any reportable instances of non-compliance with legislative requirements.

## **Publication of the Statutory Audit Report**

I consider this Statutory Audit Report to fall within the definition of 'excluded information' contained in Schedule 2(2) of the *Government Information (Public Access) Act 2009*. Under Schedule 1(6) of this Act, please seek the Audit Office's consent before releasing this report publicly. Agencies are advised to also seek approval from the Minister(s) and the Treasurer before publishing this report.

## **Acknowledgment**

I thank Foundation's staff for their courtesy and assistance.

Yours sincerely



Margaret Crawford  
Auditor-General for New South Wales

## APPENDIX

### Table one: Uncorrected monetary misstatements and disclosure deficiencies

#### Uncorrected monetary misstatements

The following uncorrected monetary misstatements were identified and discussed with management. I have received written representations from confirming management's belief the effect of not correcting these misstatements is immaterial, individually and in aggregate, to the financial statements as a whole. I agree with management's determination and do not consider the uncorrected misstatements significant enough to modify my opinion in the Independent Auditor's Report.

Description	Assets	Liabilities	Net result	Other comprehensive income
Effect of potential correction	Increase/ (decrease)	(Increase)/ decrease	(Increase)/ decrease	(Increase)/ decrease
	\$'000	\$'000	\$'000	\$'000
<b>Factual misstatements</b>				
Cashflow Boost over Accrual	(37)	--	37	--
Assets expense	10	--	(10)	--
<b>Total impact if misstatements were corrected</b>	<b>(27)</b>	<b>--</b>	<b>27</b>	<b>--</b>

#### Uncorrected disclosure deficiencies

I did not detect any reportable disclosure deficiencies that remain uncorrected in the financial statements.

### Table two: Effect of misstatements on the reported net result

To fully understand the current year's financial result, those charged with governance should consider the impact of misstatements from previous years corrected in the current period and current period misstatements that remain uncorrected.

This table illustrates the effect of significant misstatements that have not been corrected in the period in which they occurred.

Description and effect	Net result
	(Increase)/ decrease
	\$'000
Net result as reported	249
Prior year transactions recorded in the current year's net result	--
Current year misstatements that have not been corrected	(27)
<b>Adjusted current year net result</b>	<b>222</b>



## 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 Financial declaration for Responsible Person, the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, 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.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Foundation as at 30 June 2020, 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 (including Independence Standards)' (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 2020 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.

## 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 and the PF&A Act, *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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.

A handwritten signature in black ink, appearing to read 'Margaret Crawford', with a stylized flourish at the end.

Margaret Crawford  
Auditor-General of New South Wales

8 March 2021  
SYDNEY

## **Statement by Members of the CB Alexander Foundation**

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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 2020 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.



.....  
Chair  
CB Alexander Foundation



.....  
Member  
CB Alexander Foundation

5 March 2021  
Dated

## Start of Audited Financial Statements

### Statement of Comprehensive Income

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Continuing operations</b>			
<b>Expenses excluding losses</b>			
Employee benefits expenses	2 (a)	990,096	1,041,781
Operating expenses	2 (b)	424,372	419,074
Repairs and maintenance	2 (b)	195,200	238,096
Depreciation and amortisation expenses	2 (c)	209,328	217,983
Grants and subsidies	2 (d)	82,250	52,200
Finance costs	2 (e)	73,540	95,663
<b>Total expenses excluding losses</b>		<b>1,974,786</b>	<b>2,064,797</b>
<b>Revenue</b>			
Sale of goods and services	3 (a)	1,228,575	1,096,262
Investment revenue	3 (b)	409,441	322,191
Grants and other contributions	3 (c)	537,440	390,744
Other income	3 (d)	-	773
<b>Total revenue</b>		<b>2,175,456</b>	<b>1,809,970</b>
<b>Operating result</b>		<b>200,670</b>	<b>(254,827)</b>
Gains / (losses) on disposal	4	47,999	(24,102)
<b>Net result from continuing operations</b>		<b>248,669</b>	<b>(278,929)</b>
<b>Net result</b>		<b>248,669</b>	<b>(278,929)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
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		(322,730)	360,141
<b>Total other comprehensive income</b>		<b>(322,730)</b>	<b>3,374,147</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(74,061)</b>	<b>3,095,218</b>

