

TDO LIMITED

A.B.N. 30 616 158 822

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2020**

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TDO LIMITED
ABN: 30 616 158 822

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2020.

Directors

The names of directors in office at any time during or since the end of the year are:

Chairman:	Peter Robson
Board:	David Hoskins
	Philip Shaw (<i>resigned November 2019</i>)
	Reg Kidd
	Tony Cheney
	Joanne McRae
	Kevin Beatty
	Robyn Murray
	Stefanie Loader
	David Somervaille
	Tom Ward (<i>appointed November 2019</i>)
	David Waddell (<i>appointed November 2019</i>)
Alternate:	Ian Davison
	Scott Ferguson

Company Secretary

The name of the Company Secretary during the full year ended 30 June 2020 and up to the date of this report is as follows:

Justin Byrne

Principal Activities

TDO Ltd trading as Orange360 is a not for profit organisation. We are a dynamic regional tourism entity very much focused on driving increased visitation and economic benefit across the entire region. Our purpose is to encourage over 1.5 million visitors to our region to further discover all of the wonders and gems that are unique to us - our people, our places and our produce. Orange360 encompasses everything that colours our region, all year round.

TDO Ltd represents numerous members across the Orange region, encompassing the local government areas of Orange City Council, Cabonne Shire Council and Blayney Shire Council. Our membership base is made up of Wineries, Restaurants/Cafes, Pubs/Clubs, Accommodation, Retail, Producers, Education, Art and History, Health and general business members.

The company's short-term objectives are to:

- Continue to grow the value of our visitors through attracting more visitors in our low and shoulder seasons.
- Build a strong structure to support the members and grow the membership base.
- Continue to increase awareness of the Regional Destination Brand through a Communications Strategy that integrates across all digital platforms including an online booking website.
- Encourage collaboration with all business and community groups for the benefit tourism.
- Promote and represent the region at Regional, State and National meetings and events
- Work closely with all Council stakeholders to achieve common tourism.

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DIRECTORS' REPORT

The company's long-term objectives are to:

- Grow visitation to the region.
- Increase the average value per visitor stay.
- Encourage investment in the region in both tourism and general business.

To achieve these objectives, the company has adopted the following strategies:

- Marketing and Communication Strategy.
- Tiered Membership structure and benefits.
- Development of a training and familiarisation program to the local tourism industry.
- Secure government funding at both State and Federal levels.
- Work in synergy with Orange City, Cabonne and Blayney Shire Councils, and Destination NSW.

Significant Changes

No significant changes in the nature of the company's activities occurred during the year.

Operating Result

The net operating surplus for the year amounted to \$28,458 (2019: surplus of \$18,067).

Information on Directors (holding office at the date of this report)

Name: Peter Robson
Occupation: Vigneron
Experience: Director since 2017
Meetings Attended: 11 of 12

Name: David Hoskins
Occupation: Vigneron
Experience: Director since 2017
Meetings Attended: 10 of 12

Name: Philip Shaw
Occupation: Vigneron
Experience: Resigned November 2019
Meetings Attended: 3 of 5

Name: Ian Davison
Occupation: Councillor – Cabonne Shire Council
Experience: Director since 2017 (*resigned as Director and appointed as Alternate Director for Kevin Beatty in February 2019*)
Meetings Attended: 5 of 5

Name: Reg Kidd
Occupation: Mayor – Orange City Council
Experience: Director since 2017
Meetings Attended: 11 of 12

DIRECTORS' REPORT

Information on Directors (holding office at the date of this report) cont.

Name: Scott Ferguson
Occupation: Mayor – Blayney Shire Council
Experience: Director since 2017 (*resigned as Director and appointed as Alternate Director for David Somerville in February 2020*)
Meetings Attended: 0 of 0

Name: Tony Cheney
Occupation: Solicitor
Experience: Director since 2017
Meetings Attended: 10 of 12

Name: Kevin Beatty
Occupation: Councillor – Cabonne Shire Council
Experience: Director since 2019
Meetings Attended: 8 of 12

Name: Robyn Murray
Occupation: Senior Project Manager – Department of Health
Experience: Director since 2019
Meetings Attended: 11 of 12

Name: Stefanie Loader
Occupation: Company Director
Experience: Director since 2019
Meetings Attended: 10 of 12

Name: David Somerville
Occupation: Councillor – Blayney Shire Council
Experience: Director since 2019
Meetings Attended: 9 of 12

Name: Joanne McRae
Occupation: Councillor – Orange City Council
Experience: Director since 2019
Meetings Attended: 11 of 12

Name: David Waddell
Occupation: CEO – Orange City Council
Experience: Director since 2020
Meetings Attended: 7 of 7

Name: Tom Ward
Occupation: Vigneron
Experience: Director since 2020
Meetings Attended: 6 of 7

DIRECTORS' REPORT

Meetings of the Board

During the year ended 30 June 2020 there were 12 meetings of the board and/or members held including the annual general meeting. The number of meetings attended by each board member during the period is stated in this report.

