



ANNUAL REPORT 2017 - 2018

Lower North Shore Community
Transport Incorporated trading
as Community Connect Transport
Services ABN 58 608 203 592

community
connecttransport



Table of Contents

5	About Community Transport
6	Organisational Structure
8	President's Report
11	General Manager's Report
12	Operations Annual Review
16	Customer Feedback
19	Financial Reports
38	Document Abbreviations

Lower North Shore Community Transport (Community Connect Transport) is supported through financial assistance received from the Federal Government, NSW State Government and North Sydney Council.



Lower North Shore Community Transport (LNSCT) would like to thank all our clients who were photographed and featured in this report. A special thank you to all the LNSCT bus drivers and office staff for their diligent efforts throughout the year. The compilation and layout of this document was donated on a voluntary basis.

About Community Transport

Lower North Shore Community Transport has consulted, reviewed and generated a new direction for our Strategic Plan. This included identifying improved customer-focused outcomes for our Vision, Purpose and Values.

Lower North Shore Community Transport (LNSCT) was established in 1993 to enhance the wellbeing of the frail, aged, people with a disability and their carers, together with other transport disadvantaged residents of North Sydney, Mosman, Lane Cove and Willoughby council areas.

Community Transport services are provided by cars and minibuses for purposes such as medical appointments, shopping, social outings, and other appointments and activities. Many of our services are wheelchair accessible.

LNSCT works in a close co-operative relationship with many community organisations to assist the participation of service users in community life.

VISION

We want safe, appropriate and affordable transport to be available when required for all community members in need of transport assistance.

PURPOSE

Lower North Shore Community Transport enhances the wellbeing of community members by improving their access to safe, reliable, appropriate and affordable transport services.

VALUES

As an organisation our services are based on the following beliefs and values.

- Transport is the key to participation in the community and we do our utmost to deliver this service with fairness, safety and reliability.

- No-one should be emotionally or physically endangered because they lack access to transport.
- We believe that having access to transport is vital in improving community participation and reducing social isolation.
- Healthy communities benefit everyone by contributing to the overall economic, social and cultural wellbeing of their region and state.
- Collaborating with others who share our values and aims will improve our ability to serve our clients, our organisation and our community.

WE ARE

- Client focused and strive to respond respectfully to the individual needs of our clients at all times.
- Professional and deliver high quality, accountable services driven by a commitment to excellence, compliance and continuous improvement.
- Reliable and safe and we deliver on our agreements.
- Committed to sustainability through good governance, and manage our organisation to ensure best-practice, innovation, growth and long-term survival.
- Honest, acting fairly and in the best interests of our clients, our organisation and our funding bodies at all times.



Organisational Structure

"Committed to sustainability through good governance, and manage our organisation to ensure best-practice, innovation, growth and long-term survival."



NOTATIONS

As at 30 June 2018 the following persons served on the Management Committee during the financial year:

David Goodenough
1 July 2017 to 30 June 2018

Charbel Badr
1 July 2017 to 30 June 2018

Leone Selva
1 July 2017 to 30 June 2018

Konrad Schalch
1 July 2017 to 30 June 2018

Paul Ashby
3 July 2017 to 30 June 2018

Dave Woodlock
16 August 2017 to 30 June 2018

Jacqui Timmins
29 August 2017 to 30 June 2018

Steven Henderson resigned and Paul Christesen was temporally appointed as the acting General Manager, until the appointment of Robert Bell.

Public and Executive Officer Steven Henderson
10 December 2007 to 25 August 2017 (Resigned)

Contractor, Paul Christesen
8 June 2017 to 3 May 2018

¹General Manager, Robert Bell
1 May 2018 to 30 June 2018

²Transport Services Manager, Malcolm Young
1 June 2010 to 12 March 2018 (Resigned)

AUDIT, RISK AND COMPLIANCE COMMITTEE

Raymond Wong (Independent Chair)
Bernadette Cossettini (Independent Member)
Leone Selva
Paul Ashby

NOMINATIONS AND WORKPLACE RELATIONS COMMITTEE

David Goodenough
Konrad Schalch
Dave Woodlock
Jacqui Timmins

*These drivers only worked part of the financial year.

President's Report



David Goodenough
President

On behalf of the Management Committee (MC) of Lower North Shore Community Transport (LNSCT), I am pleased to present the annual report for the financial year ended 30 June 2018. Restructuring of the organisation to achieve longer-term benefits resulted in this year ending with a surplus of \$8,060 after expenses, provisions and depreciation. Our audited accounts are available for review in this annual report.

LNSCT had another busy 12 months both internally and externally; continuing to build upon the initiatives from the previous year. The financial position of the organisation remains strong with a healthy bank balance and the MC and management have been actively working towards the implementation of the strategic and business plans for July 2018 onwards. The goal remains to set a positive course for the sustainable future of LNSCT. Our main funding flows from government grants and the local contract with North Sydney Council has continued. I am pleased to report that the two-year funding contract from Transport for NSW (TfNSW) which commenced on 1 July 2016 was extended for a further two years until 30 June 2020, and the North Sydney Council funding contract option was also exercised extending this funding until 30 June 2019.

