

Tweed Byron & Ballina Community Transport Inc

ABN 70 190 562 818

Financial Statements

For the year ended 30th June 2020

**Auditor's Independence Declaration under ACNC Act s60-40 to the members of
Tweed Byron & Ballina Community Transport Inc**

In accordance with Subdivision 60-C of the Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of Tweed Byron & Ballina Community Transport Inc .

As the auditor of the financial report of Tweed Byron & Ballina Community Transport Inc for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the Australian Charities and Not for Profits Commission Act 2012 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Gavin Butler
Chartered Accountant - Registered company auditor
54 Tamar St, Ballina NSW 2478

Dated: 28 October 2020

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818
Statement of Profit & Loss & Other Comprehensive Income
For the year ended 30 June 2020

	Note	2020 \$	2019 \$
Income			
Grant - Recurrent NSW Transport		2,367,861.83	2,262,293.60
Grant - Recurrent Health		40,599.00	39,609.00
Grant - Recurrent ERO		94,693.05	80,853.13
Grant - Recurrent DOH		199,101.11	197,618.97
Grant - Non recurrent NSW Transport		119,301.38	88,710.81
Grants - Non recurrent vounteers		-	3,545.45
Contributions - NDIS clients		52,552.10	81,063.79
Contributions - Bus, medical & other		471,655.59	572,261.95
Administration fees		8,796.00	22,837.51
Receipts - Dept of Veterans Affairs		2,112.50	2,034.50
Gross receipts		8,666.00	5,471.00
Donations		697.00	224.84
Membership fees		22.00	21.50
Interest received		11,554.90	19,930.50
Profit on sale of property, plant, equip		(4,304.27)	(5,567.00)
Subsidy - staff training		2,500.00	11,590.91
Rebates- diesel fuel		4,686.31	10,970.00
Government subsidy - cash flow boost		50,000.00	-
Fair value of volunteer services donated		2,065,000.00	-
Total income		<u>5,495,494.50</u>	<u>3,393,470.46</u>
Expenses			
Advertising & promotion		1,282.23	2,238.11
Administration fees		8,796.00	23,809.33
Audit fees		9,012.00	7,502.20
Bank fees & charges		6,484.86	7,006.70
Cleaning & rubbish removal		269.16	369.73
Computer expenses		31,439.67	17,326.81
Depreciation - Plant		4,197.00	9,370.00
Depreciation - Motor vehicles		122,312.00	143,462.00
Depreciation - Amortisaton of right of use assets		32,643.61	-
Discounts allowed		-	238.88
Driver safety framework		8,396.89	5,138.08
Electricity		9,409.97	11,254.98
Fees & charges		-	2,372.45
Functions & meetings		6,126.86	10,555.72
Insurance		37,679.90	37,899.76
Interest - Australia		19,078.82	6,602.40
Motor vehicle running costs		343,441.12	363,297.73
NDIS subsidy		16,480.00	4,648.00
Office & warehouse expenses		32,256.11	44,045.38

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Statement of Profit & Loss & Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020	2019
The accompanying notes form part of these financial statements.			
Postage		5,679.77	5,111.49
Printing & stationery		21,119.19	18,378.09
Provision for employee entitlements		43,773.16	20,956.00
Rent on land & buildings		122,623.57	137,794.35
Service fees - bus,taxi, fuel vouchers		166,377.49	209,119.60
Staff amenities		1,620.97	162.67
Staff training		9,670.02	8,553.16
Subscriptions		4,402.73	3,768.18
Superannuation		170,025.15	154,049.60
Telephone		49,240.16	44,428.33
Transition expenses		-	63.00
Travel, accommodation & conference		13,505.77	9,248.51
Uniforms		5,058.40	5,381.27
Volunteer expenses		381,934.84	451,307.83
Volunteer services donated		2,065,000.00	-
Wages		1,788,463.59	1,655,384.78
Total expenses		<u>5,537,801.01</u>	<u>3,420,845.12</u>
Current year surplus (loss) before income tax		(42,306.51)	(27,374.66)
Income tax expense	1(j)		
Net current year surplus		(42,306.51)	(27,374.66)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		(42,306.51)	(27,374.66)
Other comprehensive income			