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the Board of Directors:

Director: 

Director: 

Dated this ^{28th} day of October 2020

TDO LIMITED
ABN: 30 616 158 822

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TDO LIMITED**

We hereby declare that to the best of our knowledge and belief, during the financial year ended 30 June 2020 there have been no:

- (i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: PMW Audit
Chartered Accountants

Audit Partner:


Graham Spalding

Address: 65 Hill Street, Orange NSW 2800

Dated this 28 **day of** October **2020**

TDO LIMITED
A.B.N. 30 616 158 822

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
INCOME		
Grant Income	537,500	623,891
Orange Flying High Funding	29,951	61,932
Other Funding	190,909	25,000
Membership Income	69,485	52,922
<i>Events Income</i>		
- Banjo Paterson	12,692	11,803
- Sydney Wine Events	12,100	10,332
- Winter Fire Festival	8,370	1,144
<i>Other Income</i>		
- ATO Incentives - Cash Flow Boost	36,046	-
- Glasses	22,025	12,648
- Marketing Services	92,712	39,801
- Miscellaneous	2,925	518
TOTAL INCOME	<u>1,014,715</u>	<u>839,991</u>
COST OF SALES		
<i>Events</i>		
- Apple Ramble	172	405
- Cycle Project	-	9,446
- Banjo Paterson	21,527	13,499
- Orange Wine Festival	1,740	485
- Sydney Wine Events	37,711	37,895
- Winter Fire Festival	47,098	30,340
<i>Other</i>		
- Glasses	18,524	16,090
- F.O.O.D Week	10,426	
- Marketing Costs	150,130	26,491
- Orange Flying High	15,043	75,000
- Tourism Packages	59,673	-
TOTAL COST OF SALES	<u>362,044</u>	<u>209,651</u>

The accompanying notes form part of these financial statements.

TDO LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
EXPENSES		
Accountancy and Consulting Fees	165	1,235
Audit Fees	5,000	5,340
Bad Debts	600	506
Bank Charges	1,779	1,579
Branding Expenses	1,196	6,168
Cleaning/Waste Disposal	4,600	2,620
Computer Expenses	2,001	3,311
Contractors	-	7,585
Depreciation and amortisation	49,997	20,716
Electricity, Gas & Water	437	(1,590)
Employee Recruitment Costs	790	280
General Marketing	70,214	129,769
Insurance	6,058	4,576
Interest paid	605	-
Legal Fees	-	12,247
Membership Development	3,800	4,210
Memberships and Subscriptions	14,411	10,264
Office Repairs & Maintenance	-	114
Office Rent & Expenses	4,974	8,340
Other Expense	5,422	8,344
Postage, Printing and Stationery	2,931	6,978
Phone, Fax and Internet	7,357	6,067
Salaries and Wages	387,934	337,400
Sub-contracting	-	1,162
Superannuation	35,200	30,920
Staff Amenities and Training	7,294	980
Travel and Accommodation	1,310	1,354
Website	10,138	1,798
TOTAL EXPENSES	624,213	612,273
OPERATING (DEFICIT)/ SURPLUS FOR YEAR	28,458	18,067

The accompanying notes form part of these financial statements.

TDO LIMITED
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		2020	2019
CURRENT ASSETS			
Cash and cash equivalents	2	106,031	101,121
Trade and other receivables	3	51,320	41,044
Inventory	4	8,304	1,498
Other assets	5	6,164	3,598
TOTAL CURRENT ASSETS		<u>171,819</u>	<u>147,261</u>
NON-CURRENT ASSETS			
Plant and equipment	6	10,437	16,213
Right of use asset	7	8,703	-
Intangible assets	8	59,933	96,409
TOTAL NON-CURRENT ASSETS		<u>79,073</u>	<u>112,622</u>
TOTAL ASSETS		<u>250,892</u>	<u>259,883</u>
CURRENT LIABILITIES			
Trade and other payables	9	101,261	158,756
Lease liabilities	10	2,963	-
Employee leave entitlements	11	14,155	2,418
TOTAL CURRENT LIABILITIES		<u>118,379</u>	<u>161,174</u>
NON-CURRENT LIABILITIES			
Lease liabilities	10	5,346	-
TOTAL NON-CURRENT LIABILITIES		<u>5,346</u>	<u>-</u>
TOTAL LIABILITIES		<u>123,725</u>	<u>161,174</u>
NET ASSETS		<u>127,167</u>	<u>98,709</u>
EQUITY			
Retained earnings		127,167	98,709
TOTAL EQUITY		<u>127,167</u>	<u>98,709</u>

The accompanying notes form part of these financial statements.