As the long-term Federal Government funding environment remains uncertain, the MC's focus has been to maintain the organisation's core purpose and values while building our funding independence into the future. As mentioned in previous annual reports, the MC and management are working hard to increase LNSCT's unencumbered income through the introduction of enhanced services.

LNSCT has adjusted to the new way that TfNSW is managing its contract through the use of the My Aged Care and CTABS portals and we have improved our trip counts given the finite resources of the organisation. During the financial

year we began to innovate and improve fleet usage as well as establish more social services for clients. A new General Manager position was also created during the year to lead the day-to-day operations of the organisation. Our trip numbers improved with more social outing services and we achieved all the TfNSW KPIs for the financial year.

In October 2017, the Fair Work Commission agreed to terminate the ageing LNSCT enterprise agreement to be replaced by the modern Social, Community, Home Care and Disability Services (SCHADS) industry award. Existing employees benefited from being able to access those new entitlements under the modern award as well as achieving wage rate increases. Operational improvements are further being realised through the implementation of the SCHADS award for all new LNSCT employees. LNSCT's service delivery to the community has also been expanded in the second half of the financial year. We are now providing a quarterly newsletter to our clients which offers a forward schedule of LNSCT organised social trips that community members can book in advance.

In May 2018, we welcomed Mr Robert Bell to the organisation as General Manager. Robert brings extensive management experience in the public, private and not-for-profit sectors to LNSCT, including over 20 years of General Manager and board-level experience in the community sector. Robert also has substantial experience within the Local Government sector, including six years as Mayor of Gosford City Council where he led a range of local community projects, secured funding, and advocated to both State and Federal Governments for community programs across human health issues, community transport, and social support for seniors and isolated communities in rural areas. Robert was awarded the Australian Centenary Medal by the Governor-General of Australia for his services to Australian Society, Local Government and Community Development.

"...The MC's focus has been to maintain the organisation's core purpose and values while building our funding independence into the future ."



Steven Henderson



Mal Young



Paul Christesen



Dr Charbel Badr

During the financial year we also bid farewell to two long-serving employees – Mr Steven Henderson (Executive Officer) and Mr Malcolm Young (Transport Services Manager). Steven joined LNSCT in 2007 while Malcolm joined in 2010 and both made very substantial contributions to the organisation and local community whilst at LNSCT.

I would like to also thank Mr Paul Christesen who was contracted to manage the organisation until the MC finalised the recruitment process for the full-time General Manager's position. During his 11 months at LNSCT, Paul significantly contributed to the development of the business plan for the 2018-19 financial year and reinvigorated the day-to-day operation of the organisation with his commitment and enthusiasm.

On 15 August 2017, LNSCT held a Special General Meeting to update the Constitution to extend and rotate the elected term of the MC members. Boardroom Partners recommended these changes to the Constitution which took effect at the Annual General Meeting (AGM) on 4 October 2017. All MC positions are ordinary committee members elected for a three-year term.

The President is now the only LNSCT office bearer under the Associations Incorporation Act 2009 (NSW); this position being appointed by the MC members at their first meeting after the AGM. Any committee member appointed by the MC to fill a casual vacancy and at least one-third of the longest serving remaining committee members must retire at the AGM. Under the Constitution, the President's term is limited to six consecutive years and an ordinary committee member's term is limited to 10 consecutive years.

During the financial year, the MC adopted the Boardroom Partners' recommendation to establish an Audit, Risk and Compliance Committee (ARCC). LNSCT has been fortunate to have Mr Raymond Wong as the Independent Chair and Ms Bernadette Cossettini as an Independent Member. The MC is grateful to them for volunteering their professional services to the organisation. Additionally, I would like to thank Dr Charbel Badr, who retired from the MC on 30 June 2018, for his last five years of service as LNSCT's Treasurer.

In conclusion, I would like to thank all the LNSCT office staff and drivers. Their commitment to the Lower North Shore community is demonstrated by the positive recognition they continue to receive from our clients for the safe, caring and reliable transport services that LNSCT delivers each day. I would also like to thank all the MC members for volunteering many hours of service to lead and support the organisation during the year.

David Goodenough
President GAICD

OUR STRATEGIC GOALS

1 Providing transport services that meet the needs of the community.

- To deliver high quality services that are valued by our customers.
- Introduce innovative services that can reach a greater number of people.
- Make the LNSCT booking experience easy and efficient.
- Make the financial transactions with LNSCT seamless and convenient.

2 Securing government funds beyond 30 June, 2018.

- Secure and align TfNSW and North Sydney Council funding contracts for the future.
- Secure long term funding sources outside TfNSW and North Sydney Council.

3 Achieving financial independence and long-term sustainability.

- Increase the number of trips, locations and services offered.
- Secure new funding sources to grow this business over the next three-year period.
- Continuous improvement of service and staff skills to best service customers.

General Manager's Report



Robert Bell
General Manager

Firstly, I would like to thank Mr Paul Christesen, Acting Executive Officer (June 2017 - May 2018), for his time at LNSCT in developing new ideas and ways to reach out to customers. Paul left in May 2018 but carried the management of the organisation to new levels. The organisation has benefited from his various endeavours.

Our customers are at the time of their life where many do not want to drive and yet they want to do important health and shopping activities and go places and see new things. We thank our customers for another survey result of 95% customer satisfaction with service. A high rating and high credit to the care and understanding of all staff involved in ensuring customers get where they need and want to go.