The accompanying notes form part of these financial statements.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Statement of Financial Position as at 30 June 2020

	Note	2020 \$	2019 \$
Assets			
Current Assets			
Cash assets	2	815,018.18	954,098.76
Receivables	3	31,189.13	50,952.40
Other financial assets	4	10.00	10.00
Other	5	4,441.37	3,300.00
Total Current Assets		<u>850,658.68</u>	<u>1,008,361.16</u>
Non-Current Assets			
Property, plant and equipment	6	431,357.06	493,462.94
Right of use assets	7	268,682.06	0.00
Total Non-Current Assets		<u>700,039.12</u>	<u>493,462.94</u>
Total Assets		<u>1,550,697.80</u>	<u>1,501,824.10</u>
Liabilities			
Current Liabilities			
Payables	8	95,010.32	141,263.89
Financial liabilities	9	207,589.21	267,983.96
Current tax liabilities	10	75,705.12	91,227.53
Provisions	11	268,469.75	257,256.24
Total Current Liabilities		<u>646,774.40</u>	<u>757,731.62</u>
Non-Current Liabilities			
Financial liabilities	9	313,949.16	111,811.73
Total Non-Current Liabilities		<u>313,949.16</u>	<u>111,811.73</u>
Total Liabilities		<u>960,723.56</u>	<u>869,543.35</u>
Net Assets		<u>589,974.24</u>	<u>632,280.75</u>
Members' Funds			
Reserves	11	656,857.75	509,000.00
Retained profits		-66,883.51	123,280.75
Total Members' Funds		<u>589,974.24</u>	<u>632,280.75</u>

The accompanying notes form part of these financial statements.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Statement of Changes in Equity for the year ended 30 June 2020

	Retained Surplus	Vehicle Replacement Reserve	Total
Balance at 30/06/2018	<u>120,655.41</u>	<u>539,000.00</u>	<u>659,655.41</u>
Transfers to/(from) retained earnings to reserves			
Vehicle replacement reserve	30,000.00	(30,000.00)	-
Surplus for the year attributable to members of the entity	<u>(27,374.66)</u>		<u>(27,374.66)</u>
Total comprehensive income for the year	<u>2,625.34</u>	<u>(30,000.00)</u>	<u>(27,374.66)</u>
Balance at 30/06/2019	<u>123,280.75</u>	<u>509,000.00</u>	<u>632,280.75</u>
Transfers to/(from) retained earnings to reserves			
Vehicle replacement reserve	(147,857.75)	147,857.75	-
Surplus for the year attributable to members of the entity	<u>(42,306.51)</u>		<u>(42,306.51)</u>
Total comprehensive income for the year	<u>(190,164.26)</u>	<u>147,857.75</u>	<u>(42,306.51)</u>
Balance at 30/06/2020	<u>(66,883.51)</u>	<u>656,857.75</u>	<u>589,974.24</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the year ended 30 June 2020

	2020	2019
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	5,508,007.14	3,380,649.81
Payments to suppliers and employees	(5,132,479.96)	(3,251,782.34)
Interest received	11,554.90	19,930.50
Interest and other costs of finance	(19,078.82)	(6,602.40)
Net cash provided by (used in) operating activities (note 2)	<u>368,003.26</u>	<u>142,195.57</u>
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	(372,305.79)	(66,399.00)
Proceeds from sale of property	2,272.73	
Net cash provided by (used in) investing activities	<u>(370,033.06)</u>	<u>(66,399.00)</u>
Cash Flow From Financing Activities		
Proceeds of borrowings	-	75,377.43
Repayment of borrowings	(136,309.41)	(53,436.24)
Net cash provided by (used in) investing activities	<u>(136,309.41)</u>	<u>21,941.19</u>
Net increase (decrease) in cash held	(138,339.21)	97,737.76
Cash at the beginning of the year	956,398.76	858,661.00
Cash at the end of the year (note 1)	<u>818,059.55</u>	<u>956,398.76</u>

