

**South West
Community Transport Inc**

**Auditors Report
2009 to 2010**

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South West Community Transport Inc

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**South West Community Transport Inc
Committee's Report
For the Year Ended 30 June 2010**

Your Committee members submit the financial report of South West Community Transport Inc for the year ended 30 June 2010.

Committee Members

The names of Committee members throughout the year and at the date of this report are:

Sean Langshaw
John Barrs
Theo Peereboom
Norma Shelley
Branko Boskoski

Gaye Hardwick
Dick Jones
Adriana La Spina (commenced 23/11/2009)

Principal Activities

The principal activities of the Association during the financial year were for providing transport services to the local community.

Significant Changes

No significant changes in the nature of these activities occurred during the year.

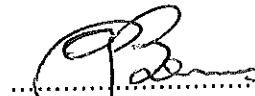
Operating Result

The surplus (deficit) after providing for income tax was \$(571,592), and after transfers from reserves was \$(302,098).

Signed in accordance with a resolution of the Members of the Committee



.....
Chairperson



.....
Treasurer

Dated this 15TH day of SEPTEMBER 2010

South West Community Transport Inc
Balance Sheet
As At 30 June 2010

	Note	2010 \$	2009 \$
Current Assets			
Cash	5	1,338,222	1,754,723
Receivables	6	13,262	12,625
Other Assets	7	<u>9,048</u>	<u>4,326</u>
Total Current Assets		<u>1,360,532</u>	<u>1,771,674</u>
Non-Current Assets			
Other Assets	7	15,833	0
Property, Plant & Equipment	8	<u>1,242,788</u>	<u>1,429,211</u>
Total Non-Current Assets		<u>1,258,621</u>	<u>1,429,211</u>
Total Assets		<u>2,619,153</u>	<u>3,200,885</u>
Current Liabilities			
Creditors and Borrowings	9	152,556	106,181
Funding received in advance	10	486,623	538,410
Provisions	11	<u>218,838</u>	<u>227,066</u>
Total Current Liabilities		<u>858,017</u>	<u>871,657</u>
Non-Current Liabilities			
Provisions	11	<u>7,000</u>	<u>3,500</u>
Total Non-Current Liabilities		<u>7,000</u>	<u>3,500</u>
Total Liabilities		<u>865,017</u>	<u>875,157</u>
Net Assets		<u>1,754,136</u>	<u>2,325,728</u>
Members' Funds			
Reserves	18	672,175	916,669
Accumulated Surplus		<u>1,081,961</u>	<u>1,409,059</u>
Total Members' Funds		<u>1,754,136</u>	<u>2,325,728</u>

The accompanying notes form part of these financial statements.

South West Community Transport Inc
Income Statement
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue from Ordinary Activities	2	2,580,744	2,527,120
Employee Benefits Expense		(1,583,296)	(1,458,043)
Depreciation and Amortisation Expense	3	(347,111)	(289,151)
Operating Lease Expense	3	(160,017)	(47,193)
Relocation Costs		(319,844)	0
Other Administration Expenses		(176,408)	(145,455)
Service Costs		(466,807)	(416,813)
Project Expenses		(98,853)	(75,955)
Surplus (Deficit) from Ordinary Activities		<u>(571,592)</u>	<u>94,510</u>
Income Tax Expense		0	0
Surplus (Deficit) after income tax		<u>(571,592)</u>	<u>94,510</u>
Add transfer from Reserves			
Relocation Reserve		396,338	0
Vehicle Replacement Reserve		0	419,336
Capital Works Reserves		0	216,828
Communications/GPS Reserve		0	90,000
Marketing Reserve		15,000	0
Safe Operating Procedures Reserve		<u>10,000</u>	<u>0</u>
		<u>421,338</u>	<u>726,164</u>
		<u>(150,254)</u>	<u>820,674</u>
Less transfer to Reserves			
Vehicle Replacement Reserve		151,844	0
Marketing Reserve		0	(5,000)
Relocation Reserve		<u>0</u>	<u>(396,338)</u>
		<u>151,844</u>	<u>(401,338)</u>
Surplus (Deficit) transferred to Accumulated Surplus		<u>(302,098)</u>	<u>419,336</u>

The accompanying notes form part of these financial statements.