My role is to refine the activities to maximise the experience of the customer, ensure as far as practicable the most number of customers can be accommodated per month by Lower North Shore Community Transport (LNSCT) and that essential services provision are at the forefront and a key pillar in strategic planning for the next three years. The developing services and partnerships are designed to further streamline and improve efficiency of operation of services and thereby improve value for public funds received. Monitoring of services will continue, to ensure the most number of residents are accommodated with transport assistance both directly and indirectly.

LNSCT has maintained a continuing contract with TfNSW until 30 June 2020. There is a further contract with North Sydney Council and in June 2018 LNSCT secured a two-year agreement with both Willoughby and Lane Cove Council for transport services until June 2020.

The economic landscape dictates that resource efficiency is a key factor in receiving funding support. Also, that as much as possible of the funds received go directly to the customer benefit to meet their needs.

Well maintained equipment including the fleet of buses, having appropriately experienced and credited drivers and a highly responsive and innovative staff to address changing needs and circumstances on a daily basis is critical to delivering for the communities of the councils of North Sydney, Willoughby, Lane Cove and Mosman.

The competitive market, legislation changes and growing need to meet the needs of a changing demographic profile is a foremost consideration by LNSCT, as part of its daily operations.

Before closing, I would also like to mention that LNSCT has successfully secured re-accreditation for ISO 4801 Occupational Health and Safety Management System and ISO 9001 Quality Management Systems.

LNSCT looks forward to the challenges and growth of its services to meet the needs of a growing region.

LNSCT strives to specifically meet the health and wellbeing needs of people who need assistance to reach vital services and enjoy pleasure activities as well. We serve to enhance people's lives and along the way contribute to reducing a growing trend of isolation Australia-wide.

Robert Bell
General Manager

Operations Annual Review



Transport Services Manager

Malcolm Young 12 March 2018 (Resigned)

Louise Anderson 26 February 2018

TRANSPORT SERVICES MANAGER'S REPORT

My name is Louise Anderson. In February I started with LNSCT and took over the role of Transport Services Manager due to Malcolm Young's departure in March.

It's been a very busy last quarter for me, with the recruitment of three new employees and the review of pay scales and contracts for all drivers and office staff. Currently, I'm evaluating the verification process for our CHSP clients on how we tabulate the associated data along with researching the costings for bus outings and pricing structures for several of our recurring group outings, both Community Transport and commercial clients.

In conclusion, we would like to wish Malcolm well and thank him for compiling the following part of this year's report.

COMMONWEALTH HOME SUPPORT PROGRAMME

We provide the majority of our services with CHSP and CCSP funding. With 64% of our transport in the past year from this source, it also provides the major revenue stream to support our operations, being vehicles and administration functions.

COMMUNITY TRANSPORT PROGRAMME

This past year just over 13% of our total services have been provided under CTP funding. This is primarily to encourage social inclusion for those otherwise transport disadvantaged who do not qualify under either My Aged Care or NDS but are still considered transport disadvantaged.

NORTH SYDNEY COUNCIL BUS CONTRACT

This represents 14% of our total services. We will continue our exceptional working relationship with North Sydney Council. This is a collaborative and respected operational management approach to assist transport disadvantaged

residents of the North Sydney Municipality. Under this arrangement, there are a variety of managed services during the year such as the co-ordination of transport for the school holiday Vacation Care Programmes.

LNSCT COMMERCIAL

This represents 9% (and growing) of services provided outside our contractual arrangements. We have our 27-seat coach plus CHSP-funded buses based on availability to supplement Community Transport services in our local area. Examples of such transport include transfers for local social groups, school educational transfers, short day excursions and driver hire.

The introduction of CTABS vehicle scheduling software has increased the effectiveness of daily passenger scheduling and on road vehicle monitoring. It is still early days with this process and the effectiveness of this system is yet to realise its full potential.

FUTURE PLANNING

The past 12 months have in effect been "business as usual". Future planning and service growth are being considered in the light of potential changes in government funding.

We have developed a range of business and marketing objectives for the next few years which we anticipate will assist us in maintaining and developing client and market awareness.

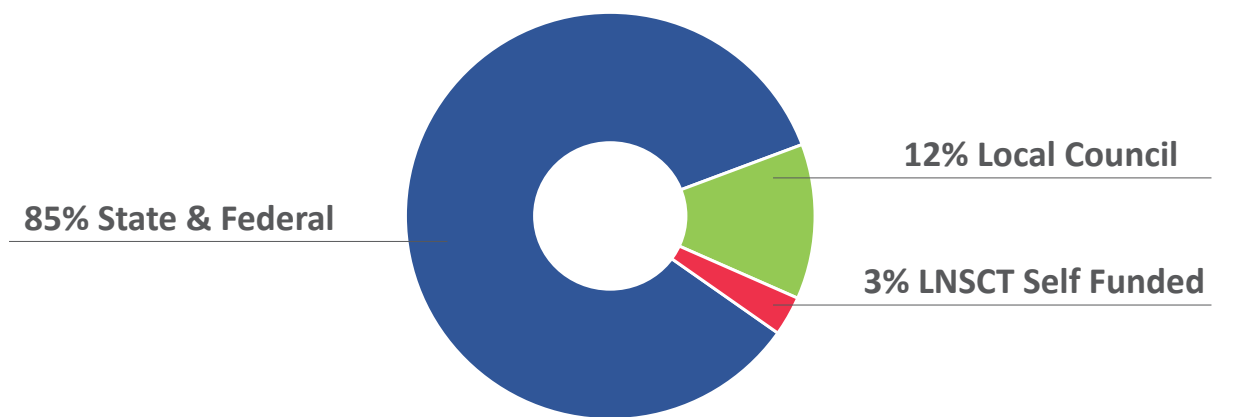
Our objective is to build on our already strong relationships with community groups, create revenue streams, connect with clients and develop new business.

