



**CB Alexander
FOUNDATION**

TOCAL

2022/23 ANNUAL REPORT



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ABOUT THIS REPORT

This annual report summarises the activities and performances of the CB Alexander Foundation for the 2022/2023 Financial Year. The report is available on the Tocal Homestead Website www.tocal.com.au

INTRODUCTION

The CB Alexander Foundation (the Foundation) is pleased to present its Annual Report for the operations and finance for the Financial Year ending 30 June 2023.

The report that focuses on the performance, activities, and financial results of the Foundation has been prepared in accordance with the provisions of the *Annual Reports (Statutory Bodies) Act 1984*, and the *C.B. Alexander Foundation Incorporation Act 1969 No 61*.

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 Total or in the Sydney Office of the Department.

MEMBERSHIP FOR THE 2022/2023 FINANCIAL YEAR

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

Ms Kate Lorimer-Ward – Alternate Chair and Deputy Director General DPI Agriculture

Mr Gurmesh Singh - Government Representative Member

Dr Cameron Archer AM - Member

Mr Simon Fraser – Member

Ms Sarah Sivyver – Member

Ms Susan Hunt - Ex-officio

Glenn Kennedy - Member

John Lennon - Member

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

MEETING ATTENDANCE

MEMBER NAME	ATTENDANCE
Mr Scott Hansen	5 of 6
Ms Kate Lorimer-Ward (Alternate Chair)	2 of 6
Mr Gurmesh Singh	1 of 6
Dr Cameron Archer AM – Finished December 2022	2 of 2
Ms Sarah Sivyver – Finished October 2022	1 of 1
Mr Simon Fraser	5 of 6
Ms Susan Hunt	6 of 6
Glenn Kennedy – Commenced January 2023	4 of 4
John Lennon – Commenced January 2023	4 of 4



Left to right, Mr Scott Hansen, Ms Sarah Sivy, Mr Simon Fraser, Ms Susan Hunt



Left to right, Dr Cameron Archer, Glenn Kennedy, John Lennon, Gurmeh Singh

ASSISTANCE

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

Kate Lorimer-Ward – Deputy Director General Agriculture Department of Primary Industries

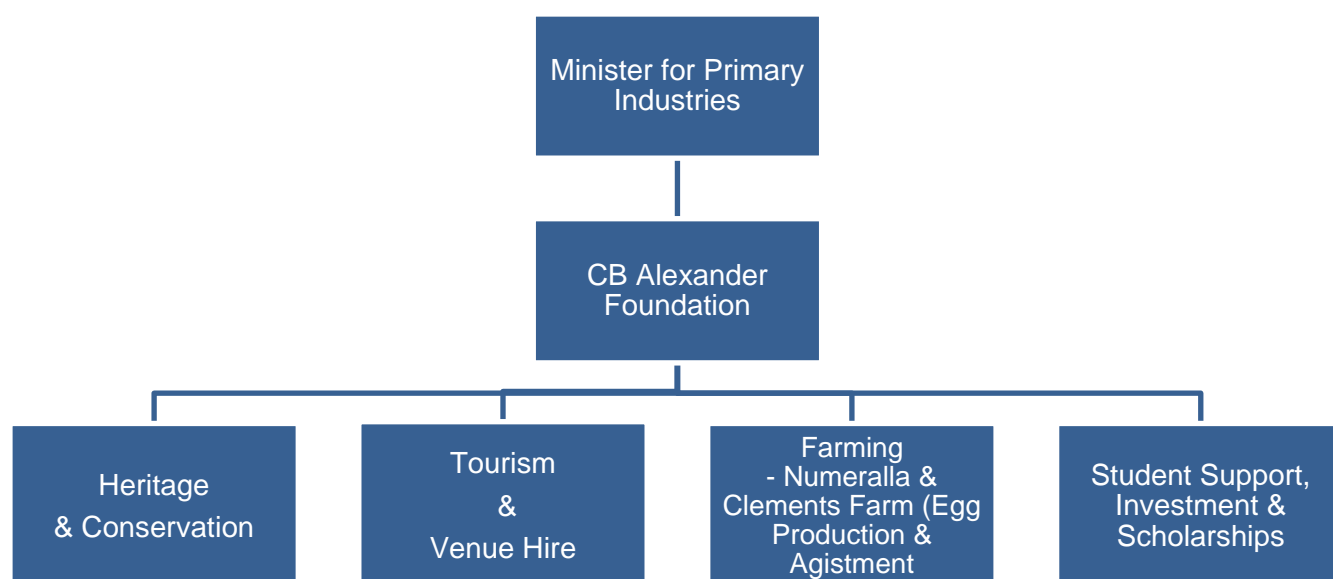
Mr Darren Bayley – Principal, Tocal Agricultural College

Ms Vicki Priest – Secretary to the Foundation

Ms Sandra Ognibene – College Business Manager

Mr Robert Rein – Centre Manager

ORGANISATIONAL CHART



CHARTER

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

- a) to promote and advance, 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 guest accommodation.

Purpose

To promote and advance agricultural education
To improve and preserve Tocal College's physical, historical and cultural environment
To provide student scholarships and financial assistance

Our strategic priorities:	To promote the site's cultural history, Aboriginal land use, environment and agricultural heritage to school students through curriculum-aligned visits and programs.	To provide community access and enhance appreciation and interpretation of the historic homestead site and surrounds.	Maximise revenue to preserve, maintain and improve heritage buildings and infrastructure and support student scholarships.	
We aim to:	Connect children and youth with safe, engaging and creative open spaces to grow their understanding and provide a unique learning experience.	Increase community awareness and visitation of the Tocal Homestead historic precinct. Ensure Barracks accommodation continues to meet 5 star expectations. Maintain and improve heritage assets and associated infrastructure.	Preserve cultural assets and present a well-maintained site that continues to attract interest and bookings for weddings, community events and conferences. Manage a productive and profitable farm enterprise that is well presented and offers educational opportunities for experiential learning.	Manage bequest and scholarship funds to provide returns aligned to investment and risk strategy. Encourage further donations and bequests through engagement strategy.
By focusing on:	The delivery of primary and secondary school programs aligned to curriculum. The delivery of school holiday programs. Recruitment and retention of qualified tour guides.	The development and implementation of a volunteer management plan to increase volunteer numbers. 5 community events each year. Social media campaigns of site and history connected to an engaging website.	Promotion and marketing of site. Completion of competitive tender process for wedding contractor. Profit, best practice, animal welfare, team performance.	Actively manage an investment portfolio that provides a targeted rate of return for ongoing scholarships and projects.
Measures:	4,000 student visitors per annum. Two new school programs developed and implemented. Increase (10%) of school visits from outside the Maitland area.	Barracks maintains 5 star visitor rating. 215 stay nights per annum by 2023. 3,000 visitors per annum from both tours and events. Updated tour app.	65 weddings per annum. Increase non-wedding events at the function centre (up 10%). Numeralla in top 10% of egg growers. Provide opportunities for student learning and experience.	Investment fund manager meets terms of strategy and target returns.
Core services:	School and youth programs	Visitation and accommodation	Weddings and farm enterprises	Managed Investments

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

VISITATIONS TO Tocal HOMESTEAD

The total number of visitors to Tocal Homestead was 23,276, a 41.9% increase from the previous financial year. This does not include the statics from The Barracks, Tocal.

