

# **Tweed Byron & Ballina Community Transport Inc**

**ABN 70 190 562 818**

## **Financial Statements**

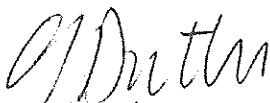
**For the year ended 30th June 2019**

**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 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 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: 26 October 2019

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

**Statement of Profit & Loss & Other Comprehensive Income**

**For the year ended 30 June 2019**

	Note	2019	2018
		\$	\$
<b>Income</b>			
Grant - Recurrent NSW Transport		2,262,293.60	2,090,913.00
Grant - Recurrent Health		39,609.00	38,644.00
Grant - Recurrent ERO		80,853.13	67,023.00
Grant - Recurrent CHSP			165,676.00
Grant - Recurrent DOH		197,618.97	278,500.00
Grant - Recurrent Possums			116,990.00
Grant - Non recurrent NSW Transport		88,710.81	(127,067.00)
Grants - Non recurrent CTP			32,172.00
Grants - Non recurrent vounteers		3,545.45	
Grants - Non recurrent other			152,640.00
Contributions - NDIS clients		81,063.79	22,842.00
Contributions - Bus, medical & other		572,261.95	526,358.00
Administration fees		22,837.51	37,055.00
Receipts - Dept of Veterans Affairs		2,034.50	5,751.00
Gross receipts		5,471.00	15,580.00
Donations		224.84	147.00
Membership fees		21.50	12.00
Interest received		19,930.50	18,955.00
Profit on sale of property, plant, equip		(5,567.00)	16,140.00
Subsidy - staff training		11,590.91	5,909.00
Rebates- diesel fuel		10,970.00	13,106.00
Total income		<u>3,393,470.46</u>	<u>3,477,346.00</u>
<b>Expenses</b>			
Advertising & promotion		2,238.11	3,366.00
Administration fees		23,809.33	37,055.00
Audit fees		7,502.20	11,012.00
Bank fees & charges		7,006.70	3,209.99
Cleaning & rubbish removal		369.73	371.00
Computer expenses		17,326.81	22,666.00
Depreciation - Plant		9,370.00	9,277.00
Depreciation - Motor vehicles		143,462.00	165,756.00
Discounts allowed		238.88	-
Electricity		11,254.98	10,551.00
Fees & charges		2,372.45	974.00
Functions & meetings		10,555.72	9,401.00
Insurance		37,899.76	37,867.00
Interest - Australia		6,602.40	
Motor vehicle running costs		363,297.73	327,955.00
Office & warehouse expenses		44,045.38	20,306.00

The accompanying notes form part of these financial statements.

**Tweed Byron & Ballina Community Transport Inc ABN 70 190 562 818**  
**Statement of Profit & Loss & Other Comprehensive Income**  
**For the year ended 30 June 2019**

	Note	2019	2018
Postage		5,111.49	4,640.00
Printing & stationery		18,378.09	17,964.00
Provision for employee entitlements		20,956.00	19,747.00
Rent on land & buildings		137,794.35	130,428.00
Repairs & maintenance		-	62.00
Service fees - bus,taxi, fuel vouchers		209,119.60	209,473.00
Staff amenities		162.67	1,939.00
Staff training		18,339.24	23,833.00
Subscriptions		3,768.18	3,755.00
Sundry expenses		-	8,735.60
Superannuation		154,049.60	153,931.00
Telephone		44,428.33	58,763.00
Transition expenses		63.00	15,211.00
Travel, accommodation & conference		9,248.51	10,506.00
Uniforms		5,381.27	4,282.00
Volunteer expenses		451,307.83	404,188.00
Wages		1,655,384.78	1,597,701.00
<b>Total expenses</b>		<b>3,420,845.12</b>	<b>3,324,925.59</b>
<b>Current year surplus (loss) before income tax</b>		<b>(27,374.66)</b>	<b>152,420.41</b>
Income tax expense	1(j)		
<b>Net current year surplus</b>		<b>(27,374.66)</b>	<b>152,420.41</b>
<b>Other comprehensive income</b>			
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		-	-
<b>Total other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(27,374.66)</b>	<b>152,420.41</b>
<b>Other comprehensive income</b>			