Malcolm Young and Louise Anderson
Transport Services Managers

OUR CUSTOMER TRIPS FY 2017 - 2018



WHERE OUR FUNDS COME FROM



TfNSW Contract
CHSP & CTP
Eligible Customers



NSC Contract Flexi-Ride
Cab & Easy Rider
Shopping Service



Direct Purchase
LNSCT Services &
Community Groups

Operations Annual Review



David Payne
Transport Coordinator

TRANSPORT COORDINATOR'S REPORT

My name is David Payne and I'm the Transport Coordinator for LNSCT. My role involves the preparation of daily schedules for all Individual Transport and Shopping booking requests.

On taking your booking request, we will ask you some questions in relation to your mobility and other personal details to ensure that we are providing the right type of transportation for you.

During a normal working day our office can process up to 100 transport booking requests with 99% of these being confirmed for travel.

Booking requests are scheduled two days ahead of the date of travel and pick up times are sent automatically. Our services currently operate Monday to Friday.

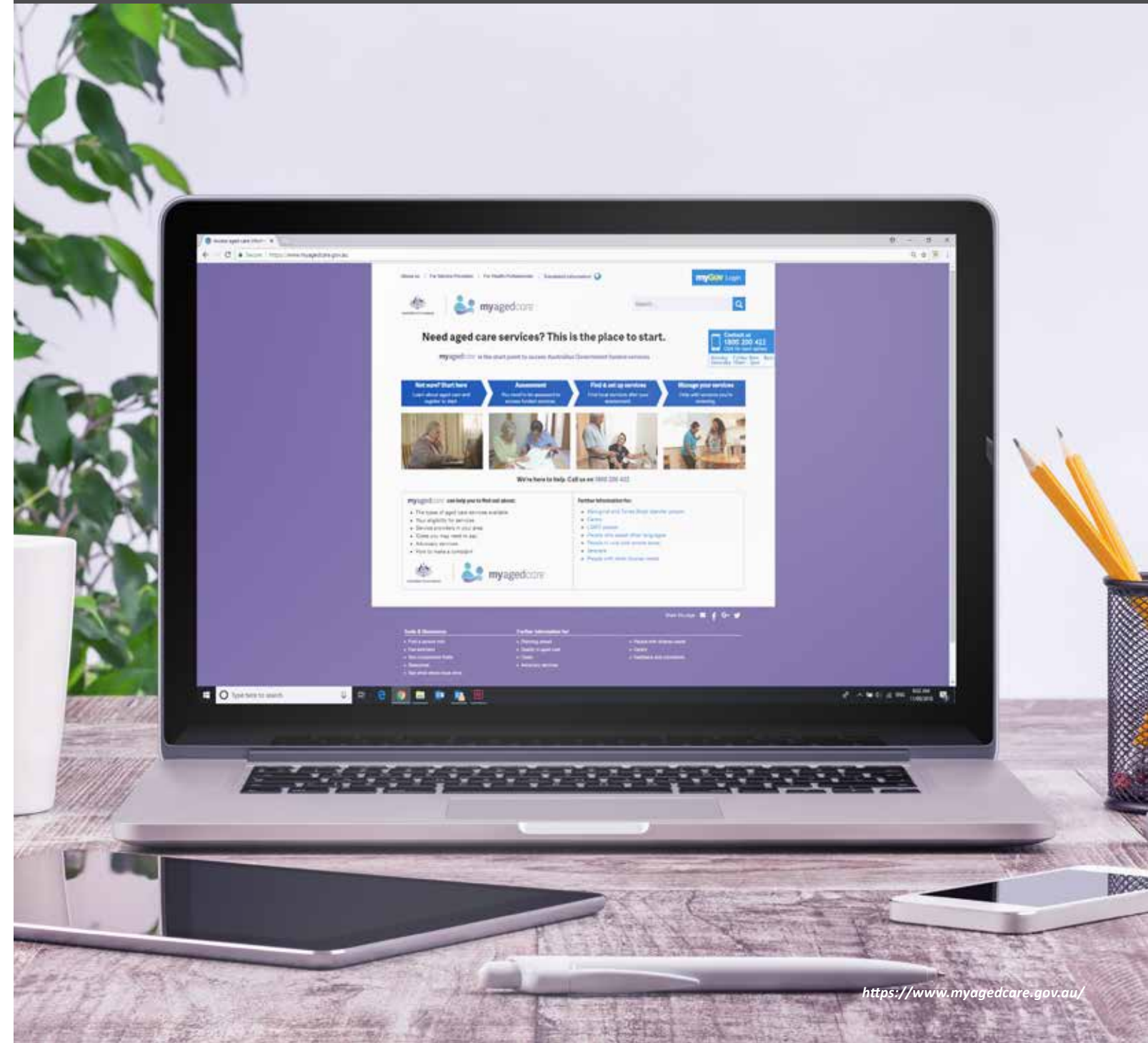
I'm also responsible for coordinating new client referrals from My Aged Care with the aim of helping these clients register for travel so they can utilise our transport services.