## Statement of Financial Position

As at 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	615,371	511,021
Receivables	6	192,360	168,152
Contract assets	7	11,791	-
Financial assets	8	57,500	-
<b>TOTAL CURRENT ASSETS</b>		<b>877,022</b>	<b>679,173</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets at fair value	8,9	8,593,891	8,760,617
Property, plant and equipment	10,11	25,588,351	25,781,590
<b>TOTAL NON-CURRENT ASSETS</b>		<b>34,182,242</b>	<b>34,542,207</b>
<b>TOTAL ASSETS</b>		<b>35,059,264</b>	<b>35,221,380</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	12	118,247	123,939
Contract liabilities	7	183,260	186,452
Borrowings	13	90,000	90,000
Provisions	14	62,321	51,492
<b>TOTAL CURRENT LIABILITIES</b>		<b>453,828</b>	<b>451,883</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13,15	1,490,000	1,580,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,490,000</b>	<b>1,580,000</b>
<b>TOTAL LIABILITIES</b>		<b>1,943,828</b>	<b>2,031,883</b>
<b>NET ASSETS</b>		<b>33,115,436</b>	<b>33,189,497</b>
<b>EQUITY</b>			
Reserves	16	16,650,351	16,973,081
Accumulated funds	16	16,465,085	16,216,416
<b>TOTAL EQUITY</b>		<b>33,115,436</b>	<b>33,189,497</b>

## Statement of Changes in Equity

For the year ended 30 June 2020

	Note	Retained Earnings	Asset Revaluation Reserve	Financial Assets at FVOCI Reserve	Financial Assets Available-for-sale Reserve	Total
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>		16,495,345	13,306,176	292,758		30,094,279
<b>Comprehensive income</b>						
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				360,141		360,141
<b>Total comprehensive income for the year</b>		(278,929)	3,014,006	360,141	-	3,095,218
<b>Balance at 30 June 2019</b>		16,216,416	16,320,182	652,899	-	33,189,497
<b>Balance at 1 July 2019</b>		16,216,416	16,320,182	652,899	-	33,189,497
<b>Comprehensive income</b>						
Profit/ (Loss) for the period		248,669				248,669
Revaluation of property, plant and equipment			-			-
Net gains / (losses) on equity instruments at fair value through other comprehensive income				(322,730)		(322,730)
<b>Total comprehensive income for the year</b>		248,669	-	(322,730)	-	(74,061)
<b>Balance at 30 June 2020</b>		16,465,085	16,320,182	330,169	-	33,115,436

## Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee related		(803,530)	(858,775)
Suppliers for goods and services		(763,853)	(746,750)
Grants and subsidies		(82,250)	(52,200)
Finance costs		(74,876)	(97,050)
<b>Total Payments</b>		<b>(1,724,509)</b>	<b>(1,754,775)</b>
<b>Receipts</b>			
Sale of goods and services		1,352,072	1,231,350
Interest received		2,865	22,796
Dividends and trust distributions received		381,255	283,595
Grants and other contributions		308,487	338,856
Other		35,166	32,887
<b>Total Receipts</b>		<b>2,079,845</b>	<b>1,909,484</b>
<b>Net cash provided by operating activities</b>	17	<b>355,336</b>	<b>154,709</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Deposit on property purchase		(57,500)	-
Proceeds from sale of investments		1,261,165	852,965
Purchase of land and buildings, plant and equipment and infrastructure systems		(16,089)	(279,520)
Purchase of financial assets		(1,348,562)	(2,306,766)
<b>Net cash used in investing activities</b>		<b>(160,986)</b>	<b>(1,733,321)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings and advances		(90,000)	(90,000)
<b>Net cash used in financing activities</b>		<b>(90,000)</b>	<b>(90,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>104,350</b>	<b>(1,668,612)</b>
Opening cash and cash equivalents	5	511,021	2,179,633
<b>Closing cash and cash equivalents</b>	5	<b>615,371</b>	<b>511,021</b>