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 2019**

	Note	2019	2018
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	2	954,098.76	856,371.00
Receivables	3	50,952.40	52,495.25
Other financial assets	4	10.00	10.00
Other	5	3,300.00	2,300.00
<b>Total Current Assets</b>		<b><u>1,008,361.16</u></b>	<b><u>911,176.25</u></b>
<b>Non-Current Assets</b>			
Property, plant and equipment	6	493,462.94	585,462.94
<b>Total Non-Current Assets</b>		<b><u>493,462.94</u></b>	<b><u>585,462.94</u></b>
<b>Total Assets</b>		<b><u>1,501,824.10</u></b>	<b><u>1,496,639.19</u></b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	7	141,263.89	163,845.73
Financial liabilities	8	267,983.96	198,054.53
Current tax liabilities	9	91,227.53	65,668.00
Provisions	10	257,256.24	249,605.55
<b>Total Current Liabilities</b>		<b><u>757,731.62</u></b>	<b><u>677,173.81</u></b>
<b>Non-Current Liabilities</b>			
Financial liabilities	8	111,811.73	159,809.97
<b>Total Non-Current Liabilities</b>		<b><u>111,811.73</u></b>	<b><u>159,809.97</u></b>
<b>Total Liabilities</b>		<b><u>869,543.35</u></b>	<b><u>836,983.78</u></b>
<b>Net Assets</b>		<b><u>632,280.75</u></b>	<b><u>659,655.41</u></b>
<b>Members' Funds</b>			
Reserves	11	509,000.00	539,000.00
Retained profits		123,280.75	120,655.41
<b>Total Members' Funds</b>		<b><u>632,280.75</u></b>	<b><u>659,655.41</u></b>

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 2019**

	Retained Surplus	Vehicle Replacement Reserve	Total
<b>Balance at 30/06/2017</b>	<u>132,842.00</u>	<u>374,393.00</u>	<u>507,235.00</u>
Transfers to/(from) retained earnings to reserves			
Vehicle replacement reserve	(164,607.00)	164,607.00	-
Surplus for the year attributable to members of the entity	152,420.41		152,420.41
Total comprehensive income for the year	<u>(12,186.59)</u>	<u>164,607.00</u>	<u>152,420.41</u>
<b>Balance at 30/06/2018</b>	<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>
<b>Balance at 30/06/2019</b>	<u>123,280.75</u>	<u>509,000.00</u>	<u>632,280.75</u>

The accompanying notes form part of these financial statements.

## Statement of Cash Flows for the year ended 30 June 2019

	2019	2018
	\$	\$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	3,380,649.81	3,433,154.75
Payments to suppliers and employees	(3,251,782.34)	(3,329,302.00)
Interest received	19,930.50	18,955.00
Interest and other costs of finance	(6,602.40)	-
Net cash provided by (used in) operating activities (note 2)	<u>142,195.57</u>	<u>122,807.75</u>
<b>Cash Flow From Investing Activities</b>		
<b>Payment for:</b>		
Payments for property, plant and equipment	(66,399.00)	(372,766.00)
Proceeds from sale of property		
Net cash provided by (used in) investing activities	<u>(66,399.00)</u>	<u>(372,766.00)</u>
<b>Cash Flow From Financing Activities</b>		
Proceeds of borrowings	75,377.43	217,459.25
Repayment of borrowings	(53,436.24)	-
Net cash provided by (used in) investing activities	<u>21,941.19</u>	<u>217,459.25</u>
Net increase (decrease) in cash held	97,737.76	(32,499.00)
Cash at the beginning of the year	858,661.00	891,160.00
Cash at the end of the year (note 1)	<u>956,398.76</u>	<u>3.00</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 instrument  
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	13,382.26	6,072.46
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	425.06	213.00
Cash at bank - Ballina debit card	267.33	(10.00)
Cash at bank - NAB cash management	141,773.91	61,514.90
Cash at bank - NAB maximiser	12,925.86	15,824.65
Cash at bank - NAB term deposit	781,504.69	767,535.84
Cash on hand	609.90	2,000.40
Short term deposits - bonds	2,300.00	2,300.00
	<u>956,398.76</u>	<u>858,661.00</u>