GENERAL SUMMARY OF VISITORS FOR FINANCIAL YEAR 2022/23*

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

MONTH	SCHOOLS	TOURS	WEDDINGS	EVENTS	FUNCTIONS ETC	SUNDAYS	TOTAL VISITS
2022							
July	5 / 310	1 / 27	4 / 355	3 / 1610	15 / 328	4 / 32	2662
Aug	18 / 900	3 / 69	4 / 441	1 / 800	14 / 275	3 / 79	2564
Sept	16 / 863	2 / 75	10 / 916	3 / 380	16 / 413	4 / 66	2713
Oct	10 / 632	4 / 112	13 / 1301	1 / 330	7 / 251	4 / 28	2654
Nov	7 / 437	4 / 114	7 / 718	1 / 222	18 / 571	5 / 135	2197
Dec	0	4 / 130	2 / 202	3 / 350	13 / 1100	3 / 24	1806
2023							
Jan	0	1 / 21	2 / 168	0	17 / 833	2 / 4	1026
Feb	1 / 13	3 / 24	1 / 101	1 / 55	10 / 245	4 / 13	451
Mar	8 / 259	4 / 83	9 / 909	1 / 13	11 / 187	4 / 64	1515
April	3 / 105	3 / 54	7 / 756	2 / 73	10 / 255	5 / 57	1300
May	12 / 718	6 / 528	3 / 282	3 / 1112	0	4 / 42	2682
June	23 / 1126	6 / 224	2 / 19	0	3 / 253	4 / 84	1706
Total 2022/2023	103 / 5,363	41 / 1,461	64 / 6,824	19 / 4,945	131 / 4,711	46 / 628	23,276 visitors
TOTAL 2020/2021 as comparison	54/3,072	13/300	32/2,870	6/2,385	110/3,412	28/1,485	13,524 visitors



Note: Functions statistics include Timberrnook visitation days / amounts of children. Timberrnook statistics starts from July 2022 & conclude April 2023.

COMMUNITY ACCESS & FRIENDS OF Tocal

The Friends of Tocal (the Friends) actively supported the Homestead with visitor services, catering, and fundraising activities. The Friends are a volunteer group that contributed their time, money, and skills to special projects in the 22/23 year which included fixing the lead flashing on the corner of the Homestead roof, increasing gardening volunteering by the creation of a 'garden club' subgroup that now works fortnightly in the gardens, adding electricity to the milk room, obtaining new orchard labels and new glass jars for condiments, fixing the fountain tap and a mammoth garden shed clean out day. Bi-monthly social catch ups outside of the Homestead precinct were also been arranged to engage with Friends unable to travel to the Homestead.

A focus for the Friends is fundraising to providing scholarship opportunities to Tocal students, awarding \$2,500 in the 22/23 year. These scholarships recognise a students who have given their time and skills to improve their community, and often have volunteered time working at the Homestead.

Timbernook Hunter Valley continued to operate its nature-based day-care on site at Tocal Homestead, with booked out school holiday programs and full-term classes averaging around 200 children on site per month that get to enjoy the outdoor heritage site. Due to the area they used and upcoming Timberwork projects, the space was made unavailable to them from May 2023. With no other suitable space for them to operate, they moved their program offsite to Broke.

An increase in conferences were held in the Function Centre this year for groups such as LJ Hooker, NSW Water, and for multiple drones courses. The site was also hired out for multiple filming opportunities such as A Farmer Wants A Wife, Beyond History film project on female convicts, and a promotional video for the University of Newcastle.

To keep up with objectives outlined in the strategic plan, Foundation staff that work at the Tocal Homestead and the Barracks were able to attend a networking opportunity, the first 'Paterson Valley Women's Collective' along with several other local supporting businesses. This event also enabled staff to promote the Tocal Homestead and the Barracks to new local businesses.



HOMESTEAD WEEKEND OPENINGS

Tocal Homestead opens its visitor centre each Sunday between March and November each year, giving the chance for local and regional people to explore the beautiful grounds and soak in the incredible history of the site.

The 22/23 year was the quietest financial year on record for the Visitors Centre, with a total of 688 visitors, down 54% from the previous year.

In 22/23 the Homestead team also trialled opening the site on Sundays over the summer period however found the number of visitors during this period to be quite low due to the hot weather. The team will trial opening again over Summer in the 23/24 year.

WEDDINGS

In 22/23 the Foundation contracted out the catering for the Function Centre at Tocal Homestead to Sprout Catering. The Function Centre hosted 64 weddings this financial year, exactly double from the previous year. This met the strategic objective of meeting a minimum of 60 weddings per year, noting the Foundation receives income from each wedding held.

Sprout Catering consistently provided quality food and service to their wedding clients and also hosted additional catering events for special conference groups and celebrations. The Tocal Homestead was selected as a finalist in the 2022 Newcastle and Hunter Brides Choice Awards (now renamed as the Wedding Industry Awards) for Best Country/Farm Wedding Venue for the fifth year in a row which is a great credit to Foundation Staff and the Catering group.

An expression of interest was held for the catering contract to continue past the 22/23 Financial Year with Sprout Catering being awarded the tender for another 3 year term.



SCHOOLS PROGRAM

Tocal Homestead prides itself on being a site of educational excellence for students across the Hunter and beyond. Many schools are repeat attendees, who engage in the curriculum-based programs, leaving an indelible mark on young learners. From primary programs that delve into history and agriculture to high school initiatives focused on farm case studies, Tocal Homestead continues to inspire and educate generations of students.

There were 103 school excursions bringing 5,363 children, teachers and parents to the site. This is a 47.5% increase on bookings and 42.7% increase on visitation. 2022 was considered an alpha year, and 2023 a beta year. These trends seem to be consistent – with lower school numbers for the overall 2023 calendar year, and also smaller group numbers (a lot of visiting schools with only 20 – 50 children compared to an alpha year of 60 – 100 children).

TOURS

Tour group numbers increased by 215% in the 22/23 year. With the effects of the pandemic finally lifted, groups who were most vulnerable began to book their excursions again. The extremely successful tours also led to the Tocal Homestead becoming a finalist in the Hunter Local Business Awards for 'Tourism Services.'

Visiting groups consisted of members from the corporate groups, senior's bus tours, and special interest groups. Three large groups in particular were the Austin Healy Car Club of Australia (137 pax), the Apex Club 40 (114 pax), and BVN (320 pax).

The Friends of Tocal took the opportunity to cater for these larger groups, with rotating tours of the site arranged with additional tour guides to host the extra numbers of guests. The car clubs had such a wonderful time, that they plan to add in the Homestead to their annual touring roster.



Foundation staff also welcomed the Glenn Murcutt Architects group, which consisted of 34 of the world's best architects who are invited to participate in the 'Murcutt Masterclass'. The group worked individually to come up with ideas to transform Thunderbolts Cottage that is located in the Tocal Homestead Precinct.

EVENTS

The 22/23 year was an extremely busy period for new and existing events held at the Tocal Homestead, including markets, two Confetti and Chaos theatre dinner shows, Pinot and Picasso painting sessions, flower arrangement workshops with Flora Luna, Santa Photos, long lunches with Sprout Catering, tours for visitors of the Tocal Field Days, and the annual Peek into the Past event.

After a two-year hiatus due to Covid-19, it was fantastic to see Peek into the Past back in action for what was an incredibly successful day. A total of 1,140 visitors accessed the site: 608 adults, 241 concession, 434 children, 109 exhibitors, and 48 volunteers. The event raised a total of \$13,715.45, setting the record for the highest takings to date. More than 28 local volunteer groups and businesses are involved with the event.