My Aged Care is a Commonwealth Government agency that helps determine your eligibility for transport services. If you need further information about My Aged Care Services you can call them on 1800 200 422 or visit their website www.myagedcare.gov.au.

Our caring drivers and staff are highly-trained in providing accessible transport for all people and we're always happy to help. If you have any further questions, don't hesitate in contacting our office.

David Payne
Transport Coordinator

"Our caring drivers and staff are highly-trained in providing accessible transport for all people and we're always happy to help."



Customer Feedback

This is a small sample of compliments that LNSCT has received throughout the year.

"Hello to my fellow passengers, if I may speak on your behalf of you our fellow lower north shore residents in thanking the management of the community transport service to the introduction in 2018 to our community day trips.

I've enjoyed all the day trips to this point, a highlight was on one morning of a day trip we had a lovely morning tea break at Clifton Gardens with Terry and his offsider entertaining us with tea, coffee and tea cakes in the lovely morning sun. It's also nice to hear on our trips of points of interest by our driver and his offsider with also some humour.

Our days trips are a great way of meeting up with your and our neighbors from either next door or next door suburbs to have a chat about local issues or of families we all have concerns about.

On most of our trips the pick of the menu is the, "Catch of the day, yes you're right, Fish-n-Chips."

I would like to thank our drivers who take us to and from our various medical appointments, shopping and social trips with care for us all. And thank you to Lana for listening to our grumps... Ha-ha!

With spring and summer coming I'm sure we'll get in our bookings for our next lot of days trips when we'll meet up again with our fellow neighbors to share a laugh together. See you then.

M.Wood

TRANSPORT!! The very thought of it sent me into a quandary, with the City Taxi Service refusing to go short distances or emptying your wallet at journey's end. Then I discovered "Community Connect", a service that catered for the Lower North Shore it was a godsend!

Community Connect offers a range of transport pick-ups to and from the functions organised by the CNCC, conveyance to the movies or musical theatre, regular shopping sprees at the supermarket and the most popular of all the day trips to Sydney's places of interest. On a more serious side of things are visits to the doctor, Hospital and Clinic appointments.

For nearly two years I have used the service (formally LNSCT) and always found it reliable and reasonably priced. Once the Booking has been made and confirmed, everything falls into place - the transport arrives clean and on time, the Drivers are well turned out, cheerful and considerate! What more can you ask of a transport company?

T.Tims

I'm so glad to have the opportunity to compliment you on your supportive, efficient service. Everyone, both administration staff and the drivers are so courteous and helpful.

There are also warm, happy moments to be enjoyed on this unique service. One shopping bus morning another passenger and I arrived at Woollies to be faced with the most delightful massive display of golden daffodils.

We were so pleased when we both turned to each other and simultaneously recited William Wordsworth, "And then my heart with pleasure fills, And dances with the daffodils."

V.Swift



Financial Reports

Lower North Shore Community Transport Incorporated

ABN 58 608 203 592 - Year Ending 30 June 2018

20	Statement of Profit or Loss and Other Comprehensive Income
21	Statement of Financial Position
22	Statement of Changes in Equity
23	Statement of Cash Flows
24	Notes to the Financial Statements
34	Declaration by Members of the Committee
35	Auditor's Independence Declaration
36	Independence Auditor's Report to the Members of LNSCT



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
INCOME			
Grants received	2	1,266,383	1,194,990
Services income	3	230,635	240,374
Interest income		5,910	7,732
Other income	4	1,991	4,464
		<u>1,504,919</u>	<u>1,447,560</u>
COST OF SALES			
NSC Fare Box		<u>10,560</u>	<u>11,245</u>
GROSS PROFIT			
		<u>-</u>	
EXPENDITURE			
Employee benefits expense	5	878,094	945,021
Bad debt expense		-	560
Constancy expenses		166,607	95,490
Depreciation expenses		46,140	60,426
Rent expense		23,978	23,462
Other administration expense	5	371,480	215,759
		<u>1,486,299</u>	<u>1,340,718</u>
(LOSS)/PROFIT BEFORE INCOME TAX			
		<u>8,060</u>	<u>95,597</u>
Income tax expense		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		<u><u>8,060</u></u>	<u><u>95,597</u></u>