South West Community Transport Inc
Statement of Changes in Equity
For the Year Ended 30 June 2010

	Accumulated Funds \$	Reserves \$	Total Equity \$
Balance at 1 July 2008	989,723	1,241,495	2,231,218
Net Surplus/(deficit) 2009	94,510	0	94,510
Transfers from reserves	726,164	(726,164)	0
Transfers to reserves	(401,338)	401,338	0
Balance at 30 June 2009	<u>1,409,059</u>	<u>916,669</u>	<u>2,325,728</u>
Surplus/(deficit) 2010	(571,592)	0	(571,592)
Transfers from reserves	421,338	(421,338)	0
Transfers to reserves	(151,844)	151,844	0
Balance at 30 June 2010	<u>1,106,961</u>	<u>647,175</u>	<u>1,754,136</u>

	2010 \$	2009 \$
Reserves		
Vehicle Replacement Reserve	582,175	430,331
Equipment Replacement Reserve	65,000	65,000
Marketing Reserve	0	15,000
Safe Operating Procedures Reserve	0	10,000
Relocation Reserve	<u>0</u>	<u>396,338</u>
Balance 30 June 2010	<u>647,175</u>	<u>916,669</u>

The accompanying notes form part of these financial statements.

South West Community Transport Inc
Statement of Cash Flows
30 June 2010

	Note	2010 \$	2009 \$
Cash Flows from Operating Activities			
Receipts from operations		2,712,970	2,622,529
Interest received		70,013	104,366
Relocation Costs		(319,844)	0
Payments to supplier and employees		<u>(2,687,747)</u>	<u>(2,624,780)</u>
Net cash provided by (used in) operating activities	13(a)	<u>(224,608)</u>	<u>102,113</u>
Cash Flows from Investing Activities			
Fixed asset purchases		(211,556)	(770,633)
Proceeds on sale of fixed assets		<u>19,664</u>	<u>184,964</u>
Net cash provided by (used in) Investing activities		<u>(191,892)</u>	<u>(585,669)</u>
Net increase/ (decrease) in cash held		(416,500)	(483,556)
Cash at the beginning of the financial year		<u>1,754,723</u>	<u>2,238,279</u>
Cash at the end of the financial year		<u>1,338,223</u>	<u>1,754,723</u>

The accompanying notes form part of these financial statements.

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

Note 1 – Statement of Significant Accounting Policies

The financial report covers South West Community Transport Inc (“the Association”) as an individual entity. South West Community Transport Inc is an association incorporated in New South Wales under the Associations Incorporation Act 1984.

Basis of Preparation

This financial report is a general-purpose financial report that has been prepared in accordance with the Australian Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act NSW.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Taxes

Income Tax

The Association is exempt from income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

Fringe Benefits Tax

As a public benevolent institution, the Association is exempt from fringe benefits tax paid to employees where the grossed up value of the benefit is less than \$30,000. Grossed up value of specified fringe benefits to individual employees has been included on each employee’s PAYG Payment Summary as required by law.

(b) Property, Plant and Equipment

Each class of property, plant and equipment are carried at costs or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed, and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

Note 1 – Statement of Significant Accounting Policies (con't)

Depreciation

Depreciation is calculated on a diminishing value basis so as to write off the net cost of each depreciable non-current asset over its expected useful life.

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

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	37.5% - 50%
Furniture and Fittings	11.3% - 20%
Office Equipment	20% - 40%
Motor Vehicles	16.6% - 22.5%

(c) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. The amounts expected to be paid to employees for their pro-rata entitlement to long service and annual leave are accrued annually at current pay rates having regard to experience of employees departures and period of service.

Provision is also made for non-vesting sick leave liability, available to employees at balance date and likely to become payable within the next 12 months.

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

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, at banks and on deposit.

(e) Revenue

Grants for operating expenses are recognised on an accruals basis.

The association receives state government funding for various purposes. Grant income is recognised when the monies are received and obligations have been met in relation to the grant or program. Funds received in advance of obligations being met are deferred and taken to income as the related expenses are incurred and obligations met.

Some revenue for specific projects has been carried forward to be matched against corresponding expenditure.

Donations and fundraising income are recognised upon receipt of the monies.