Wet weather also impacted the visits to the Homestead as part of the 2023 Tocal Field days where visitor numbers were significantly lower than past years with just 670 visitors coming across to the Homestead, the lowest recorded since 1997 (the average is usually 1100 – 1200 visitors).

Despite the low visitation for this event, volunteers and staff alike were very pleased to welcome visitors to the site and had a wonderful time. A commendable total of 79 volunteer shifts resulted in more than 400 hours contributed during the three days.

Markets at the Homestead continued to run until September 2022 where it was decided to cancel the existing contract. The market events required a large amount of administration time from Foundation staff, and were largely dependant on the weather for success, which led to the decision to discontinue the events.

Tocal Homestead hosted the welcome activity for BVN Architecture on 7 Dec, for 320 people. The group consisted of international and interstate visitors, all who come to the site for the first time. The welcome 'fair' included a smoking ceremony by Uncle Leon Hammond, demonstrations on how to whip crack, blacksmithing, music from Fiddle Tunes, drone demonstrations by XAG, scones in the wood stove, all before having a cocktail dinner catered by Sprout in a large marquee which was extended off Blacket Barn.

Three sold out dates for the annual Santa photos saw 611 people come to the site. The event has grown to such a success that next year an additional day is being added.



PUBLICATIONS

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

WEBSITE

The Foundation's website 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.

Google Analytics has recently updated to only hold data for the last six months. Once the CBAF were aware of this, data was collected monthly to write comparative reports on website growth and development.

A table of the available statistics can be seen below:

Google My Business/Website Stats						
Month	Bus Profile Interactions	Profile Views	Searches showing profile in search	Calls	Directions	Website Clicks
Oct-22	1148	4227	2335	28	671	449
Nov-22	805	3298	1593	8	482	315
Dec-22	503	2522	1108	9	270	224
Jan-23	758	3497	1538	12	287	459
Feb-23	532	2625	1212	8	229	295
Mar-23	823	3222	1678	20	318	485
Apr-23	917	2898	1488	12	488	417
May-23	1062	2177	1019	21	560	481
Jun-23	618	1479	579	13	313	292

The higher inflation of numbers in May and July correlate to the two largest events, Tocal Field Days and Peek into the Past.

THE BARRACKS

The Barracks accommodation consists of 4 rooms that are located at the Tocal Homestead Precinct.

The 22/23 year saw reservations rise after the continued ease of Covid restrictions where the Barracks experienced.

THE BARRACKS ACCOMMODATION 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
1 July 2020 – 30 June 2021	267	407	85
1 July 2021 – 30 June 2022	122	238	91
1 July 2022 – 30 June 2023	159	303	55

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
2020/2021	92	18	19	93	22	23
2021/2022	43	8	17	41	7	6
2022/2023	49	18	41	40	5	6

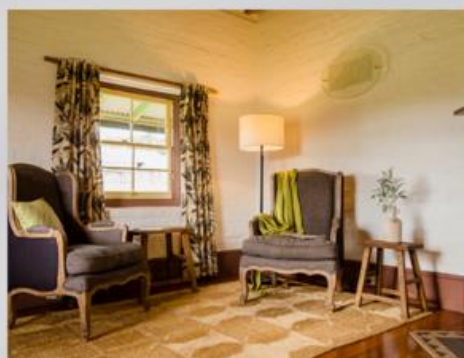
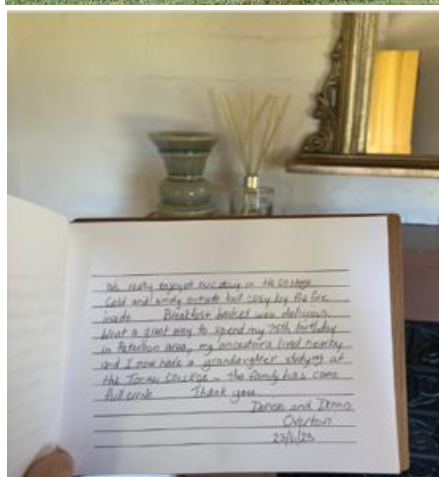
The Barracks connected to a 'Guest Joy' a program to enhance guests experience and drive revenue beyond the room. The program allows the Foundation staff to provide a digital check in experience, personalise upsell offers, and request feedback and create an online guest directory. One upsell offer is initiated in the 22/23 year was a 'Luxury Picnic Experience' that included a Paterson Pantry grazing box, Boydell's wine along with use of a boules and/or croquet set.

To encourage and increase direct bookings, The Barracks broadened its listings with external travel directories, these include Life Unhurried, Historic Stays, Stay in the Bush, Australian Tourism Database Warehouse, as well as the third party booking channels of Booking.com, Expedia, Agoda, Air BNB, Hotel Network, Demand Plus and their travel partners.

Maintenance works was carried out by the Foundation to maintain the '5 star' hospitality, including a re-stain to veranda timbers and bench seating, sandstone door entry treads re-sealed, upgrades to Wi-Fi units, shower floors re-sealed and new shower dispensers installed with a new line of Australian bathroom products introduced.

Additional advertisement was placed in the Visit Dungog 2023 publication, a great showcase of our Shire's attractions, accommodation and services in a glossy magazine named 'Explore Barrington Coast'. Several Barracks photos were selected and featured throughout the magazine which is available at various local businesses including Visitor Centres.

The Barracks maintained AirBNB Superhost status, which is awarded to accommodation providers with amazing hosting skills, 100% response rate and a 5-star overall rating. The Barracks also received a Booking.com Traveller Review Award for exceeding travellers' expectations and was a proud finalist in the 2022 Hunter Local Business Awards.



NUMERALLA FREE RANGE EGG FARM

Numeralla Free Range Egg Farm (Numeralla) consists of five shed that house up to 90,000 hens which are grown and their eggs harvested through a contract with Pace Farms. Approximately 84,000 eggs are harvested per day with the aid of conveyors and an egg packer rated at 24,000 eggs per hour. When all five sheds are fully operational, the farm can produce up to 11 million eggs per year.

In the 22/23 year the Foundation funded many new improvements to Numeralla including; a new chlorinating system which uses chlorine tablets replacing the need to handle liquid chlorine; a new incinerator; installation of a filtration system in early 2022, the raising of the dam wall one metre and a new pump and foot valve for the dam that provides a reliable water supply system well into the future. In addition a diesel tank and stand was also installed.



A strong focus on safety continued with a WHS audit across the site conducted by Wayne Rowe (Senior Safety partner DRNSW) John Pearce (Senior Safety partner LLS) and Pat Gallagher. Several issues were flagged.

- Steps into poultry sheds. This has been fixed, new concrete steps are now in place.
- Possible access to the ladders on the silos. Lockable doors have been ordered and fitted.
- Clutter in the machinery shed. A new shed has been purchased and will be erected in the coming months This will allow for additional storage.
- The replacement of timber step treads to non-slip steel treads. A contractor was engaged to undertake the tread replacement.
- A new notice board has been purchased specifically for Emergency procedures and has been erected in the staff common room.

Numeralla had an external audit on the 8 March 2023, this was performed by Aus-Qual who found no Corrective Action Requests (CARs).

Both Pace and Aus-Qual are extremely happy with Numeralla's production and farm presentation.