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank - SCCU s10 HACC	11,869.41	13,382.26
Cash at bank - SCCU s10.5 BAT	583.77	583.77
Cash at bank - SCCU s10.6 YAXI	1,320.48	1,320.48
Cash at bank- SCCU s10.7 Deductible gift	1,305.50	1,305.50
Cash at bank - Tweed debit card	758.59	425.06
Cash at bank - Ballina debit card	206.31	267.33
Cash at bank - NAB cash management	64,913.42	141,773.91
Cash at bank - NAB maximiser	47,261.59	12,925.86
Cash at bank - NAB term deposit	686,339.21	781,504.69
Cash on hand	459.90	609.90
Short term deposits - bonds	3,041.37	2,300.00
	<u>818,059.55</u>	<u>956,398.76</u>

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Operating Profit After Income Tax

Operating surplus after income tax	(42,306.51)	(27,374.66)
Depreciation and amortisation of right of use assets	159,152.61	152,832.00
(Profit) / Loss on sale of property, plant and equipment	4,304.27	5,567.00
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	19,763.27	1,542.85
(Increase) decrease in prepayments	(400.00)	(1,000.00)
Increase (decrease) in trade creditors and accruals	(46,253.57)	(22,581.84)
Increase (decrease) in lease liabilities	278,052.09	-
Increase (decrease) in employee entitlements	10,201.51	10,141.24
Increase (decrease) in sundry provisions	(14,510.41)	23,068.98
Net cash provided by (used in) operating activities	<u>368,003.26</u>	<u>142,195.57</u>

The accompanying notes form part of these financial statements.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act 2009 and the Australian Charities and Not-for-profits Commission Act 2012. The committee has determined that the association is not a reporting entity.

Financial Reporting Framework

The committee has prepared the financial statements on the basis that the association is a non-reporting entity because there are no users dependent on general purpose financial statements. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the Australian Charities and Not-for-profits Commission Act 2012 and the significant accounting policies disclosed below, which the committee has determined are appropriate to meet the needs of members. Such accounting policies are consistent with those of previous periods unless stated otherwise.

Statement of Compliance

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profits Commission Act 2012*, the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality*, AASB 1048: *Interpretation of Standards* and AASB 1054: *Australian Additional Disclosures*.

Basis of Preparation

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting policies

a. Revenue

Donations and bequests are recognised as revenue when received.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised as it accrues using the effective interest rate method.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

b. Property, Plant and Equipment

Plant & equipment

Leasehold improvements, plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

Impairment of Assets

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

c. Leases

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Entity to further its objectives (commonly known as peppercorn/concessionary leases), the Entity has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

d. Financial Instruments

Initial recognition and measurement

Financial assets and liabilities are recognised when the entity becomes a party to contractual provisions of the instrument. For financial assets, this is equivalent to the date the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in paragraph 63 of *AASB 15: Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which *AASB 3: Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the effective life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to the changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit and loss

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an accounting mismatch) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity makes an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

Derecognition of financial assets

A financial asset is derecognised when the holders contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of, a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt-instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated, in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the entity elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under contracts)
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument

The entity uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there has been no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12month expected credit losses.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivable; and
- lease receivables

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base appropriate groupings of its historical loss experience etc)

Purchased or originated credit-impaired approach

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the entity measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow, obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset. Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

e. Employee Provisions

Short-term employee provisions

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

The entity's obligations for short-term employee benefits such as wages, salaries, annual, sick and long service leave are presented as current provisions in the statement of financial position.

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

f. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks or financial institutions, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

g. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

h. Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is the Australian Taxation Office.

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 included in receipts from customers or payments to suppliers.

i. Income tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

j. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that the outflow of economic benefits will result and that the outflow can be measured reliably. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements For the year ended 30 June 2020

Note 1: Summary of Significant Accounting Policies

i. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the entity during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. Critical Accounting Estimates and Judgements

The committee evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key estimates - Impairment

The entity assesses impairment at each reporting date by evaluating conditions and events specific to the entity that may be indicative of impairment triggers.

n. Economic Dependence

The entity is dependent on the Department of Transport for the majority of its revenue used to operate the business through contracts awarded for the provision of various transport related services. At the date of this report the Board of Directors has no reason to believe the Department of Transport will not continue to honour those contracts.

o. New and Amended Accounting Policies Adopted by the entity

Initial application of AASB 16: Leases

The Company has adopted AASB 16 : *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 July 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Company has recognised a lease liability and right-of-use asset for all leases recognised as operating leases under AASB 117 : *Leases* where the Company is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Company's incremental borrowing rate as at 1 July 2019 was used to discount the lease payments.