Income received from provision of services are recognised when the service is provided.

Interest revenue is recognised on an accruals basis taking into account the interest rates applicable to the financial assets.

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

Note 1 – Statement of Significant Accounting Policies (con't)

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(h) Impairment of Assets

At each reporting date, the Association 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 assets, being the higher of the asset's fair value, less the 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

Note 1: Statement of Significant Accounting Policies (con't)

(i) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the association, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(j) Restricted and Unrestricted Funds

Restricted Funds are funds received or reserves held that must be spent on the purpose for which they were received or are held.

They comprise:

- Government funding and related interest that must be spent in accordance with the terms of a funding agreement.
- Donations and bequests where the donor indicates a preference for the use to which the funds are to be used.
- Donations received in response to specific purpose appeals.
- Provisions for statutory entitlements due to employees.

All other funds are unrestricted in that the Committee has discretion to spend them on purposes for which the charity is established.

(k) Fundraising Activities

Charitable Fundraising Act 1991

This Act and supporting Charitable Fundraising Regulation prescribe the manner in which fundraising appeals are conducted, controlled and reported in NSW. The amounts shown in Note 15 are in accordance with Authority Condition 7, which is issued to the Association under Section 19 of the Act.

Donations and bequests

Returned as income as and only when received at the Association's administration offices or deposited to the Association's bank account. As specified in the Act, unsolicited donations, members' donations and bequests are not treated as fundraising income when determining information required under the Act. They are treated as gifts under the tax legislation.

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Note 2 – Revenue			
Operating Activities			
Operating Grants - Recurrent		1,903,875	1,800,500
Operating Grants – non-recurrent		200,187	196,401
Donations		250	1,199
Fundraising		783	450
Interest Received		70,013	104,366
Passengers and Groups		228,235	212,551
Project Income		153,285	133,915
Miscellaneous Other Income		<u>55,319</u>	<u>116,289</u>
		2,611,947	2,565,671
Non-Operating Activities			
Profit/(loss) on Sale of assets		<u>(31,203)</u>	<u>(38,551)</u>
Total Revenue		<u>2,580,744</u>	<u>2,527,120</u>
Note 3 – Surplus (Deficit) for the year			
The deficit for the year has been determined after charging:			
a) Expenses			
Depreciation of property, plant and equipment		347,111	289,151
Rental expense on operating leases		<u>160,017</u>	<u>47,193</u>
b) Significant Revenue & Expenses			
The following significant expense items are relevant in explaining financial performance:			
Relocation Costs		<u>319,844</u>	<u>0</u>
Note 4 – Auditors Remuneration			
Remuneration of the auditor for:			
- auditing or reviewing the financial report		11,800	14,575
- other services		<u>16,890</u>	<u>11,070</u>
		<u>28,690</u>	<u>25,645</u>
Note 5 – Cash			
Cash on Hand		1,161	1,170
Cash at Bank			
Macarthur Credit Union		1,125,472	1,550,857
Macarthur Credit Union – Taxi Project Account		1,160	0
Macarthur Credit Union – Staff Provision Account		<u>210,429</u>	<u>202,696</u>
		<u>1,338,222</u>	<u>1,754,723</u>

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Note 6 – Receivables			
Trade Debtors		<u>13,262</u>	<u>12,625</u>

The Company does not have any material credit risk exposure to any single receivable or group of receivables. The following table details the Company' trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counter party to the transaction.

	Within Trading Terms \$	Days past due but not impaired			Gross Amount \$	Past Due & Impaired \$
		< 30 \$	30 – 60 \$	> 60 \$		
2010						
Trade Debtors	6,643	5,786	191	642	13,262	0
	<u>6,643</u>	<u>5,786</u>	<u>191</u>	<u>642</u>	<u>13,262</u>	<u>0</u>
2009						
Trade Debtors	5,629	6,098	35	863	12,625	0
	<u>5,629</u>	<u>6,098</u>	<u>35</u>	<u>863</u>	<u>12,625</u>	<u>0</u>

Note 7 – Other Assets

Current		
Prepayments	0	4,326
Deposits Paid	<u>9,048</u>	<u>0</u>
	<u>9,048</u>	<u>0</u>
Non-Current		
Rental Security Deposit	<u>15,833</u>	<u>0</u>
	<u>15,833</u>	<u>0</u>