## **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).

As a result of Administrative Arrangements (Administrative Changes – Regional NSW and ) Order 2020, in pursuance of part 7 of the Constitution Act 1902, the entity was transferred from DPIE cluster to the newly created DRNSW cluster, effective 2 April 2020.

These financial statements for the year ended 30 June 2020 have been authorised for issue by the CB Alexander Foundation on 10 December 2020.

### **(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 the *Australian Charities and Not for Profits Commission Regulation 2013*; and
- \* Treasurer's directions issued under the Act.

Property, plant and equipment and financial assets at 'fair value through profit or loss' 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 FY2019-20**

The accounting policies applied in FY2019-20 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 applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other inconsequential amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of the entity.

***AASB 15 Revenue from Contracts with Customers***

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, the entity has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019.

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. Given the relatively straightforward income streams of the entity the adoption of AASB 15 did not have an impact on the Statement of Comprehensive Income, Statement of Financial Position; and the Statement of Cash Flows for the financial year.

***AASB 1058 Income of Not-for-Profit Entities***

AASB 1058 replaces most of the existing requirements in AASB 1004 *Contributions*. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity.
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, the entity has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019.

The entity currently recognises contributions at fair value; and donations and scholarship payments are made in cash, therefore the adoption of AASB 1058 did not have an impact on the Statement of Comprehensive Income, Statement of Financial Position; and the Statement of Cash Flows for the financial year.

### **AASB 16 Leases**

AASB 16 supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases – Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

#### *Lessor accounting*

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have a significant impact for leases where the entity is the lessor.

#### *Lessee accounting*

AASB 16 requires the entity to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, the entity recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

The entity elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

The entity makes minimal monthly lease payments only in respect of low-value assets, if any, therefore the adoption of AASB 16 did not have an impact on the Statement of Comprehensive Income, Statement of Financial Position; and the Statement of Cash Flows for the financial year.

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 17 Insurance Contracts

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059

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

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

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform

AASB 2019-7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations.

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

	2020 \$	2019 \$
<b>(a) EMPLOYEE RELATED EXPENSES</b>		
Salaries and wages (including annual leave)	692,548	736,068
Departmental salaries	168,893	197,835
Superannuation – defined contribution plans	65,598	69,697
Provision for employee entitlements	46,690	27,825
Workers' compensation insurance	16,367	10,356
<b>TOTAL</b>	<b>990,096</b>	<b>1,041,781</b>
<b>(b) OPERATING EXPENSES</b>		
Operating expenses include the following:		
Auditor's remuneration		
- audit of the financial statements	24,900	20,400
Cost of sales	445	4,785
Operating lease rental expense – minimum lease payments	-	2,834
Expense relating to leases of low-value assets	1,085	-
Insurance	29,112	34,513
Catering	26,830	11,233
Consultants	45,800	33,978
Contracted services	75,034	73,413
Utilities	89,343	111,793
Overseas tour groups	12,860	28,971
Fuel and oil supplies	8,720	6,554
Minor equipment	19,135	3,872
Motor vehicle expenses	4,926	2,291
Other expenses	86,182	84,437
<b>TOTAL</b>	<b>424,372</b>	<b>419,074</b>
<b>REPAIRS AND MAINTENANCE</b>		
Maintenance expense	195,200	238,096
<b>TOTAL</b>	<b>195,200</b>	<b>238,096</b>

### 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.

#### **Lease expense (up to 30 June 2019)**

##### **Operating leases**

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

#### **Lease expense (from 1 July 2019)**

From 1 July 2019, the Entity recognises the lease payments associated with the leases of assets that are valued at \$10,000 or under when new as an expense on a straight-line basis.