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

Operating surplus after income tax	(27,374.66)	(3,451.00)
Depreciation	152,832.00	175,033.00
(Profit) / Loss on sale of property, plant and equipment	5,567.00	(16,140.00)
Motor vehicle replacement reserve	-	164,607.00
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	1,542.85	-9,096.25
(Increase) decrease in prepayments	(1,000.00)	-
Increase (decrease) in trade creditors and accruals	(22,581.84)	(167,001.00)
Increase (decrease) in employee entitlements	10,141.24	(28,480.00)
Increase (decrease) in sundry provisions	23,068.98	7,336.00
<b>Net cash provided by (used in) operating activities</b>	<u>142,195.57</u>	<u>122,807.75</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 2019

### 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 2019

### 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

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not legal ownership) are transferred to entities in the economic entity are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

#### 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.

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.

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

### Notes to the Financial Statements

For the year ended 30 June 2019

#### Note 1: Summary of Significant Accounting Policies

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.

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;

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

### Notes to the Financial Statements

For the year ended 30 June 2019

#### Note 1: Summary of Significant Accounting Policies

- 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.

#### **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.

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

### Notes to the Financial Statements For the year ended 30 June 2019

#### Note 1: Summary of Significant Accounting Policies

##### 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.

##### *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)

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

### Notes to the Financial Statements For the year ended 30 June 2019

#### Note 1: Summary of Significant Accounting Policies

##### *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.

#### 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.

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

### Notes to the Financial Statements For the year ended 30 June 2019

#### Note 1: Summary of Significant Accounting Policies

##### 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.

##### l. 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.

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

### Notes to the Financial Statements For the year ended 30 June 2019

#### Note 1: Summary of Significant Accounting Policies

##### 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 9: Financial Instruments

The entity has adopted AASB9 with a date of initial application of 1 July 2018. As a result, the entity has changed its financial instruments accounting policies as detailed in this note.

The application of AAB 9 has had no impact on the classification and measurement of the entity's financial liabilities.

##### p. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the entity. The committee has decided not to early adopt any of the new and amended pronouncements. The following sets out their assessment of the pronouncements that are relevant to the entity and applicable in future reporting periods.

###### - AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019)

The entity has chosen not to early-adopt AASB 16. However, the entity has conducted a preliminary assessment of the impact of this new Standard and concluded that there will be limited impact on the financial statements.

A core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees, as the Standard no longer differentiates between operating and finance leases. An asset and a financial liability are recognised in accordance to this new Standard. There are, however, two exceptions allowed: short-term and low-value leases.

###### **Basis of preparation**

The accounting for the entity's operating leases will be primarily affected by this new Standard.

AASB 16 will be applied by the entity from its mandatory adoption date of 1 July 2019. The comparative amounts for the year prior to first adoption will not be restated, as the entity has chosen to apply AASB 16 retrospectively with cumulative effect. While the right-of-use assets for property leases will be measured on transition as if the new rules had always been applied, all other right-of-use assets will be measured at the amount of the lease liability on adoption (after adjustments for any prepaid or accrued lease expenses)

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

### Notes to the Financial Statements For the year ended 30 June 2019

#### Note 1: Summary of Significant Accounting Policies

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019) and AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2019).