Note 8 – Property, Plant and Equipment

Motor Vehicles – cost	1,627,712	1,621,474
Less: Accumulated Depreciation	<u>(576,042)</u>	<u>(363,116)</u>
	<u>1,051,670</u>	<u>1,258,358</u>
Office Equipment and Furniture	339,646	277,993
Less: Accumulated Depreciation	<u>(148,528)</u>	<u>(107,140)</u>
	<u>191,118</u>	<u>170,853</u>
Total Property, Plant and Equipment	<u>1,242,788</u>	<u>1,429,211</u>

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
(a) Movements in Carrying Amounts			
Movements in the carrying amounts for each class or property, plant and equipment between the beginning and the end of the current financial year.			
		Motor Vehicles \$	Office Equipment and Furniture \$
			Total \$
Balance at 1 July 2008		1,111,544	59,698
Additions		623,200	147,433
Disposals		(221,680)	(1,833)
Depreciation		(254,706)	(34,445)
Balance at 30 June 2009		<u>1,258,358</u>	<u>170,853</u>
			<u>1,429,211</u>
Additions		63,713	147,842
Disposals		(57,475)	(86,189)
Depreciation		(212,926)	(41,388)
Carrying amount at 30 June 2010		<u>1,051,670</u>	<u>191,118</u>
			<u>1,242,788</u>

Note 9 – Creditors and Borrowings – Current Liabilities

Trade Creditors	69,909	46,369
Other Creditors and Accruals	54,668	36,475
GST Payable	<u>27,979</u>	<u>23,337</u>
	<u>152,556</u>	<u>106,181</u>

Note 10 – Funding Received in Advance

HACC Funding – YPWD Consultation	332,551	38,578
HACC Funding – Travel Training	0	3,576
HACC Funding – Taxi Voucher	95,738	399,635
HACC Funding – RCBA	53,642	81,497
HACC Funding – MOT Brokerage	<u>4,692</u>	<u>15,124</u>
	<u>486,623</u>	<u>538,410</u>

Note 11 – Provisions

Current		
Employee Entitlements	<u>218,838</u>	<u>227,066</u>
	<u>218,838</u>	<u>227,066</u>
Non-Current		
Employees Entitlements	0	0
30th Anniversary	<u>7,000</u>	<u>3,500</u>
	<u>7,000</u>	<u>3,500</u>

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Note 12 – Segment Reporting			
The Association operates predominantly in one business and geographic segment, being in the community transport sector providing community transport services in the south western suburbs of Sydney in the State of New South Wales.			
Note 13 – Cash Flow Information			
(a) Reconciliation of Net Cash Provided by Operating Activities to Profit from Ordinary Activities			
Profit/(Loss) from Ordinary Activities		(571,592)	94,510
Non-cash Flows in Profit from Ordinary Activities:			
- Depreciation		347,111	289,151
- (Profit)/Loss on Sale of Assets		31,203	38,551
Changes in Assets and Liabilities			
- (Increase)/Decrease in Other Debtors and Prepayments		(21,190)	383
- Increase/(Decrease) in Creditors and Accruals		46,375	(300,642)
- Increase/(Decrease) in Grants in Advance		(51,787)	(72,266)
- Increase/(Decrease) in Employee Provisions		(8,228)	48,926
- Increase/(Decrease) in Other Provisions		<u>3,500</u>	<u>3,500</u>
Net Cash Provided by Operating Activities		<u>(224,608)</u>	<u>102,113</u>
(b) Financing Arrangements			
Standby arrangements to provide funds and support Credit facilities		0	0
Amount Utilised		<u>0</u>	<u>0</u>
Unused Credit Facility		<u>0</u>	<u>0</u>

Note 14 – Association Details

The principal place of business of the Association is:

South West Community Transport Inc
10 Carey Grove
MINTO NSW 2566

Note 15 – Fundraising and Donations Income and Expenses

(i) Details of Aggregate Gross Income

Gross Proceeds from Fundraising and Donations	1,033	1,649
Less: Cost of Fundraising and Donations	<u>0</u>	<u>0</u>
Net Surplus of Fundraising and Donations	<u>1,033</u>	<u>1,649</u>