## Note 2: Expenses Excluding Losses

	2020 \$	2019 \$
(c) DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation		
- Land and buildings	135,744	140,014
- Plant and equipment	41,874	39,296
- Infrastructure systems	31,710	38,673
<b>TOTAL</b>	<b>209,328</b>	<b>217,983</b>

Refer to Note 10 for recognition and measurement policies on depreciation.

## (d) GRANTS AND SUBSIDIES

General Grant expenses	-	7,300
Scholarships	82,250	44,900
<b>TOTAL</b>	<b>82,250</b>	<b>52,200</b>

## (e) FINANCE COSTS

Bank charges	2,342	2,683
Interest expense from borrowings	71,198	92,980
<b>TOTAL</b>	<b>73,540</b>	<b>95,663</b>

### Recognition and Measurement

Scholarships paid are charged as expenses as incurred.

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

	2020 \$	2019 \$
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### Recognition and Measurement

Until 30 June 2019, income is recognised in accordance with AASB 111 Construction Contracts, AASB 118 Revenue and AASB 1004 Contributions.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers.

Comments regarding the accounting policies for the recognition of income are discussed below.

## (a) SALE OF GOODS AND SERVICES REVENUE

### SALES REVENUE

Sale of eggs and litter income	932,930	716,877
Sale of Alumni merchandise	1,673	2,364
Sale of publications and souvenirs	1,749	2,878
Tours, open days and wedding income	292,223	360,923
Labour hire income	-	13,221
<b>TOTAL SALE OF GOODS AND SERVICES REVENUE</b>	<b>1,228,575</b>	<b>1,096,262</b>

## Note 3: Revenue and Other Income

2020  
\$

2019  
\$

### Recognition and Measurement

#### Until 30 June 2019

##### ***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.

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.

#### From 1 July 2019

##### ***Sale of goods***

Revenue from sale of goods is recognised as when the Entity satisfies a performance obligation by transferring the promised goods.

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.

The entity typically satisfies its performance obligations when the control of the goods is transferred to the customers at the point of delivery. The payments are typically due within 14 days after the end of the month in which the goods were delivered.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

##### ***Rendering of services***

Revenue from rendering of services is recognised when the Entity satisfies the performance obligation by transferring the promised services. For tours, open days, accommodation and weddings the entity typically satisfies its performance obligations when the event is held. The payments are typically due within 14 days after the end of the month in which the event is held.

The revenue is measured at the transaction price agreed under the contract.

No element of financing is deemed present as payments are due when service is provided.

Refer Note 7 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when the entity expects to recognise the unsatisfied portion as revenue.

### Note 3: Revenue and Other Income

	2020 \$	2019 \$
(b) INVESTMENT REVENUE		
Interest income	2,865	19,663
Rental income	35,166	32,114
Dividend income	84,348	114,563
Managed fund distributions	287,062	155,851
TOTAL INVESTMENT REVENUE	409,441	322,191

#### 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**

Dividend income is recognised when the entity's right to receive the payment has been established.

### (c) GRANTS AND OTHER CONTRIBUTIONS

Grants with sufficiently specific performance obligations

Scholarship Payments by donors	18,250	-
DPI Management/ Maintenance Fees	142,992	-

Grants without sufficiently specific performance obligations

DPI Services provided:		
Staff contribution to Foundation	168,893	-
ATO JobKeeper Subsidy	107,250	-
COVID-19 Employer Cash Boost	100,000	-

Grant revenue

Scholarship Payments by donors	-	21,350
Hunter regional Landcare scholarship	-	(2,350)
DPI Schools program	-	4,250
DPI Management/ Maintenance Fees	-	141,500
Other government grants	-	142
DPI Services provided:		
Total Homestead Maintenance	-	27,000
Staff contribution to Foundation	-	197,835
Building Fund Donations	55	1,017
TOTAL GRANTS AND OTHER CONTRIBUTIONS	537,440	390,744

**Note 3: Revenue and Other Income**

2020  
\$

2019  
\$

**Recognition and Measurement**

**Until 30 June 2019**

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 recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

***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 Primary Industries 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 Primary Industries to the entity is calculated to be approximately \$168,893 (Last Year : \$197,835).