The right of use assets for leases were measured and recognised in the statement of financial position as at 1 July 2019 by taking into consideration the lease liability, prepaid and accrued lease payments previously recognised as at 1 July 2019 (that are related to the lease).

The following practical expedients have been used by the Company in applying AASB 16 for the first time:

- for a portfolio of leases that have reasonably similar characteristics, a single discount rate has been applied;
- leases that have remaining lease term of less than 12 months as at 1 July 2019 have been accounted for as short-term leases;
- the use of hindsight to determine lease terms on contracts that have options to extend or terminate;
- applying AASB 16 to leases previously identified as leases under AASB 117 : *Leases and Interpretation 4 : Determining whether an arrangement contains a lease* without reassessing whether they are, or contain, a lease at the date of initial application; and
- not applying AASB 16 to leases previously not identified as containing a lease under AASB 117 and Interpretation 4 .

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

**Notes to the Financial Statements
For the year ended 30 June 2020**

Note 1: Summary of Significant Accounting Policies

Initial application of AASB 15: Revenue from contracts with customers and AASB 1058: Income of not-for-profit entities

The Entity has applied AASB 15 : Revenue from Contracts with Customers and AASB 1058 : Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118 : Revenue and AASB 1004 : Contributions .

AASB1058 is applicable when an entity receives volunteer services or enters into other transactions where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, and income and the relative expense are recognised in profit or loss and assets are capitalised.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

**Notes to the Financial Statements
For the year ended 30 June 2020**

	2020	2019
	\$	\$
Note 2: Cash assets		
Bank accounts:		
Cash at bank - SCCU s10 HACC	11,869.41	13,382.26
Cash at bank - SCCU s10.5 BAT	583.77	583.77
Cash at bank - SCCU s10.6 YAXI	1,320.48	1,320.48
Cash at bank- SCCU s10.7 Deductible gift	1,305.50	1,305.50
Cash at bank - Tweed debit card	758.59	425.06
Cash at bank - Ballina debit card	206.31	267.33
Cash at bank - NAB cash management	64,913.42	141,773.91
Cash at bank - NAB maximiser	47,261.59	12,925.86
Cash at bank - NAB term deposit	686,339.21	781,504.69
Cash on hand	459.90	609.90
	<u>815,018.18</u>	<u>954,098.76</u>
Note 3: Receivables		
Accounts receivable	31,189.13	49,700.40
Interest receivable	-	1,252.00
Other receivables	-	-
	<u>31,189.13</u>	<u>50,952.40</u>
Note 4: Other Financial Assets		
Shares in other companies	10.00	10.00
	<u>10.00</u>	<u>10.00</u>
Note 5: Other Assets		
Short term deposits - bonds	3,041.37	2,300.00
Prepayments	1,400.00	1,000.00
	<u>4,441.37</u>	<u>3,300.00</u>

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

**Notes to the Financial Statements
For the year ended 30 June 2020**

	2020	2019
	\$	\$
Note 6: Property, Plant and Equipment		
Plant & equipment		
- At cost	63,781.04	63,781.04
- Less: Accumulated depreciation	(43,833.00)	(30,266.00)
	<u>19,948.04</u>	<u>33,515.04</u>
Motor vehicles		
- At cost	1,806,580.02	1,237,128.90
- Less: Accumulated depreciation	(1,395,171.00)	(685,181.00)
	<u>411,409.02</u>	<u>551,947.90</u>
	<u>431,357.06</u>	<u>585,462.94</u>

Note 7: Right of use assets

The Company's lease portfolio includes buildings with an average of 3 years as their lease term.

Options to extend or terminate

The option to extend or terminate are contained in several of the property leases of the company. The extension options or termination options which were probable to be exercised have been included in the calculation of the Right of use asset.