As at the reporting date, the committee has concluded that the impact of AASB 1058 and AASB 15 on the financial statements would not be material.

The entity has chosen not to early-adopt AASB 1058 and AASB 15. However, the entity has conducted a high level assessment of the impact of these new Standards, as follows.

A core change of AASB 1058 and AASB 15 is that they shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. AASB 1058 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.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

AASB 15 applies where there is an "enforceable" contract with a customer with "sufficiently specific" performance obligations that results in income being recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. AASB 15 introduced a five-step approach to revenue recognition that is far more prescriptive than AASB 118: *Revenue*.

#### **Basis of preparation**

AASB 15 and AASB 1058 will be applied by the entity from their mandatory adoption date of 1 July 2019. The modified transition approach will be the chosen approach, and thus the comparative amounts for the year prior to first adoption will not be restated and the entity will recognise the cumulative effect of retrospective application to incomplete contracts, which is estimated to be minimal on the date of initial application (1 July 2019).

The income recognition for each contract has been assessed on a high-level basis to determine whether it is enforceable and whether its performance obligations are sufficiently specific. For those contracts that are not enforceable or the performance obligations, are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise.

- AASB 2018-8 *Amendments to Australian Accounting Standards - Right-of-Use Assets of Not for Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019)

For leases that have significantly below-market terms and conditions principally to enable an entity to further its objectives (commonly known as peppercorn /concessionary leases) AASB 2018-8 provides a temporary option for not-for-profit lessees to elect to measure a class (or classes) of right-of-use assets arising at initial recognition either at fair value or cost.

Where an entity elects to measure the class of right-of-use assets at cost additional qualitative and quantitative disclosures are required and this shall include:



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

**Notes to the Financial Statements  
For the year ended 30 June 2019**

**Note 1: Summary of Significant Accounting Policies**

- the entity's dependence on these peppercorn/concessionary leases; and
- the nature of the terms of the leases.

The entity has performed a high-level impact assessment and notes that it does not have any such leases. Accordingly, AASB 2018-8 does not apply.

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

**Notes to the Financial Statements  
For the year ended 30 June 2019**

	2019	2018
	\$	\$
<b>Note 2: Cash assets</b>		
Bank accounts:		
Cash at bank - SCCU s10 HACC	13,382.26	6,072.46
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	425.06	213.00
Cash at bank - Ballina debit card	267.33	-
Cash at bank - NAB cash management	141,773.91	61,514.90
Cash at bank - NAB maximiser	12,925.86	15,824.65
Cash at bank - NAB term deposit	781,504.69	767,535.84
Cash on hand	609.90	2,000.40
	<u>954,098.76</u>	<u>856,371.00</u>
<b>Note 3: Receivables</b>		
Accounts receivable	49,700.40	51,126.25
Interest receivable	1,252.00	1,169.00
Other receivables	-	200.00
	<u>50,952.40</u>	<u>52,495.25</u>
<b>Note 4: Other Financial Assets</b>		
Shares in other companies	10.00	10.00
	<u>10.00</u>	<u>10.00</u>
<b>Note 5: Other Assets</b>		
Short term deposits - bonds	2,300.00	2,300.00
Prepayments	1,000.00	-
	<u>3,300.00</u>	<u>2,300.00</u>