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,012,437	1,014,891
Accounts receivables and other debtors	8	26,432	20,081
Prepayments		10,667	8,314
TOTAL CURRENT ASSETS		<u>1,049,536</u>	<u>1,043,286</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	136,981	187,729
TOTAL NON-CURRENT ASSETS		<u>136,981</u>	<u>187,729</u>
TOTAL ASSETS			
		<u>1,186,517</u>	<u>1,231,015</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	10	78,964	77,376
Provisions	11a	39,853	71,646
Finance lease	12	-	4,052
TOTAL CURRENT LIABILITIES		<u>118,817</u>	<u>153,074</u>
NON-CURRENT LIABILITIES			
Provisions	11a	12,852	31,153
Finance lease	12	-	-
TOTAL NON-CURRENT LIABILITIES		<u>12,852</u>	<u>31,153</u>
TOTAL LIABILITIES			
		<u>131,669</u>	<u>184,227</u>
NET ASSETS			
		<u><u>1,054,848</u></u>	<u><u>1,046,788</u></u>
EQUITY			
Reserves	18	320,357	286,357
Retained surplus		734,491	760,431
TOTAL EQUITY		<u><u>1,054,848</u></u>	<u><u>1,046,788</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	REPLACEMENT VEHICLE RESERVE	RETAINED SURPLUS	TOTAL EQUITY
2017			
BALANCE AT 1 JULY 2016	241,877	709,314	951,191
Result for the year 2017	-	95,597	95,597
Transfers between equity components	44,480	(44,480)	-
BALANCE AT 30 JUNE 2017	<u>286,357</u>	<u>760,431</u>	<u>1,046,788</u>
2018			
BALANCE AT 1 JULY 2017	286,357	760,431	1,046,788
Result for the year	-	8,060	8,060
Transfers between equity components	34,000	(34,000)	-
BALANCE AT 30 JUNE 2018	<u>320,357</u>	<u>734,491</u>	<u>1,054,848</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		226,275	244,810
Grant receipts		1,296,383	1,194,990
Interest received		5,910	7,732
Payments to suppliers and employees		(1,490,770)	(1,215,207)
Finance costs		(195)	(1,970)
Net cash generated from operating activities		<u>7,603</u>	<u>230,355</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(6,005)	(5,258)
Proceeds from disposal of property, plant and equipment		-	-
Net cash used in investing activities		<u>(6,005)</u>	<u>(5,258)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		(4,052)	(46,909)
Net cash generated from in financing activities		<u>(4,052)</u>	<u>(46,909)</u>
Net increase in cash held		(2,454)	178,188
Cash and cash equivalents at beginning of financial year		<u>1,014,891</u>	<u>836,703</u>
Cash and cash equivalents at end of financial year	7	<u><u>1,012,437</u></u>	<u><u>1,014,891</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The financial statements cover Lower North Shore Community Transport Incorporated as an individual entity. Lower North Shore Community Transport Incorporated is an association incorporated in NSW under the Associations Incorporation Act 2009. It is registered as a charity under the Australian Charities and Not-For-Profits Commission Act 2012 (ACNC Act).

The financial statements were authorised for issue on 25/09/18 by the members of the committee.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-For-Profits Commission Act 2012.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) INCOME TAX

The Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(B) PROPERTY, PLANT AND EQUIPMENT (PPE)

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

The estimated useful lives used for each class of depreciable asset are shown below:

FIXED ASSET CLASS	USEFUL LIFE
Motor vehicle	10 years
Furniture and office equipment	2-7 years

(C) IMPAIRMENT OF ASSETS

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such as indication exists, an impairment test is carried out on the asset by comparing 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

(D) EMPLOYEE PROVISIONS

SHORT-TERM EMPLOYEE BENEFITS

Provision is made for the association’s liability 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 and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

OTHER LONG-TERM EMPLOYEE BENEFITS

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

E) PROVISIONS

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

(F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less.

G) ACCOUNTS RECEIVABLE AND OTHER DEBTORS

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collect 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) REVENUE AND OTHER INCOME

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable.

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

RENDERING OF SERVICES

Revenue in relation to rendering of services is recognised when the transport services are complete.

GRANT REVENUE

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt. Donations are recognised and brought to account on a cash basis when received. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

OTHER INCOME

Other income is recognised on an accruals basis when the Company is entitled to it.

(I) 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 (ATO). 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 assets and liabilities statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(J) 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 association 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.

(K) KEY JUDGEMENTS

Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. As the association expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the association believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

(L) ECONOMIC DEPENDENCE

The organisation is dependent upon the ongoing receipt of Federal and State government grants to ensure the ongoing continuance of its operations. At the date of this report management has no reason to believe that this financial support will not continue.

(M) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Company has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Responsible persons make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

KEY ESTIMATES

A) RECEIVABLES

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

(B) AMORTIZATION AND DEPRECIATION

The amortization and depreciation rates for property plant and equipment are calculated based on expected useful life. The leasehold improvements are amortised over the term of the lease without the option of renewal.

(C) COST ALLOCATION

The allocation of administration expenses and overhead to different revenue streams and cost centres is assessed and approved by the board.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
NOTE 2: GRANTS RECEIVED			
Government Grants and Other Grants:			
- CHSP Base Recurrent		903,816	915,537
- CCSP Base Recurrent		1,753	35,157
- CTP Recurrent		56,976	57,996
- Transition Fund Non-Recurrent		30,000	15,000
- ERO Fund Non-Recurrent		32,626	-
- Growth Fund Non-Recurrent		69,012	-
- North Sydney Council Non-recurrent		172,200	171,300
Total Grants Received		1,266,383	1,194,990
NOTE 3: SERVICES INCOME			
Bus Passengers and Group Fares		5,411	5,540
IT Fares		71,592	69,844
Vehicle Hire (CHSP/CCSP/CTP)		102,284	98,222
LNS Commercial		39,584	55,523
North Sydney Council - Fares		11,765	11,245
Total Services Income		230,635	240,374
NOTE 4: OTHER INCOME			
Donations		50	-
Membership Subscriptions		123	435
Insurance Claim Received		-	2,350
Other Income		78	-
Diesel Fuel Rebates (ATO)		1,740	1,679
Total Other Income		1,991	4,464