**From 1 July 2019**

Revenue from grants with sufficiently specific performance obligations is recognised as when the Entity satisfies the performance obligations. The entity typically satisfies its performance obligations in relation to scholarship payments by donors when the scholarship payment is made.

The entity typically satisfies its performance obligations in relation to the DPI Grant when the entity provides use of the Agricultural College and ancillary operations to DPI. This grant is paid annually as per the DPI and CBAF Deed of Agreement.

The payments for DPI Management Fees are typically due within 30 days after the invoice date. Scholarship payments from donors are receipted and banked when received.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer Note 7 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations is recognised when the entity obtains control over the granted assets (e.g. cash).

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

### Note 3: Revenue and Other Income

2020  
\$

2019  
\$

#### 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 Primary Industries 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 Primary Industries to the entity is calculated to be approximately \$168,893 (Last Year : \$197,835).

#### (d) OTHER INCOME

Insurance claim	-	638
Other minor income	-	135
<b>TOTAL OTHER INCOME</b>	<b>-</b>	<b>773</b>

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

2020  
\$

2019  
\$

Net gain/(loss) on financial assets	47,999	(24,102)
<b>TOTAL GAINS / (LOSSES) ON DISPOSAL</b>	<b>47,999</b>	<b>(24,102)</b>

### Note 5: Cash and Cash Equivalents

Note

Cash on hand - petty cash	750	750
Cash at bank - building fund	5,346	4,008
Cash at bank - working accounts	358,900	231,544
	<b>364,996</b>	<b>236,302</b>
Restricted assets	250,375	274,719
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>615,371</b>	<b>511,021</b>

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:

Cash and cash equivalents	615,371	511,021
	<b>615,371</b>	<b>511,021</b>

Refer Note 15 for details regarding credit risk and market risk arising from financial instruments.

<b>Note 6: Receivables</b>	2020 \$	2019 \$
<b>CURRENT</b>		
Trade receivables from contracts with customers	77,393	-
ATO JobKeeper Subsidy	41,250	-
COVID-19 Employer Cash Boost	50,000	-
Sale of goods and services	-	130,995
Other receivables	23,717	33,561
Accrued income	-	3,596
<b>TOTAL CURRENT</b>	<b>192,360</b>	<b>168,152</b>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 15.

#### **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.

The Foundations meets all the eligibility criteria attached to the JobKeeper payments; and has paid the minimum \$1,500 per fortnight to all eligible employees.

#### **Subsequent measurement**

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.

#### **Impairment**

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. The entity has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

<b>Note 7: Contract Assets and Liabilities</b>	2020 \$	1 July 2019 \$ adjusted for AASB 15
Contract assets - current	11,791	3,596
Contract liabilities - current	183,260	186,452
Contract receivables (included in Note 6)	77,393	130,995

#### **Recognition and Measurement**

Contract assets for egg accrued income relates to the entity's right to consideration in exchange for goods transferred to customers, but not billed at the reporting date in respect of eggs delivered.

Contract liabilities relate to consideration received in advance for DPI grants and forward bookings for Barracks accommodation.

## Note 8: Financial Assets at Fair Value

	2020 \$	2019 \$
CURRENT		
Deposit on property purchase	57,500	-
NON-CURRENT		
Investment in equity shares		
- Shares in listed companies	2,020,166	2,280,903
- Managed funds	6,573,725	6,479,714
TOTAL NON-CURRENT	8,593,891	8,760,617

Refer to Note 15 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

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

Financial assets at fair value through other comprehensive income include equity investments which the entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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.