Patrick Gallagher and the team at Numeralla are commended for their dedication and hard work in keeping Numeralla to this excellent standard.



HERITAGE MANAGEMENT - BUILDINGS

Conserving and maintaining the historic buildings at the Tocal Homestead complex is remained a key focus for the Foundation in the 22/23 year with a number of projects carried out by professional tradesmen and artisans.



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.

Work was completed on the milk/dairy room, with electricity connected in June 2023. This space now has the potential to be converted into a new interpretation and wet weather area for school and seniors' tours.

TOTAL ALUMNI

The Tocal College Alumni was created as an initiative of the Foundation in 2015 to foster and promote a broad network of ex-students, staff, and community members with connection to Tocal.

The Tocal Alumni has grown into a vibrant community, bridging the gap between the cherished memories of Tocal College from previous generations with the promise of the future for generations to come.

The Tocal College Alumni is supported by the Tocal Alumni Committee, with current members appointed in 2021 until end of 2024. Within the 22/23 year, the committee met on three occasions.

The 2022-2023 Tocal Alumni Committee members consisted of:

Chair and CB Alexander Foundation Representative*	
John Lennon	Ex-student 1979/80
Deputy Chair	
Jessica Perry	Ex-student 2015/16
Ex-Officio and Secretary	
Danielle Fordham	Ex-student 2016/17
Committee Members	
Andrew Mills	Ex-student 1988/89

Glen Walker	Ex-student 1993/94 & former Tocal Staff
Glenda Briggs	Former Tocal Staff
Jack Finch**	Ex-student 2016/17
Kate Blair-Hickman**	Ex-student 2016/17
Milton Smith	Ex-student 2018/19
Rita Hough	Ex-student 1979/80
Scott Whiston	Ex-student 1979/80
Friends of Tocal Representative	
Ruth Dircks	
Tocal College Principal	
Darren Bayley	

*In December 2022, Dr Cameron Archer finished as his role of Chair for the Committee to be replaced by incoming Foundation Board Member John Lennon, who already was a dedicated member of the Alumni Committee. This resulted in an open committee member position.

**In May 2023, Stephen Fry, a member of the Alumni general committee, stepped down from his position due to other commitments. Subsequently, in July 2023, the Alumni extended a warm welcome to Jack Finch and Kate Blair-Hickman, both Tocal College ex-students, as they filled the casual vacancies left by the departure of Cameron and Stephen.

In August 2022, the Foundation, Tocal Alumni and Tocal College celebrated 50 years since the first admission of our first female students in 1972. A gathering of 131 current and former students, staff, and community members convened at Tocal College to honour this significant milestone. Guests were treated to enlightening farm and campus tours, including a captivating exploration of Tocal's newly established Bee Research and Training Centre and the bustling bull yards.

STUDENT SUPPORT

The Foundation manages an investment portfolio for Tocal College student scholarships.

In 2023 the following scholarships were granted;

- CB Alexander Foundation scholarship - recipient was Abbie Waterson - Bega
- Professor Stephen Powles scholarship to Marnie Stuckings – Duns Creek
- Jeff Stevenson Memorial to Bridie Ellis - Castle Hill
- Hunt Family scholarship to Sacha Bennell – Wentworth Falls
- Gardiner Family scholarship to Ella Foster - Paterson
- George and Jenny Hammond to Gemma Kerney - Charlestown
- Colin H Dunlop Memorial to Tyler Sutton - Walcha
- Tocal Alumni scholarship to Harrison Smith - Chandler
- Bruce Urquhart Memorial scholarship to Georgia Urquhart - Woodville
- Rosemary Dunlop Memorial to Emma Overton - Greystanes
- Gill Family scholarship to Phoebe Piper - Mossy Point
- Brooks Family scholarship to Brock Delaney - Alison
- Hayward Family scholarship to Joshua Callaway - Macksville
- HC White Memorial scholarship to;
 - Rachael Archinal - Ashtonfield
 - Heather Horn - Marulan

- Eliza Horn - Yarramundi
- Laura Moorhouse - Dunedoo
- Grace Nesbitt - Illawong
- Sarah Pace - Bargo
- Georgie Pringle – Hamilton South
- Emily Ree - Tenterfield
- Harrison Shelton - Wallsend
- Tyler Sutton - Walcha
- Jesse Tonkins - Elands

The Foundation through the Tocal Alumni administers the Jean Wilson Alexander Memorial Scholarship; a scholarship available to graduates of the College to pursue further education. It is for graduates who wish to study at universities, colleges, TAFE or to undertake travel or study tours. This year the scholarship was divided into two and presented to Kate Blair-Hickman and Danielle Fordham.





INDEPENDENT AUDITOR'S REPORT

CB Alexander Foundation

To Members of the New South Wales Parliament and Members of CB Alexander Foundation

Opinion

I have audited the accompanying financial statements of CB Alexander Foundation (the Foundation), which comprise the Financial declaration for Responsible Entity, Statement by Chair of the CB Alexander Foundation, the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Foundation's financial position, financial performance and cash flows
- 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 Regulations 2022

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).

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

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

Member's Responsibilities for the Financial Statements

The Members of the Foundation are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation, Treasurer's Directions and the *Australian Charities and Not-for-profits Commission Act 2012*. The Member's responsibility also includes such internal control as the Members 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 are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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.



Min Lee
Delegate of the Auditor-General for New South Wales

31 January 2024

SYDNEY

Statement by Chair of the CB Alexander Foundation

Pursuant to section 7.6 (4) of the Government Sector Finance Act 2018 ('the Act'), I state that these financial statements:

1. have been prepared in accordance with the Australian Accounting Standards and the applicable requirement of the Act, the Government Sector Finance Regulation 2018 and the Treasurer's direction, and
2. present fairly The CB Alexander Foundation's financial position, financial performance and cash flows.



Victoria Priest
Secretary
CB Alexander Foundation
Date: 31/01/2024



Kate Lorimer-Ward
Deputy Director General
Agriculture
NSW Department of Primary Industries
Date: 31/01/2024

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

Continuing Operations

	Notes	2023 \$	2022 \$
Expenses excluding losses			
Employee benefits expenses	2(a)	1,186,269	1,174,761
Operating expenses	2(b)	587,094	479,916
Repairs and maintenance	2(c)	406,016	147,374
Depreciation and amortisation expenses	2(d)	221,787	212,030
Grants and subsidies	2(e)	52,000	62,250
Finance costs	2(f)	77,147	56,304
Impairment of investments		-	478,996
Total expenses excluding losses		2,530,313	2,611,631
Revenue			
Sale of goods and services	3	1,453,042	1,197,111
Grants and other contributions	4(a)	431,933	437,927
Investment revenue	4(b)	415,228	346,612
Other income	4(c)	63,203	132,388
Total revenue		2,363,406	2,114,038
Operating result		(166,907)	(497,593)
Gain/(losses) on disposal	4(d)	206,700	315,152
Net result from continuing operations		39,793	(182,441)
Net result		39,793	(182,441)
Other comprehensive income			
<i>Items that will not be reclassified to net result in subsequent periods</i>			
Changes in revaluation surplus of property, plant and equipment		13,469,481	3,652,663
Net gains / (losses) on equity instruments at fair value through other comprehensive income		375,551	(782,549)
Total other comprehensive income		13,845,032	2,870,114
Total comprehensive income / (loss) for the year		13,884,825	2,687,673

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Statement of financial position