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
NOTE 5: RESULT FOR THE YEAR			
The result for the year includes the following specific expenses:			
EXPENSES			
Employee Benefits Expenses			
- Salaries and Wages		811,063	799,054
- Superannuation		63,843	72,842
- Annual Leave and Long Service Leave Provision		(7,653)	28,134
- Sick Leave Provision (Steven Henderson)		(26,146)	26,146
- Workers Compensation and Other Employee Benefits Expenses		36,987	18,845
		878,094	945,021
Other Administration expenses			
- MV Expenses		89,639	95,711
- Services Expenses		45,304	47,613
- Staff Recruitment		104,847	-
- Lodgement and Legal fees		15,975	3,268
- Stationery and Consumable		10,391	3,269
- Sundry Expenses		105,324	65,898
		371,480	215,759
NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION			
The total remuneration paid to key management personnel (KMP) of the association during the year are as follows:			
Key Management Personnel Compensation		143,947	108,893
NOTE 7: CASH AND CASH EQUIVALENTS			
Cash on Hand		425	425
Cash at Bank		1,012,012	1,014,466
Total Cash and Cash Equivalents	19	1,012,437	1,014,891
Reconciliation of Cash			
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Total Cash and Cash Equivalents		1,012,437	1,014,891

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
NOTE 8: ACCOUNTS RECEIVABLE AND OTHER DEBTORS			
CURRENT			
Accounts Receivables		26,432	20,081
Less: provision for doubtful debt		-	-
Other Debtors		-	-
Total current accounts receivable and other debtors		26,432	20,081
Financial assets classified as loans and receivables			
Accounts receivable and other debtors:			
Total current	19	26,432	20,081
NOTE 9: PROPERTY, PLANT AND EQUIPMENT			
PLANT AND EQUIPMENT			
Motor vehicles - at cost		547,780	583,075
Less: accumulated depreciation		(425,128)	(408,275)
		122,652	174,800
Furniture and office equipment - at cost			
Less: accumulated depreciation		127,331	121,326
		(113,002)	(108,397)
		14,329	12,929
Total plant and equipment		136,981	187,729
Total property, plant and equipment		136,981	187,729
A) MOVEMENTS IN CARRYING AMOUNT			
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:			
	Motor Vehicles	Furniture & Office Equipment	Total
YEAR ENDED 30 JUNE 2018			
Balance at the beginning of year	174,800	12,929	187,729
Additions	-	6,005	6,005
Disposals	(10,613)	-	(10,613)
Depreciation expense	(41,537)	(4,603)	(46,140)
BALANCE AT THE END OF THE YEAR	122,650	14,332	136,981

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
NOTE 10: ACCOUNTS PAYABLE AND OTHER PAYABLES			
CURRENT			
Accounts payable		11,632	9,188
Deferred grants		-	30,000
Other payables		67,332	38,188
Total financial liabilities as accounts payable and other payables	19	<u>78,964</u>	<u>77,376</u>
NOTE 11: EMPLOYEE PROVISIONS			
Employee Benefits			
Opening Balance at 1 July		102,799	60,832
Net movement		(50,094)	41,967
Balance at 30 June		<u>52,705</u>	<u>102,799</u>
a. Analysis of total provisions			
Current		39,853	71,646
Noncurrent		12,853	31,153
		<u>52,705</u>	<u>102,799</u>
NOTE 12: FINANCE LEASE LIABILITIES			
Current		-	4,052
Non-current		-	-
Total finance lease liabilities	13, 19	<u>-</u>	<u>4,052</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
NOTE 13: CAPITAL AND LEASING COMMITMENTS			
(A) LEASES COMMITMENTS			
FINANCE LEASE COMMITMENTS			
Payable - minimum lease payments:			
- Not later than 12 months		-	4,052
- Between 12 months and five years		-	-
- Later than five years		-	-
Minimum lease payments		<u>-</u>	<u>4,052</u>
Less: future finance charges		-	-
Present value of minimum lease payments	12	<u>-</u>	<u>4,052</u>
The finance lease for motor vehicles, which commenced in 2015, is a 3-year lease. The lease payments are payable monthly in advance.			
OPERATING LEASE COMMITMENTS			
Non-cancellable operating leases contracted for but not recognised in the financial statements:			
Payable – minimum lease payments:			
- Not later than 12 months		24,506	23,978
- Between 12 months and five years		41,984	66,490
- Later than five years		-	-
		<u>66,490</u>	<u>90,468</u>
The property lease commitment is a non-cancellable operating lease with a five-year term commencing from 1 March 2016, with rent payable monthly in advance.			
Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 2.2% on each anniversary of the commencing date.			
(B) CONTRACTED COMMITMENTS			
Lower North Shore Community Transport Inc. has placed an order for an additional motor vehicle to be delivered in 26 July 2018. The cost of this motor vehicle is \$56,909.			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 14: EVENTS AFTER THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Association in future financial years.