## Note 8: Financial Assets at Fair Value

### ***Impairment***

#### ***Impairment of financial assets at fair value through other comprehensive income***

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.

## Note 9: Restricted Assets

2020  
\$

2019  
\$

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.

### Restricted assets comprise

Cash and cash equivalents	250,375	274,719
Accrued income:		
- proceeds on disposal of investments	-	38,090
- dividends and trust distributions	23,717	33,561
Financial assets at fair value	8,593,891	8,760,617
Less: unpaid scholarships	(14,150)	(14,150)
settlement of listed shares acquired	-	(17,482)
<b>TOTAL</b>	<b>8,853,833</b>	<b>9,075,355</b>

### Movement in carrying amount of restricted assets

Opening Balance	9,075,355	9,109,030
<b>Changes in equity:</b>		
New donations - trust accounts (Note 3 (c))	18,250	20,450
Interest received	2,594	12,323
Dividends and trust distributions received	337,849	251,880
Direct investment expenses	(49,675)	(43,177)
Scholarships paid (Note 2 (d))	(82,250)	(69,913)
McLachlan bequest funds expended	(173,559)	(541,277)
Net capital gain / (loss) on disposal of investments (Note 4)	47,999	(24,102)
Movement in market value of investments	(322,730)	360,141
<b>Total changes in restricted assets</b>	<b>(221,522)</b>	<b>(33,675)</b>
<b>Total restricted assets at year end</b>	<b>8,853,833</b>	<b>9,075,355</b>

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.

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.

### SUMMARY

McLachlan bequest	7,931,698	8,164,101
Scholarship prize funds	922,135	911,254
<b>TOTAL</b>	<b>8,853,833</b>	<b>9,075,355</b>

## Note 10: Property, Plant and Equipment

	Land and Buildings \$	Plant and Equipment \$	Infrastructure Systems \$	Jewellery and Artefacts \$	Total \$
<b>At 1 July 2019 - fair value</b>					
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
<b>At 30 June 2020 - fair value</b>					
Gross carrying amount	24,676,375	613,047	636,210	176,935	26,102,567
Accumulated depreciation and impairment	(169,700)	(304,822)	(39,694)	-	(514,216)
Net carrying amount	24,506,675	308,225	596,516	176,935	25,588,351

### 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 \$
<b>Year ended 30 June 2020</b>					
Net carrying amount at beginning of year	24,642,419	334,010	628,226	176,935	25,781,590
Additions	-	16,089	-	-	16,089
Transfers	-	-	-	-	-
Revaluation increments/ (decrements)	-	-	-	-	-
Depreciation expense	(135,744)	(41,874)	(31,710)	-	(209,328)
Net carrying amount at end of year	24,506,675	308,225	596,516	176,935	25,588,351

Further details regarding the fair value measurement of property, plant and equipment are disclosed in Note 11.

	Land and Buildings \$	Plant and Equipment \$	Infrastructure Systems \$	Jewellery and Artefacts \$	Total \$
<b>At 1 July 2018 - fair value</b>					
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
<b>At 30 June 2019 - fair value</b>					
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

## Note 10: 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
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>					
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

### 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 10: 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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	1% - 20%
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 Primary Industries revaluation policy.

The buildings and infrastructure valuation report dated 31 March 2019 was prepared for NSW Department of Primary Industries 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 10: 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 11: 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	2020 Level 1	Level 2	Level 3	Total fair value
Property, plant and equipment (Note 10):				
- Land and buildings			24,506,675	24,506,675
- Plant and equipment			308,225	308,225
- Infrastructure systems			596,516	596,516
- Jewellery and artefacts			176,935	176,935
Financial Assets at Fair Value (Note 8):				
Managed funds at fair value	6,573,725			6,573,725
Shares in listed companies at fair value	2,020,166			2,020,166
	8,593,891		25,588,351	34,182,242
	2019 Level 1	Level 2	Level 3	Total fair value
Property, plant and equipment (Note 10):				
- 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
Available-for-sale financial assets (Note 8):				
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

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 11: 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 10 for further information.