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$		
Note 15 – Fundraising and Donations Income and Expenses (con't)					
(ii) Application of Funds for Charitable Purposes					
During the year the Association achieved a net surplus of \$1,033 (2009: \$1,649) from fundraising and donation activities defined under the Charitable Fundraising Act.					
(iii) Fundraising Conducted Jointly with Traders					
No appeals were conducted jointly with traders in the year ended 30 June 2010.					
(iv) Gross Comparisons including fundraising not covered by the Charitable Fundraising Act (includes unsolicited and member's donations and bequests)					
	Costs	Proceeds	Surplus	2010 %	2009 %
Total cost of all fundraising / Gross proceeds from all fundraising	0	\$1,033	\$1,033	100	100

Note 16 – Related Parties

Key management personnel throughout the year:

Board of Management

Sean Langshaw	Gaye Hardwick
John Barrs	Dick Jones
Theo Peereboom	Adriana La Spina (commenced 23/11/2009)
Norma Shelley	
Branko Boskoski	

The Board of Management are not entitled to and did not receive benefits during the year. There were no loans in existence during the year or at balance date that were made, guaranteed or secured by the association to the Members of the Board, their partners, relatives or entities under their control or significant influence.

There were no related party transactions during the financial year.

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

Note 17 – Financial Instruments

Financial Risk Management

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.

Financial Instruments are held under normal commercial policies, terms and conditions regularly adopted by businesses in Australia. The Association does not have any derivative instruments as at 30 June 2010.

The main risks the association is exposed to through its financial instruments are liquidity risk, credit and interest rate risk.

a) Liquidity Risk

The association manages liquidity risk by monitoring forecast cash flows, maintaining a reputable credit profile and investing surplus cash with major financial institutions.

b) Credit Risk

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

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

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating.

c) Interest Rate Risk

Exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rate and will affect future cash flows.

Financial Asset and Financial Liability Maturity Analysis

	<u>Maturing within 1 Year</u>		<u>Maturing within 1 to 5 Years</u>		<u>Totals</u>	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial Assets:						
Cash & Cash equivalents	1,338,222	1,753,553	0	0	1,338,222	1,753,553
Accounts Receivable	<u>13,262</u>	<u>12,625</u>	<u>0</u>	<u>0</u>	<u>13,262</u>	<u>12,625</u>
Total Financial Assets	<u>1,351,484</u>	<u>1,766,178</u>	<u>0</u>	<u>0</u>	<u>1,351,484</u>	<u>1,766,178</u>
Financial Liabilities:						
Accounts Payable & Accruals	<u>152,556</u>	<u>106,181</u>	0	0	<u>152,556</u>	<u>106,181</u>
Total Financial Liabilities	<u>152,556</u>	<u>106,181</u>	<u>0</u>	<u>0</u>	<u>152,556</u>	<u>106,181</u>

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

	Note	2010	2009
		\$	\$

Note 17 – Financial Instruments (con't)

Net Fair Values

The net fair value of financial assets and liabilities approximates their carrying value because of their short term to maturity. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the association intends to hold the assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the Balance Sheet and in the Notes to the Financial Statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date:

	2010		2009	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
Financial Assets	\$	\$	\$	\$
- Cash	1,338,222	1,338,222	1,753,553	1,753,553
- Receivables	<u>13,262</u>	<u>13,262</u>	<u>12,625</u>	<u>12,625</u>
	<u>1,351,484</u>	<u>1,351,484</u>	<u>1,766,178</u>	<u>1,766,178</u>
Financial Liabilities				
- Trade and other payables	<u>152,566</u>	<u>152,566</u>	<u>106,181</u>	<u>106,181</u>

Note 18 – Reserves

Reserves reflect funds set aside for future capital expenditure of the Association and for the purpose specified by the committee. Details on specific reserves are as follows:

- a) Vehicle Replacement Reserve \$582,175. This reserve has been increased by \$151,844 during the year to the revised vehicle replacement schedule adopted by the Committee and to reflect the true nature of the reserve.
- b) The Equipment Replacement Reserve has been maintained at \$65,000.
- c) Relocation Reserve \$0. This reserve has been reduced by \$396,338 during the year to reflect the relocation of offices and the expenditure of funds.
- d) The Marketing Reserve has been reduced to \$0 as the monies have been expended.
- e) The Safe Operating Procedures Reserve has been reduced to \$0 as the monies have been expended.