NOTE 15: CONTINGENT LIABILITIES

There are no contingent liabilities or contingent assets as at the balance date.

NOTE 16: ECONOMIC DEPENDENCE

The association considers that it is economically dependent on revenue received from Transport for NSW. The management believe that this revenue will continue to be made available to the company for the foreseeable future.

The total of recurrent government funding received during the financial year was \$1,266,383. (2017: \$1,194,990) and this represented 84% of total revenue (2017: 83%).

NOTE 17: RELATED PARTY TRANSACTIONS

The association's main related parties are as follows:

A. KEY MANAGEMENT PERSONNEL:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

For details of disclosures relating to key management personnel, refer to NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION.

B. TRANSACTIONS WITH RELATED PARTIES:

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

Consulting services provided by Paul Christesen as acting Executive Officer - total expense for the year \$143,012 with nil balance outstanding at the end of the year.

Photographic services by Konrad Schalch - total expense for the year \$759 with nil balance outstanding at the end of the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 \$	2017 \$
NOTE 18: VEHICLE REPLACEMENT RESERVE			
Balance at 1 July 2017		286,357	241,877
Net movement		34,000	44,480
Balance at 30 June 2018		320,357	286,357

Vehicle replacement reserve was set up for future replacement of vehicles.

NOTE 19: FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and leases.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: Financial Instruments: Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:

FINANCIAL ASSETS			
Cash and cash equivalents	7	1,012,437	1,014,891
Accounts receivable and other debtors	8	26,432	20,081
Total financial assets		1,038,869	1,034,972
FINANCIAL LIABILITIES			
Accounts payable and other payables	10	78,964	77,376
Finance lease liabilities	12	-	4,052
Total financial liabilities		78,964	81,428

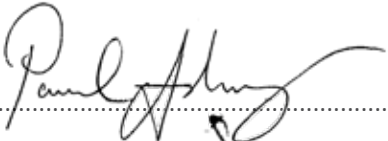
NOTE 20: ASSOCIATION DETAILS


The registered office of the Association is:
Lower North Shore Community Transport Incorporated
Level 3, The Crows Nest Centre
2 Ernest Place, Crows Nest NSW 2065

DECLARATION BY MEMBERS OF THE COMMITTEE

THE MEMBERS OF THE COMMITTEE DECLARE THAT IN THE DIRECTORS' OPINION:

- (a) there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
 - (b) the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-Profits Commission Act 2012.
- Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Member:.......... Paul Ashby, President

Member:.......... Konrad Schalch, Management Committee

Dated this 25th day of September 2018

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 60-40 OF THE ACNC ACT 2012 TO THE COMMITTEE MEMBERS OF LOWER NORTH SHORE COMMUNITY TRANSPORT INCORPORATED - ABN 58 608 203 592

Lower North Shore Community Transport
Level 3, The Crows Nest Centre
2 Ernest Place, Crows Nest NSW 2065

TO THE MEMBERS OF THE COMMITTEE

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Lower North Shore Community Transport Inc. for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Australian Charities and Not-for-Profits Commission Act 2012 in relation to the audit;

and

- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

Moore Stephens NSW
9 Castlereagh Street Sydney NSW



Charles Oosthuizen Director - Audit & Assurance

Dated this 25th day of September 2018

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE MEMBERS OF LOWER NORTH SHORE COMMUNITY
TRANSPORT INCORPORATED - ABN 58 608 203 592**

OPINION

We have audited the accompanying financial report of Lower North Shore Community Transport Incorporated, being a general purpose financial report (reduced disclosure), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

(a) Giving a true and fair view of the Association's financial position as at 30 June 2018 and of its financial performance for the year ended;

and

(b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 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 Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 and 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Act 2012 and for such internal control as management determines is necessary to enable the preparation of the 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES 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 includes 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 the financial report.

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE MEMBERS OF LOWER NORTH SHORE COMMUNITY
TRANSPORT INCORPORATED - ABN 58 608 203 592**

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 audit 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, misrepresentations, 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' 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 Company'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 Company 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 directors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moore Stephens NSW
9 Castlereagh Street Sydney NSW



Charles Oosthuizen Director - Audit & Assurance

Dated this 2nd day of October 2018

Document Abbreviations

ACNC	Australian Charities and Not-for-Profits Commission
ADHC	Ageing Disabilities and Home Care
AICD	Australian Institute of Company Directors
BCI	Bus & Coach International
CCSP	Commonwealth Continuity of Support Programme
CHSP	Commonwealth Home Support Programme
CTP	Community Transport Program (NSW)
DOSS	Department of Social Services
EO	Executive Officer
GT	Group Transport
HACC	Home and Community Care - Commonwealth Program
ISO	International Organization for Standardisation - Quality Management Systems
IT	Individual Transport
LGA	Local Government Area
LNS	Lower North Shore
LNSCT	Lower North Shore Community Transport
MC	Management Committee
NDS	National Disability Scheme (Previously NDIS National Disability Insurance Scheme)
NSC	North Sydney Council
SCHADS	Social, Community, Home Care and Disability Services
NFP	Not For Profit
TfNSW	Transport for New South Wales
WH&S	Work, Health & Safety



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