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	896,758	894,710
Trade receivables	6	301,219	195,023
Contract assets	7	-	22,085
Other assets	8	-	20,843
Total current assets		1,197,977	1,132,661
Non-current assets			
Financial assets at fair value through other comprehensive income	9	8,242,562	7,649,184
Property, plant and equipment	11	43,675,919	30,337,262
Total non-current assets		51,918,481	37,986,446
Total assets		53,116,458	39,119,107
LIABILITIES			
Current liabilities			
Trade and other payables	14	308,077	220,892
Financial liabilities	15	90,000	92,370
Provisions	16	87,126	83,569
Other liabilities	17	357,443	250,558
Total current liabilities		842,646	647,389
Non-current liabilities			
Financial liabilities	15	1,220,000	1,310,000
Provisions	16	14,770	7,501
Total non-current liabilities		1,234,770	1,317,501
Total liabilities		2,077,416	1,964,890
Net assets		51,039,042	37,154,217
Equity			
Reserves	18	33,922,644	20,077,612
Accumulated funds		17,116,398	17,076,605
Total Equity		51,039,042	37,154,217

The above *statement of financial position* should be read in conjunction with the accompanying notes

Statement of changes in equity

For the year ended 30 June 2023

	Accumulated Funds	Asset Revaluation Reserve	Financial Assets at FVOCI Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2021	17,259,046	16,424,949	782,549	34,466,544
Net profit / (loss) for the year	(182,441)	-	-	(182,441)
Revaluation of property, plant and equipment	-	3,652,663	-	3,652,663
Net gains / (losses) on equity instruments at fair value through other comprehensive income	-	-	(782,549)	(782,549)
Total comprehensive income for the year	(182,441)	3,652,663	(782,549)	2,687,673
Balance at 30 June 2022	17,076,605	20,077,612	-	37,154,217
Net profit / (loss) for the year	39,793	-	-	39,793
Revaluation of property, plant and equipment	-	13,469,481	-	13,469,481
Net gains / (losses) on equity instruments at fair value through other comprehensive income	-	-	375,551	375,551
Total comprehensive income for the year	39,793	13,469,481	375,551	13,884,825
Balance at 30 June 2023	17,116,398	33,547,093	375,551	51,039,042

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Statement of cash flows

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Payments			
Employee related		(1,163,646)	(937,888)
Suppliers for goods and services		(1,083,910)	(786,370)
Grants and subsidies		(52,000)	(62,250)
Finance Costs		(77,147)	(57,036)
Total payments		(2,376,703)	(1,843,544)
Receipts			
Sales of goods and services		1,595,699	1,306,446
Interest received		28,320	239
Dividends and trust distributions received		221,641	271,069
Grants and other contributions		499,081	487,645
Other		63,203	185,908
Total Receipts		2,407,944	2,251,307
Net cash inflow (outflow) from operating activities	24	31,241	407,763
Cash flows from investing activities			
Proceeds from investments		7,781,085	1,943,382
Proceeds from sale of property, plant and equipment		-	3,000
Purchase of land and buildings, plant and equipment and infrastructure systems		(90,963)	(119,500)
Purchase of financial assets		(7,626,945)	(2,242,276)
Net cash inflow (outflow) from investing activities		63,177	(415,394)
Cash flows from financing activities			
Proceeds from borrowings		-	2,370
Repayment of borrowings		(92,370)	(90,000)
Net cash inflow (outflow) from financing activities		(92,370)	(87,630)
Net increase/(decrease) in cash and cash equivalents		2,048	(95,261)
Opening cash and cash equivalents		894,710	989,971
Closing cash and cash equivalents	5	896,758	894,710

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Notes to the financial statements

For the year ended 30 June 2023

1 Summary of significant accounting policies

(a) Information about the entity

- CB Alexander Foundation (the entity) is a NSW statutory authority created under the CB Alexander Foundation Incorporation Act 1969.
- CB Alexander Foundation is a not for profit entity (as profit is not its principal objective) for the purpose of preparing the financial report.
- The entity is within the cluster of the Department of Regional NSW (DRNSW) and not a controlled entity.

These financial statements for the year ended 30 June 2023 have been authorised for issue by the C B Alexander Foundation on 31 January 2024.

(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 *Government Sector Finance Act 2018 (GSF Act)* ;
- The *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not for Profits Commission Regulation 2022* ; and
- Treasurer's directions issued under the Act.

Property, plant and equipment and financial assets at fair value through other comprehensive income which have been measured at fair value. The financial report is presented in Australian Dollars.

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

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented 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) Rounding of amounts

The entity is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(h) Changes in accounting policies, including new or revised AAS

- i) Effective for the first time in FY2022-23

The accounting policies applied in 2022-23 are consistent with those of the previous financial year.

Several inconsequential amendments and interpretations apply for the first time in FY2022-23, but do not have an impact on the financial statements of the entity.

Notes to the financial statements

For the year ended 30 June 2023

1 Summary of significant accounting policies (cont.)

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 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

AASB 17: Insurance Contracts and AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments

AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

AASB 2023-2: Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two model rules

AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements

AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

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.

2 Expenses excluding losses

	2023 \$	2022 \$
(a) Employee related expenses		
Salaries and wages (including annual leave)	849,076	849,913
Departmental salaries	200,840	194,693
Superannuation - defined contribution plans	100,262	82,044
Provision for employee entitlements	10,826	28,216
Workers' compensation insurance	25,265	19,895
	<u>1,186,269</u>	<u>1,174,761</u>
(b) Operating expenses		
Operating expenses include the following:		
Auditor's remuneration		
- audit of the financial statements	26,080	22,490
Cost of sales	10,904	6,164
Expense relating to leases of low-value assets	(5,789)	2,533
Insurance	41,879	40,613
Catering	52,194	16,439
Consultants	45,000	23,300
Contracted services	196,614	128,333
Utilities	101,340	90,388
Fuel and oil supplies	11,569	7,423
Minor equipment	15,224	32,760
Motor vehicle expenses	3,555	5,700
Other expenses	88,524	103,773
	<u>587,094</u>	<u>479,916</u>
(c) Repairs and maintenance		
Maintenance expense	406,016	147,374
TOTAL	<u>406,016</u>	<u>147,374</u>

Accounting policy

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

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.

Notes to the financial statements

For the year ended 30 June 2023

2 Expenses excluding losses

	2023	2022
	\$	\$
(d) Depreciation		
Depreciation		
- Buildings	145,618	140,312
- Plant and equipment	43,010	40,008
- Infrastructure systems	33,159	31,710
	<u>221,787</u>	<u>212,030</u>

Refer to Note 11 for recognition and measurement policies on depreciation.

(e) Grants and subsidies

Scholarships	52,000	62,250
	<u>52,000</u>	<u>62,250</u>

(f) Finance costs

Bank charges	2,757	4,209
Interest expense from borrowings	74,390	52,095
	<u>77,147</u>	<u>56,304</u>

Accounting policy

Scholarships

Scholarships paid are charged as expenses as incurred.

Borrowing costs

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.