South West Community Transport Inc
Notes to and forming part of the Financial Statements
For the Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Note 19 – Capital and Leasing Commitments			
Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements in respect of the lease of premises occupied by the Association:			
Payable minimum lease payments			
not later than 12 months		193,800	0
between 12 months and 5 years		688,629	0
greater than 5 years		<u>0</u>	<u>0</u>
		<u>882,429</u>	<u>0</u>

The property lease commitment is a non-cancellable operating lease with a five year term, with rent payable monthly in advance. The lease expires on 31 October 2014, with an option of another five year term.

Contingent rental provisions' within the lease agreement require that the minimum lease payments shall be increased by the greater of the CPI or 3% per annum.

Note 20 – Contingent Liabilities

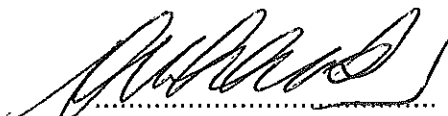

Guarantee to the Associations bankers secure by a change of over a Term Deposit for a Rental Bond on the premises occupied by the Association		<u>52,500</u>	<u>0</u>
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**South West Community Transport Inc
Statement by Members of the Committee
For the Year Ended 30 June 2010**

In the opinion of the Committee, the financial report as set out on pages 3 to 17:

1. Presents a true and fair view of the financial position of South West Community Transport Inc as at 30 June 2010, and it's performance for the year ended on that date in accordance with Australian Accounting standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this Statement, there are reasonable grounds to believe that South West Community Transport Inc will be able to pay its debts as and when they fall due.

This Statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:


.....
Chairperson
.....
Treasurer

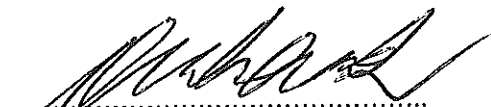
Dated this 15TH day of SEPTEMBER 2010.

South West Community Transport Inc
Chairperson's Declaration under the Charitable Fundraising Act
For the Year Ended 30 June 2010

This declaration is made in accordance with Authority Conditions 7(4) and 7(5) issued by the Minister under Section 19 of the Charitable Fundraising Act 1991.

I, Sean Langshaw, Chairperson of South West Community Transport Inc declare that in my opinion:

- (a) the Income Statement gives a true and fair view of all income and expenditure of South West Community Transport Inc with respect to fundraising appeals; and
- (b) the Balance Sheet gives a true and fair view of the state of affairs with respect to fundraising appeals; and
- (c) the provisions of the Charitable Fundraising Act 1991, the Regulations under the Act and the conditions attached to the authority have been complied with; and
- (d) the internal controls exercised by the South West Community Transport Inc are appropriate and effective in accounting for all income received and applied by the South West Community Transport Inc from any of its fundraising appeals.


.....
Chairperson

**South West Community Transport Inc
Independent Audit Report to the Members of
South West Community Transport Inc
For the Year Ended 30 June 2010**

Report on the Financial Report

We have audited the accompanying financial report of South West Community Transport Inc, which comprises the balance sheet as at 30 June 2010 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the Committee.

Committee's Responsibility for the Financial Report

The committee of the association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act, NSW. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the association's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**South West Community Transport Inc
Independent Audit Report to the Members of
South West Community Transport Inc
For the Year Ended 30 June 2010**

Audit Opinion

In our opinion, the financial report of South West Community Transport Inc is in accordance with the Associations Incorporation Act, NSW, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2010 and of their performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Associations Incorporation Act, NSW.

Escott Aston
Chartered Accountants
291 Belmore Road
Riverwood NSW 2210



Phillip R Escott
Partner

Dated this

16th

day of

SEPTEMBER

2010.

**South West Community Transport Inc
Compilation Report
For the Year Ended 30 June 2010**

Scope

We have compiled the accompanying special purpose financial statements of South West Community Transport Inc which comprise that attached income and expenditure statement for the year ended 30 June 2010. The specific purpose for which the specific purpose financial statements have been prepared is to provide financial information to the committee of management.