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

	Property, plant and equipment	Total Recurring Level 3 Fair value
Fair value as at 1 July 2019	28,781,590	28,781,590
Additions	16,089	16,089
Revaluation increments	-	-
Depreciation expense	(209,328)	(209,328)
<b>Fair value as at 30 June 2020</b>	<b>28,588,351</b>	<b>28,588,351</b>
	Property, plant and equipment	Total Recurring Level 3 Fair value
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)
<b>Fair value as at 30 June 2019</b>	<b>25,781,590</b>	<b>25,781,590</b>

## Note 12: Current Liabilities - Payables

	2020 \$	2019 \$
<b>CURRENT</b>		
Trade creditors	15,592	37,907
Payroll liabilities	30,007	28,665
GST payable	8,958	24,191
Accrued salaries, wages and on-costs	16,788	11,285
Other accrued expenses	46,902	21,891
<b>TOTAL CURRENT</b>	<b>118,247</b>	<b>123,939</b>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 15.

### 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.

<b>Note 13: Current/Non-Current Liabilities - Borrowings</b>	2020 \$	2019 \$
<b>CURRENT</b>		
Commercial loan - secured	90,000	90,000
<b>TOTAL CURRENT</b>	90,000	90,000
<b>NON-CURRENT</b>		
Commercial loan - secured	1,490,000	1,580,000
<b>TOTAL NON-CURRENT</b>	1,490,000	1,580,000
<b>TOTAL</b>	1,580,000	1,670,000

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	\$5,933,092
---------------------------	-------------

Details regarding liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 15.

#### 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.

Changes in liabilities arising from financing activities:

	1 July 2019	Cash flows	30 June 2020
Commercial loan - secured	1,670,000	(90,000)	1,580,000
<b>TOTAL</b>	1,670,000	(90,000)	1,580,000

**Note 14: Current Liabilities – Provisions**

	2020 \$	2019 \$
CURRENT – PROVISIONS		
Provision for Annual Leave	28,952	20,716
Provision for Long Service Leave	33,369	30,776
TOTAL CURRENT LIABILITIES	62,321	51,492

**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 15: 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	2020 \$ Carrying Amount	2019 \$ Carrying Amount
<b>Financial Assets</b>				
Cash and cash equivalents	5	Amortised cost	615,371	511,021
Trade and other receivables	6,7	Loans and receivables at amortised cost	204,151	168,152
Financial assets at fair value	8	Fair value through other comprehensive income	8,651,391	8,760,617
<b>TOTAL</b>			<b>9,470,913</b>	<b>9,439,790</b>
<b>Financial Liabilities</b>				
Payables	12	Financial liabilities measured at amortised cost	301,507	310,391
Borrowings	13	Financial liabilities measured at amortised cost	1,580,000	1,670,000
<b>TOTAL</b>			<b>1,881,507</b>	<b>1,980,391</b>

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 15: 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 0.05% (2019: 0.05%). This rate is variable depending upon cash held within the account.

#### *Accounting policy for impairment of trade debtors and other financial assets*

##### *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.

#### *Managed funds and shares in listed companies*

The fair value of managed funds and listed company shares was determined using closing quoted prices at the end of the 2020 reporting period obtained from the fund manager Macquarie Investment Management Limited.