(i) AASB 16 related amounts recognised in the balance sheet

Right of use assets		
Leased buildings	301,325.67	-
Less: Accumulated amortisation	(32,643.61)	-
	<u>268,682.06</u>	<u>-</u>

Note 8: Payables

Accounts payable	95,010.32	141,263.89
	<u>95,010.32</u>	<u>141,263.89</u>

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Notes to the Financial Statements
For the year ended 30 June 2020

	2020	2019
	\$	\$
Note 9: Financial Liabilities		
Current		
Lease liabilities	22,478.42	-
Asset purchase loan	53,434.00	53,434.00
Grants in advance	131,676.79	214,549.96
	<u>207,589.21</u>	<u>267,983.96</u>
Non-Current		
Lease liabilities	255,573.67	-
Asset purchase loan	58,375.49	111,811.73
	<u>313,949.16</u>	<u>111,811.73</u>
Note 10: Tax Liabilities		
GST clearing	51,934.31	71,330.51
Amounts withheld from salary & wages	23,770.81	19,897.02
	<u>75,705.12</u>	<u>91,227.53</u>
Note 11: Provisions		
Current		
Employees entitlements	258,657.75	248,456.24
Provision for audit fees	9,812.00	8,800.00
	<u>268,469.75</u>	<u>257,256.24</u>

Employee entitlements include liabilities for sick, annual, and long service leave measured at rates applicable at balance date.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

**Notes to the Financial Statements
For the year ended 30 June 2020**

	2020	2019
	\$	\$
Note 12: Reserves		
Vehicle replacement reserve		
Balance at the beginning of the reporting period	539,000.00	539,000.00
Increase (decrease) in reserves during the reporting period	147,857.75	(30,000.00)
Balance at the reporting date	<u>686,857.75</u>	<u>509,000.00</u>
	686,857.75	509,000.00

Note 13: Remuneration of Auditors

Audit or review of the financial statements	9,012.00	7,502.20
Other services	-	-
	<u>9,012.00</u>	<u>7,502.20</u>

Note 14: Entity Details

The registered office and principal place of business of the association is:

Tweed Byron & Ballina Community Transport Inc
Bangalow Rd
Ballina NSW 2478

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Statement by Members of the Committee

The committee has determined that the registered entity is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 of the financial statements

In accordance with a resolution of the committee of Tweed Byron & Ballina Community Transport Inc, the members of the committee declare that:

1. the financial statements and notes satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian
 - b. give a true and fair view of the financial position of the registered entity as at 30 June 2020 and of its performance for the year ended on that date.
2. There are reasonable grounds to believe that the registered entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the *Australian Charities and Not-for-profits Commission Regulation 2013*.



President



Treasurer

Independent Auditor's Report to the Members of Tweed Byron & Ballina Community Transport Inc

Opinion

We have audited the financial report of Tweed Byron & Ballina Community Transport Inc (the registered entity), which comprises the statement of financial position as at 30th June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the committee members' declaration.

In our opinion, the accompanying financial report of Tweed Byron & Ballina Community Transport Inc is in accordance with Div 60 of the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), including:

- (i) giving a true and fair view of the registered entity's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and Div 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ACNC Act, the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and the Auditor's Report Thereon

The committee members are responsible for the other information. The other information comprises the information included in the Registered Entity's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The committee members of the registered entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and is appropriate to meet the needs of the members. The committee members' responsibilities also includes such internal control as the committee members determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee members are responsible for assessing the ability of the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the registered entity or cease operations, or have no realistic alternative to do so.

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Independent Auditor's Report to the Members of Tweed Byron & Ballina Community Transport Inc

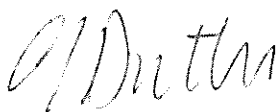
Auditor's responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that included our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members
- Conclude on the appropriateness of the committee members use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registered Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Registered Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the committee members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Gavin Butler

Chartered Accountant - Registered company auditor

54 Tamar St, Ballina NSW 2478

Dated: 28 October 2020

Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818

Certificate by Members of the Committee

I, RAYMOND THOMPSON

certify that:

- a. I attended the annual general meeting of the Association held on 19 November 2020 and:
- b. the financial statements for the year ended 30 June 2020 were submitted to the members of the Association at the annual general meeting.

Raymond John Thompson
PRESIDENT

Committee member