The Responsibility of the Committee of Management

The committee of management is solely responsible for the information contained in the special purpose financial statements and has determined that the basis of accounting adopted is appropriate to meet the needs of the committee of management for the purpose of complying with the association's constitution.

Our Responsibility

On the basis of information provided by the committee of management we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

Escott Aston
Chartered Accountants
291 Belmore Road
Riverwood NSW 2210



Phillip R Escott
Partner

Dated this

16th

day of

September

2010.

South West Community Transport Inc
Income & Expenditure Statement
For the Year Ended 30 June 2010

	2010 \$	2009 \$
Income		
Recurrent Grants Received	1,903,875	1,800,500
Non-recurrent Grants Received	200,187	196,401
MDSI Partnership	24,000	24,000
Passengers and Groups	228,235	212,551
Project income	153,285	133,915
Reimbursements	25,290	69,581
Interest	70,013	104,366
Donations	250	1,199
Fundraising	783	450
Government Industry Payments	6,129	11,308
Other	(100)	4,492
Workers Compensation Recovery	0	6,908
Loss/Surplus on Sale of Assets	<u>(31,203)</u>	<u>(38,551)</u>
Total Income	<u>2,580,744</u>	<u>2,527,120</u>
Expenditure		
Administration		
Accounting & Bookkeeping Fees	16,890	11,070
Advertising & Recruitment	1,854	4,906
Audit	11,800	14,575
Bank Charges	692	651
Cleaning	1,940	1,746
Computer Maintenance	15,387	17,310
Depreciation	347,111	289,151
Donations	40	0
Electricity	1,118	0
General Expenses	502	363
Insurance	10,418	5,726
Legal Fees	3,018	1,911
Lodgement Fees	45	45
Low Cost Assets	1,884	0
Management Expenses	2,905	1,875
Newsletter & Client Activities	29,468	20,151
Office Equipment Expenses	380	1,697
Office Expenses	2,139	2,296
Postage	4,738	4,395
Printing & Stationery & Photocopying	13,895	16,697
Relocation Costs	319,844	0
Rent	160,017	47,193
Repairs & Maintenance	(350)	0
Security	755	0
Subscriptions	6,202	6,133
Telephone	28,448	23,278
Training	22,184	10,630
Water	56	0

South West Community Transport Inc
Income & Expenditure Statement
For the Year Ended 30 June 2010

	2010 \$	2009 \$
Employee Benefit Expenses		
Salaries and Wages	1,314,254	1,168,027
Project Salaries and Wages	106,001	98,576
Employee Entitlements Provision	(8,228)	48,926
Workers Compensation	51,791	36,044
Superannuation	119,478	106,470
Service Costs		
Vehicle Running Cost	275,689	236,558
Volunteer Reimbursement	15,277	8,788
Taxi & Charter Hire	114,107	90,280
Uniforms and ID Expenses	7,457	5,325
Other Service Costs	54,277	47,856
Special Event – 20th Anniversary	0	28,006
Project Expenses (excluding wages)		
Travel Training Project	17,262	12,370
Taxi Voucher Project	70,823	63,585
MOT Brokerage Project	<u>10,768</u>	<u>0</u>
Total Expenditure	<u>3,152,336</u>	<u>2,432,610</u>
Surplus (deficit) for Year from Ordinary Activities	<u>(571,592)</u>	<u>94,510</u>
Add transfer from Reserves		
Relocation Reserve	396,338	0
Vehicle Replacement	0	419,336
Capital Works Reserves	0	216,828
Communications/GPS Reserve	0	90,000
Marketing Reserve	15,000	0
Safe Operating Procedures Reserve	<u>10,000</u>	<u>0</u>
	<u>421,338</u>	<u>726,164</u>
	<u>(150,254)</u>	<u>820,704</u>
Less transfer to Reserves		
Vehicle Replacement	151,844	
Capital Works Reserves	0	0
Marketing Reserve	0	(5,000)
Relocation Reserve	<u>0</u>	<u>(396,338)</u>
	<u>396,388</u>	<u>(401,338)</u>
Surplus (deficit) transferred to Accumulated Surplus	<u>(302,098)</u>	<u>419,336</u>