## Note 15: 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 6.22% (2019: 5.97%). 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. The interest rate 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 \$1,580,000 of the loan has been drawn. The variable interest rate on the loan at 30 June 2020 is 3.713% (2019: 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
<b>2020</b>								
Payables					301,507	301,507		
Borrowings	4.38%	2,157,922	-	2,157,922	-	167,239	623,956	1,366,727
<b>2019</b>								
Payables					310,391	310,391		
Borrowings	5.42%	2,329,900	-	2,329,900	-	171,978	642,025	1,515,897

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 15: 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 2019. 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
<b>2020</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	615,371	(6,154)	(6,154)	6,154	6,154
<b>Financial Liabilities</b>					
Borrowings	1,580,000	(15,800)	(15,800)	15,800	15,800
<b>2019</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	511,021	(5,110)	(5,110)	5,110	5,110
<b>Financial Liabilities</b>					
Borrowings	1,670,000	(16,700)	(16,700)	16,700	16,700

## Note 15: 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	2020 Carrying Amount	2019 Carrying Amount
RAM Australian Diversified Fixed Interest & Credit Securities Managed Account	Australian listed credit securities	1.5 years to 3 years	532,234	437,348
Macquarie PPM Core Australian Equity Managed Account	Australian listed equities	3 years to 7 years	1,487,932	1,843,555
Macquarie Managed Investment Trusts	Infrastructure, Australian and international bonds, listed property and International shares	7 years and over	6,573,725	6,479,714

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 \$8,809,114 (2019: \$9,018,842).

	Carrying Amount	-10%		10%	
		Net Result	Equity	Net Result	Equity
<b>2020</b>					
Financial assets at fair value	8,593,891	-	(859,389)	-	859,389
<b>2019</b>					
Financial assets at fair value	8,760,617	-	(876,062)	-	876,062

### **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 15: 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.

	2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
RAM Australian Diversified Fixed Interest & Credit Securities Managed Account	532,234	-	-	532,234
Macquarie PPM Core Australian Equity Managed	1,487,932	-	-	1,487,932
Macquarie Managed Investment Trusts	6,573,725	-	-	6,573,725
	2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
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

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

## Note 16: 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 11.

#### 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 17: Cash Flow Information

Note

2020  
\$

2019  
\$

### 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	615,371	511,021
		<u>615,371</u>	<u>511,021</u>

### 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		248,669	(278,929)
Non-cash flows in profit from ordinary activities after income tax			
Depreciation		209,328	217,983
Net (gains)/losses on disposals of investments		(47,999)	24,102
Total non-cash flows in profit from ordinary activities after income tax		161,329	242,085
Changes in assets and liabilities			
(Increase)/Decrease in trade and other receivables		(74,089)	58,692
Increase/(Decrease) in trade and other payables		8,598	152,880
Increase/(Decrease) in provisions		10,829	(20,019)
Total changes in assets and liabilities		(54,662)	191,553
<b>TOTAL CASH FLOWS FROM OPERATIONS</b>		<u>355,336</u>	<u>154,709</u>

## Note 18: 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 19: Commitments

The entity has a commitment to purchase a parcel of land known as "Bowkers". The property boasts 40 acres, neatly divided into well-watered paddocks, and neighbours the Agricultural College. A deposit of \$57,500, being 5% of the total purchase price of \$1,150,000 has been made at the time of signing the purchase contract 14 May 2020. Settlement occurred in August 2020.

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. To date there is \$3.1 million allocated for research and development (currently \$1.6 million has been secured by NSW DPI) and finance is expected to be secured for the building construction before 30 June 2021.

## **Note 20: Contingent Liabilities**

There were no contingent liabilities in respect of the entity as at 30 June 2020 (nil in 2019).

## **Note 21: 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 22: 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 Primary Industries provided the CB Alexander Foundation with administration services of \$168,893 (2019: \$ 224,835). 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
Department of Primary Industries	Administrative, secretarial support, operational assistance, management and maintenance

## **Note 23: Events Subsequent to Balance Date**

The entity has disclosed the impact that COVID-19 has had on operations and financial reporting for the year ended 30 June 2020 in the notes to the financial statements.

As COVID-19 is ongoing, it is not practicable to estimate the potential impact, positive or negative, after 30 June 2020.

There are no other known events occurring after the reporting date that would have a significant affect on the financial report.

## **Note 24: Foundation Details**

The principal place of business is:

CB Alexander Foundation  
815 Tocal Road  
Paterson NSW 2421