Notes to the financial statements

For the year ended 30 June 2023

3 Revenue

(a) Disaggregation of revenue from contracts with customers

Recognition and measurement

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. The entity derives revenue from the transfer of goods and services over time and at a point in time for the following services:

2023	Eggs and litter revenue	Labour hire	Tours, open days and wedding revenue	Other revenue	Total
	\$	\$	\$	\$	\$
Revenue from contracts with customers	897,068	-	535,148	20,826	1,453,042
Other revenue (not covered by AASB15)	-	-	-	-	-
Total sale of goods and services revenue	897,068	-	535,148	20,826	1,453,042
<i>Timing of revenue recognition</i>					
At a point in time	897,068	-	535,148	20,826	1,453,042
Over time	-	-	-	-	-
Total sale of goods and services revenue	897,068	-	535,148	20,826	1,453,042

2022	Eggs and litter revenue	Labour hire	Tours, open days and wedding revenue	Other revenue	Total
	\$	\$	\$	\$	\$
Revenue from contracts with customers	876,145	37,795	278,789	4,382	1,197,111
Other revenue (not covered by AASB15)	-	-	-	-	-
Total sale of goods and services revenue	876,145	37,795	278,789	4,382	1,197,111
<i>Timing of revenue recognition</i>					
At a point in time	876,145	37,795	278,789	4,382	1,197,111
Over time	-	-	-	-	-
Total sale of goods and services revenue	876,145	37,795	278,789	4,382	1,197,111

(b) Accounting policies and significant judgements

Recognition and measurement

The entity recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the entity is or expects to be entitled in exchange for those goods or services.

(i) Sale of goods - eggs and litter revenue

The entity holds a contract to produce free range eggs on its Numeralla property. Revenue from this operation is derived through the payment of a fee to produce 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.

(ii) Provision of services - tours, open days and wedding revenue

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 17 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.

Notes to the financial statements

For the year ended 30 June 2023

4 Revenue and Other Income

	2023 \$	2022 \$
(a) Grants and other contributions		
Grants with sufficiently specific performance obligations	28,250	91,080
Scholarship payments by donors		
DRNSW management/maintenance fees	155,280	147,746
Grants without sufficiently specific performance obligations		
DRNSW services provided - staff contribution to foundation	200,840	194,693
Service NSW fees and charges rebate	44,736	2,813
Building fund donations	2,827	1,595
	<u>431,933</u>	<u>437,927</u>
(b) Investment revenue		
Interest income	28,320	239
Rental income	51,515	53,520
Dividend income and managed fund distributions	335,393	292,853
	<u>415,228</u>	<u>346,612</u>
(c) Other income		
Insurance recoveries	63,203	132,388
TOTAL	<u>63,203</u>	<u>132,388</u>
(d) Gains/(losses) on disposal		
Gains / (losses) on disposal - financial assets	206,700	312,607
Gains / (losses) on disposal - property, plant and equipment	-	2,545
	<u>206,700</u>	<u>315,152</u>

(i) Gains and losses on disposal

The entity recognised gains and losses on disposal of property, plant and equipment and financial assets by comparing proceeds received on sale with the carrying amount of the asset being sold.

(ii) Grants and other contributions - scholarship payments

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.

(iii) Grants and other contributions - DRNSW

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

The payments for DRNSW 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.

(iv) Grants and other contributions - other

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

(v) Staff and Students

The services of students and staff to the entity's enterprises are an integral part of the Tocal Agriculture College and as such it is difficult to accurately determine cost the DRNSW input to the entity's operations. The Charter of the Foundation as contained within the CB 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 DRNSW to the entity is calculated to be approximately \$200,840 (2022: \$194,693)

(vi) Rental and lease income

Rental and lease income is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease. The entity recognises rental revenue on a straight line basis with reference to the applicable CPI increases, discount rates and any relevant rental incentives.

(vii) 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).

(viii) Dividend and managed fund distributions

Dividend income and managed fund distributions are recognised when the entity's right to receive the payment has been established.

(ix) Insurance recoveries

The entity recognises income from insurance claims when an insured event has occurred and the realisation of the insurance recovery is virtually certain.

Notes to the financial statements

For the year ended 30 June 2023

5 Cash and cash equivalents

	Note	2023 \$	2022 \$
Current			
Cash on hand and at bank		373,879	636,056
Restricted assets	10	522,879	258,654
		<u>896,758</u>	<u>894,710</u>

Accounting policy

Cash and short-term deposits in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Refer to Note 19 for details regarding credit risk and market risk arising from financial instruments.

6 Trade receivables

Current

Trade receivables from contracts with customers	82,569	109,395
DRNSW Management / Maintenance Fees	166,826	46,491
Other receivables	51,824	39,137
	<u>301,219</u>	<u>195,023</u>

Details regarding credit risk of trade debtors that are neither past due nor impaired, are disclosed in Note 19.

Accounting policy

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

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

Subsequent measurement

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.

7 Contract assets

Current

Other receivables	-	22,085
	<u>-</u>	<u>22,085</u>

Accounting policy

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.

8 Other assets

Current

Prepayments	-	20,843
	<u>-</u>	<u>20,843</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

Notes to the financial statements

For the year ended 30 June 2023

9 Financial assets at fair value

	2023	2022
	\$	\$
Non current		
Investment in equity shares		
- Shares in listed companies	-	1,405,700
- Managed funds	8,242,562	6,243,484
	<u>8,242,562</u>	<u>7,649,184</u>

Accounting policy

Refer to Note 19 for further information regarding fair value measurement, credit risk, and market risk arising from financial instruments.

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 income as other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.

Dividends and managed fund distributions are recognised as other income under 'investment revenue' when the right of payment has been established.

Impairment

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.

Notes to the financial statements

For the year ended 30 June 2023

10 Restricted assets

2023
\$

2022
\$

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	522,879	258,654
Accrued income:		
Dividends and trust distributions	51,824	39,137
Financial assets at fair value	8,242,562	7,649,184
Less: unpaid scholarships	(14,150)	(14,150)
	<u>8,803,115</u>	<u>7,932,825</u>

Movement in carrying amount of restricted assets:

Opening balance	7,932,825	8,642,861
Changes in equity:		
New donations - trust accounts	28,250	91,080
Interest received	27,771	18
Dividends and trust distributions received	335,393	292,853
Direct investment expenses	(24,990)	(49,159)
Scholarships paid	(52,000)	(62,250)
McLachlan bequest funds expended	(26,385)	(33,640)
Net capital gain / (loss) on disposal of investments	206,700	312,607
Movement in market value of investments	375,551	(1,261,545)
Total changes in restricted assets	<u>870,290</u>	<u>(710,036)</u>
Total restricted assets at year end	<u>8,803,115</u>	<u>7,932,825</u>

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 the 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. During the 2023 financial year the entity has moved the management of the bequest funds to TCorp in accordance with treasury requirements.