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

**Notes to the Financial Statements  
For the year ended 30 June 2019**

	2019	2018
	\$	\$
<b>Note 6: Property, Plant and Equipment</b>		
Plant & equipment		
- At cost	63,781.04	63,781.04
- Less: Accumulated depreciation	(39,636.00)	(30,266.00)
	24,145.04	33,515.04
Motor vehicles		
- At cost	1,874,270.90	1,237,128.90
- Less: Accumulated depreciation	(1,404,953.00)	(685,181.00)
	469,317.90	551,947.90
	<b>493,462.94</b>	<b>585,462.94</b>
<b>Note 7: Payables</b>		
Accounts payable	141,263.89	163,845.73
	<b>141,263.89</b>	<b>163,845.73</b>
<b>Note 8: Financial Liabilities</b>		
<b>Current</b>		
Cash at bank - Ballina debit card	-	10.00
Asset purchase loan	53,434.00	58,872.00
Grants in advance	214,549.96	139,172.53
	<b>267,983.96</b>	<b>198,054.53</b>
<b>Non-Current</b>		
Asset purchase loan	111,811.73	159,809.97
	<b>111,811.73</b>	<b>159,809.97</b>
<b>Note 9: Tax Liabilities</b>		
GST clearing		
Amounts withheld from salary & wages	71,330.51	47,048.98
	19,897.02	18,619.02
	<b>91,227.53</b>	<b>65,668.00</b>

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

**Notes to the Financial Statements  
For the year ended 30 June 2019**

	2019	2018
	\$	\$
<b>Note 10: Provisions</b>		
<b>Current</b>		
Employees entitlements	248,456.24	238,315.00
Provision for audit fees	8,800.00	11,290.55
	<u>257,256.24</u>	<u>249,605.55</u>

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

**Note 11: Reserves**

**Vehicle replacement reserve**

Balance at the beginning of the reporting period	539,000.00	374,393.00
Increase (decrease) in reserves during the reporting period	(30,000.00)	164,607.00
Balance at the reporting date	<u>509,000.00</u>	<u>539,000.00</u>
	<u>509,000.00</u>	<u>539,000.00</u>

**Note 12: Remuneration of Auditors**

Audit or review of the financial statements	7,502.20	11,012.00
Other services	-	-
	<u>7,502.20</u>	<u>11,012.00</u>

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

**Notes to the Financial Statements  
For the year ended 30 June 2019**

2019                      2018  
\$                              \$

**Note 13: Retrospective restatement**

The following errors pertaining to prior years were noted in the current year:

1. Increases in the motor vehicle replacement reserve were treated as an expense in the Statement of Profit & Loss rather than an allocation of retained earnings in the Statement of Changes In Equity
2. Expenses relative to interest and other expenses were offset to accounts payable liability instead of being expensed resulting in understated expenses and liabilities

The aggregate effect of the errors on the annual financial statements for the financial year ended 30 June 2018 is as follows:

	Previously Stated	30 June 2018 adjustments	Restated
Total income	3,477,346.00	-	3,477,346.00
Total expenses	3,480,796.99	(155,871.40)	3,324,925.59
Profit	<u>(3,450.99)</u>	155,871.40	<u>152,420.41</u>
Total assets	1,496,639.19	-	1,496,639.19
Total liabilities	828,248.18	8,735.60	836,983.78
Net Assets	<u>668,391.01</u>	<u>(8,735.60)</u>	<u>659,655.41</u>
Retained earnings	129,391.01	(8,735.60)	120,655.41
Reserves	539,000.00	-	539,000.00
Equity	<u>668,391.01</u>	<u>(8,735.60)</u>	<u>659,655.41</u>

**Note 14: Entity Details**

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

Tweed Byron & Ballina Community Transport Inc  
Unit 9 14 Middleton St  
Byron Bay NSW 2481.

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

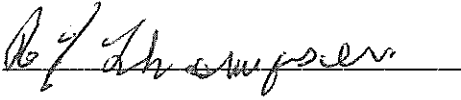
**Statement by Members of the Committee**

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 2019 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*.

 11/12/2019

President

 11/12/2019

Treasurer

## **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**

#### **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 2019, 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 2019 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.

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: 26 October 2019



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

Certificate by Members of the Committee

I, RAYMOND JOHN THOMPSON

certify that:

- a. I attended the annual general meeting of the Association held on 28 November 2019 and:
- b. the financial statements for the year ended 30 June 2019 were submitted to the members of the Association at the annual general meeting.

Ray Thompson 11/12/2019

Committee member