Summary

McLachlan bequest	7,774,300	6,970,036
Scholarship prize funds	1,028,815	962,789
	<u>8,803,115</u>	<u>7,932,825</u>

Notes to the financial statements

For the year ended 30 June 2023

11 Property, plant and equipment

	Land and buildings	Infrastructure Systems	Plant and equipment	Jewellery and Artefacts	Total
Non-current assets	\$	\$	\$	\$	\$
At 1 July 2022 - fair value					
Gross carrying amount	29,644,144	636,210	504,845	406,701	31,191,900
Accumulated depreciation and impairment	(449,269)	(103,115)	(302,254)	-	(854,638)
Net carrying amount	29,194,875	533,095	202,591	406,701	30,337,262

Year ended 30 June 2023

Net carrying amount at beginning of year	29,194,875	533,095	202,591	406,701	30,337,262
Additions	9,560	46,166	35,237	-	90,963
Revaluation increments / decrements	13,694,630	(225,149)	-	-	13,469,481
Depreciation charge	(145,618)	(33,159)	(43,010)	-	(221,787)
Net carrying amount at end of year	42,753,447	320,953	194,818	406,701	43,675,919

At 30 June 2023 - fair value

Gross carrying amount	43,823,933	682,376	540,082	406,701	45,453,092
Accumulated depreciation and impairment	(594,887)	(361,423)	(345,264)	-	(1,301,574)
Net carrying amount	43,229,046	320,953	194,818	406,701	43,675,919

	Land and buildings	Infrastructure Systems	Plant and equipment	Jewellery and Artefacts	Total
Non-current assets	\$	\$	\$	\$	\$
At 1 July 2021					
Gross carrying amount	25,928,682	636,210	562,282	406,701	27,533,875
Accumulated depreciation and impairment	(308,957)	(71,404)	(347,330)	-	(727,691)
Net carrying amount	25,619,725	564,806	214,952	406,701	26,806,184

Year ended 30 June 2022

Net carrying amount at beginning of year	25,619,725	564,806	214,952	406,701	26,806,184
Additions	62,798	-	28,102	-	90,900
Disposals	-	-	(455)	-	(455)
Revaluation increments / decrements	3,652,664	(1)	-	-	3,652,663
Depreciation charge	(140,312)	(31,710)	(40,008)	-	(212,030)
Net carrying amount at end of year	29,194,875	533,095	202,591	406,701	30,337,262

At 30 June 2022

Gross carrying amount	29,644,144	636,210	504,845	406,701	31,191,900
Accumulated depreciation and impairment	(449,269)	(103,115)	(302,254)	-	(854,638)
Net carrying amount	29,194,875	533,095	202,591	406,701	30,337,262

Notes to the financial statements

For the year ended 30 June 2023

11 Property, plant and equipment (cont.)

Accounting policy

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.

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

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.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

<u>Class of Asset</u>	<u>Depreciation rate</u>
Buildings	1% - 20%
Plant & 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.

Notes to the financial statements

For the year ended 30 June 2023

11 Property, plant and equipment (cont.)

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 13 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 three 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 and buildings of Numeralla & Clements Farm, Farm Stay, Dunnings Hill Cottage and land and buildings holdings at Tocal Homestead and Agricultural holdings were valued by Brorson Hill Valuers on 24 April 2023.

Revaluation of the Homestead contents and artefacts was undertaken during 2021 by the relevant experts. Jewellery and artefacts were valued by Ann Newman, Hunter Region Valuation Services and the Homestead contents including the Rolls Royce was valued by Swan Murray and Hain. Both valuations were completed by 30 June 2021.

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

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.

Notes to the financial statements

For the year ended 30 June 2023

12 Lease assets and lease liabilities

Accounting policy

Entity as a lessor

The entity has two cottages on site leased to employee tenants under operating leases in accordance with employment contracts. Rental payments are deducted on a fortnightly basis from their net wages through the payroll system.

Land at Numeralla is leased for agistment to the DRNSW with rental payments quarterly.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate.

Although the entity is exposed to changes in the residual value at the end of current leases, the entity typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

All leases in place may be cancelled at any time.

Lessor for operating leases

An operating lease is a lease other than a finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

13 Fair value measurement of non-financial assets

Accounting policy

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
- 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.

Notes to the financial statements

For the year ended 30 June 2023

13 Fair value measurement of non-financial assets (cont.)

Accounting policy

(a) Fair value hierarchy

2023	Level 1	Level 2	Level 3	Total Fair Value
Property, plant and equipment (Note 11)				
- Land and buildings	-	-	42,753,447	42,753,447
- Plant and equipment	-	-	194,818	194,818
- Infrastructure systems	-	-	320,953	320,953
- Jewellery and artefacts	-	-	406,701	406,701
Financial assets at fair value (Note 9)				
- Managed funds at fair value	8,242,562	-	-	8,242,562
	8,242,562	-	43,675,919	51,918,481

2022	Level 1	Level 2	Level 3	Total Fair Value
Property, plant and equipment (Note 11)				
- Land and buildings	-	-	29,194,875	29,194,875
- Plant and equipment	-	-	202,591	202,591
- Infrastructure systems	-	-	533,095	533,095
- Jewellery and artefacts	-	-	406,701	406,701
Financial assets at fair value (Note 9)				
- Managed funds at fair value	6,243,484	-	-	6,243,484
- Shares in listed companies at fair value	1,405,700	-	-	1,405,700
	7,649,184	-	30,337,262	37,986,446

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.

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 11 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 2022	30,337,262	30,337,262
Additions	90,963	90,963
Revaluation increments	13,469,481	13,469,481
Depreciation expense	(221,787)	(221,787)
Fair value as at 30 June 2023	43,675,919	43,675,919
Fair value as at 1 July 2021	26,806,184	26,806,184
Additions	90,900	90,900
Disposals	(455)	(455)
Revaluation increments	3,652,663	3,652,663
Depreciation expense	(212,030)	(212,030)
Fair value as at 30 June 2022	30,337,262	30,337,262

Notes to the financial statements

For the year ended 30 June 2023

14 Trade and other payables

	2023	2022
	\$	\$
Current		
Trade payables	77,353	63,771
Other payables and accruals	185,912	120,443
GST payable	44,812	36,678
	<u>308,077</u>	<u>220,892</u>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 19.

Accounting policy

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.

15 Financial liabilities

Current

Commercial loan - secured	90,000	90,000
Business markets loan	-	2,370
Total	<u>90,000</u>	<u>92,370</u>

Non-current

Commercial loan - secured	1,220,000	1,310,000
Total	<u>1,220,000</u>	<u>1,310,000</u>
Total	<u>1,310,000</u>	<u>1,402,370</u>

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:

	Carrying Amount
Numeralla & Clements Farm	6,800,000

The recent valuation performed on 24 April 2023 by Brorson Hill Valuations has been brought to account in the financial statements as at 30 June 2023.

Details regarding liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in Note 19.

Accounting policy

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.

Financial liabilities are classified as current liabilities unless the entity has a right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to the financial statements

For the year ended 30 June 2023

16 Provisions

	2023 \$	2022 \$
Current		
Provision for Annual Leave	37,281	36,353
Provision for Long Service Leave	49,845	47,216
	<u>87,126</u>	<u>83,569</u>
Non-current		
Provision for Long Service Leave	14,770	7,501
	<u>14,770</u>	<u>7,501</u>

Accounting policy

(i) *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 8.4% 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.

(ii) *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 workers' compensation insurance premiums and fringe benefits tax.

17 Other liabilities

Current

Contract liabilities - Income in advance	357,443	250,558
	<u>357,443</u>	<u>250,558</u>

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

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods. Other revenue received in advance that is not covered by AASB 15 is recorded as other liabilities and is recognised as revenue when they are earned in future periods.

Notes to the financial statements

For the year ended 30 June 2023

	Financial assets at FVOCI revaluation	Asset revaluation	Total
	\$	\$	\$
18 Reserves			
Balance at 1 July 2022	-	20,077,612	20,077,612
Revaluation of property, plant and equipment	-	13,469,481	13,469,481
Market value changes to financial assets	375,551	-	375,551
Balance at 30 June 2023	375,551	33,547,093	33,922,644

Revaluation

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 13.

Reserves

Separate reserve accounts are recognised in the financial statements only if such accounts are required by specific legislation or AAS (e.g. Asset Revaluation Reserve and Financial Assets at FVOCI Reserve).

19 Financial instruments

Accounting policy

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

			2023 \$	2022 \$
Class	Note	Category	Carrying amount	Carrying amount
Financial Assets				
Cash and cash equivalents	5	Amortised cost	896,758	894,710
Trade receivables	6, 7	Loans and receivables at amortised cost	301,219	217,108
Financial assets at fair value	9	Financial assets at fair value through other comprehensive income	8,242,562	7,649,184
			9,440,539	8,761,002
Financial Liabilities				
Trade and other payables	14	Financial liabilities measured at amortised cost	263,265	184,214
Financial liabilities	15	Financial liabilities measured at amortised cost	1,310,000	1,402,370
			1,573,265	1,586,584

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.

Notes to the financial statements

For the year ended 30 June 2023

19 Financial instruments (cont.)

Accounting policy

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:

- (i) where substantially all the risks and rewards have been transferred; or
- (ii) 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.

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 3.2% (2022: 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.

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 2023 reporting period obtained from the fund manager TCorp.

Notes to the financial statements

For the year ended 30 June 2023

19 Financial instruments (cont.)

Accounting policy

d) Financial risks

(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.

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% and has a limit of \$10,000.

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 (which are unsecured) are settled in accordance with the policy set out in TC11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, 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. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. No interest was paid during the year.

Financial liabilities

The entity currently has a National Australia Bank business facility with maximum aggregate borrowing limit of \$2,000,000.

At 30 June \$1,310,000 of the loan has been drawn. The variable interest rate on the loan at 30 June 2023 is 6.525% (2022: 3.225%). Repayment of the loan commenced from October 2015. The facility has an expiry date of 31 March 2037.

At 30 June this loan was undrawn. The variable interest rate on the loan at 30 June 2023 is 4.583%. The facility has an expiry date of 30 May 2025.

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 interest rate	Nominal Amount	Fixed interest rate	Variable interest rate	Non - interest bearing	<1 year	1-5 years	>5 years
2023								
Payables	-	-	-	-	263,265	263,265	-	-
Borrowings	5.49%	1,777,705		1,777,705	-	173,021	632,625	972,059
2022								
Payables	-	-	-	-	184,214	184,214	-	-
Borrowings	3.60%	1,711,894		1,711,894	-	141,699	524,771	1,045,424

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.

Notes to the financial statements

For the year ended 30 June 2023

19 Financial instruments (cont.)

Accounting policy

d) Financial risks (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 TCorp 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 2022. 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
2023					
Financial assets					
Cash and cash equivalents	896,758	(8,968)	(8,968)	8,968	8,968
Financial liabilities					
Financial liabilities	1,310,000	(13,100)	(13,100)	13,100	13,100
2022					
Financial assets					
Cash and cash equivalents	894,710	(8,947)	(8,947)	8,947	8,947
Financial liabilities					
Financial liabilities	1,402,370	(14,024)	(14,024)	14,024	14,024

Other price risk - TCorp portfolios

Exposure to 'other price risk' primarily arises through the investment in TCorp portfolios, which are held for strategic rather than trading purposes. The entity in the prior year held equity investments through two separately managed Macquarie accounts, which were transferred to TCorp during the financial year as follows (overpage):

Notes to the financial statements

For the year ended 30 June 2023

19 Financial instruments (cont.)

Accounting policy

d) (ii)	Financial risks <i>Market risk</i>		2023 \$	2022 \$
Facility	Investment sectors	Investment	Carrying amount	Carrying amount
RAM Australian Diversified Fixed Interest & Credit Securities Managed Account	Australian listed credit securities	N/A	-	511,282
Macquarie PPM Core Australian Equity Managed Account	Australian listed securities	N/A	-	894,418
Macquarie Managed Investment Trusts	Infrastructure, Australian and international bonds, listed property and International shares	N/A	-	6,243,484
TCorpIM Long Term Growth Fund	Portfolio approach	1 to 5+ years	7,374,801	-
TCorpIM Medium Term Growth Fund	Portfolio approach	1 to 5 years	867,761	-

At reporting date the carrying value of securities, investment trusts and funds at call, managed by Macquarie stood at \$- (2022: \$7,827,852).

TCorp 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 TCorp receives a fee based on the dollar value of the portfolio.

The TCorp investment team closely monitor risk at a stock, sector and thematic level using TCorp's proprietary risk management systems. Derivatives are not used. Investment in the TCorp 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 TCorp stood at \$8,242,562 (2022: \$nil).

		-10%		10%	
	Carrying amount	Net Result	Equity	Net result	Equity
2023					
Financial assets					
Financial assets at fair value	8,242,562	-	(824,256)	-	824,256
2022					
Financial assets					
Financial assets at fair value	7,649,184	-	(764,918)	-	764,918

Notes to the financial statements

For the year ended 30 June 2023

19 Financial instruments (cont.)

Accounting policy

- 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 TCorp 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.

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:

The TCorp 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.

- 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.

2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
TCorpIM Long Term Growth Fund	7,374,801	-	-	7,374,801
TCorpIM Medium Term Growth Fund	867,761	-	-	867,761
2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value				
RAM Australian Diversified Fixed Interest & Credit Securities Managed Account	511,282	-	-	511,282
Macquarie PPM Core Australian Equity Managed Account	894,418	-	-	894,418
Macquarie Managed Investment Trusts	6,243,484	-	-	6,243,484

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

20 Commitments

There were no capital commitments as at 30 June 2023 (nil in 2022)

21 Contingent liabilities

There were no contingent liabilities in respect of the entity as at 30 June 2023 (nil in 2022)

22 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.

Notes to the financial statements

For the year ended 30 June 2023

23 Related parties

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 DRNSW provided the CB Alexander Foundation with administration services of \$200,840 (2022: \$194,693). The DRNSW 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
DRNSW	Administrative, secretarial support, operational assistance, management and maintenance

24 Cashflow information

Reconciliation of cash

Cash and cash equivalents

Cash and Cash equivalents reported in the statement of cash flows includes the following:

Cash on hand and demand deposits	896,758	894,710
	<u>896,758</u>	<u>894,710</u>

Reconciliation of cash flows

Cashflows from operations are reconciled to profit from ordinary activities after income tax as follows:

Profit / (loss) from ordinary activities after income tax	39,793	(182,441)
Non-cash flows in profit from ordinary activities after income tax:		
Depreciation	221,787	212,030
Impairment loss on investments	-	478,996
Net (gains)/losses on disposals of fixed assets	-	(2,545)
Net (gains)/losses on disposals of investments	<u>(206,700)</u>	<u>(312,607)</u>
Total non-cash flows in profit from ordinary activities after income tax	<u>15,087</u>	<u>375,874</u>
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(249,378)	101,116
(Increase)/decrease in other assets	20,843	(20,843)
Increase/(decrease) in trade and other payables	87,185	105,841
Increase/(decrease) in other liabilities	106,885	-
Increase/(decrease) in provisions	<u>10,826</u>	<u>28,216</u>
Total changes in assets and liabilities	<u>(23,639)</u>	<u>214,330</u>
Total cash flows from operations	<u>31,241</u>	<u>407,763</u>

25 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.

26 Events Subsequent to Balance Date

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

CB Alexander Foundation
ABN 43 187 636 211

27 Foundation Details

The principal place of business is:

CB Alexander Foundation
815 Tocal Road
Paterson NSW 2421