TDO LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings
Balance at 1 July 2018	80,642
Net surplus/(deficit)	18,067
Balance as at 30 June 2019	<u>98,709</u>
Net surplus/(deficit)	28,458
Balance as at 30 June 2020	<u>127,167</u>

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers and members	254,779	155,910
Grants & sponsorships received	552,500	545,857
Payments to suppliers and employees	(794,230)	(696,662)
Net cash provided by operating activities	12 <u>13,049</u>	<u>5,105</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,233)	(17,102)
Lease liability payments	(6,906)	-
Purchase of intangible assets	-	(95,580)
Net cash provided by investing activities	<u>(8,139)</u>	<u>(112,682)</u>
Net increase (decrease) in cash held	4,910	(107,577)
Cash at beginning of year	101,121	208,698
Cash at end of year	2 <u>106,031</u>	<u>101,121</u>

The accompanying notes form part of these financial statements.

TDO LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

1. Statement of Significant Accounting Policies

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users who are dependent on its general purpose financial reports. These financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of this report are as follows.

a) Income Tax

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

b) Plant & Equipment

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

Plant & 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 board to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(d) for details of impairment).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Plant & Equipment (Cont.)

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line or diminishing value basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciable amount of all fixed assets, is depreciated on a straight-line or diminishing value basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation
Office Equipment	10 – 50%
Furniture and Equipment	10%

The assets' residual lives and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the company has applied the practical expedient, the company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

c) Financial Instruments (cont'd)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the company. The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The company's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

c) Financial Instruments (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, and
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial Liabilities

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables and loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

d) Leased assets

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS
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e) Intangible Assets

Website

Costs directly attributable to the development of the website are capitalised as intangible assets only when the company has an intention and ability to complete and use the website and the costs can be measured reliably. Research costs are recognised as an expense when incurred. The website has a finite life and is carried at cost less accumulated amortisation and any impairment losses. The company has estimated the useful life to be 3 years. It is assessed annually for impairment.

Branding

Significant costs associated with development of the Company brand are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Images and Video Rights

Significant costs associated with development of a Image and Video library are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

f) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an 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 to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to employee provisions

h) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

i) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

j) Goods and Service Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 net basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k) Revenue

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

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

Grant revenue is recognised in the income statement when the entity obtains control of the grant and 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.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant will be deferred until those conditions are satisfied.

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 balance sheet as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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

l) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. When the company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

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FOR THE YEAR ENDED 30 JUNE 2020

m) Trade and Other Payables

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

n) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

o) Economic Dependence

TDO Limited is dependent on the Orange City Council, Blayney Shire Council and Cabonne Shire Council for a large proportion of its revenue used to operate the business. At the date of this report the Board has no reason to believe these Councils will not continue to support TDO Limited.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
2 Cash and Cash Equivalents		
Cash at bank	106,031	101,121
Reconciliation of cash	<u>106,031</u>	<u>101,121</u>

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as above.

3 Receivables

Current		
Debtors	51,920	41,044
Provision for doubtful debts	(600)	-
	<u>51,320</u>	<u>41,044</u>

Bad debts are provided for as 50% of debtors over 90 days aged.

4 Inventory

Current		
Glasses on Hand	8,304	1,498
	<u>8,304</u>	<u>1,498</u>

5 Other Assets

Current		
Prepayments	6,164	3,598
	<u>6,164</u>	<u>3,598</u>

6 Property, Plant and Equipment

Furniture and fittings - at cost	1,515	1,515
Less accumulated depreciation	(35)	(35)
	<u>1,480</u>	<u>1,480</u>
Office equipment - at cost	17,054	16,454
Less accumulated depreciation	(9,470)	(4,400)
	<u>7,584</u>	<u>12,054</u>
Computer equipment - at cost	4,550	3,917
Less accumulated depreciation	(3,177)	(1,238)
	<u>1,373</u>	<u>2,679</u>
Total property, plant and equipment	<u>10,437</u>	<u>16,213</u>

TDO LIMITED
A.B.N. 30 616 158 822

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
7 Right of use assets		
Leased office equipment	15,215	-
Less accumulated depreciation	<u>(6,512)</u>	<u>-</u>
	<u>8,703</u>	<u>-</u>

The company adopted AASB116 - Leases during the year. They therefore recognised the abovementioned right of use assets in their balance sheet in the current financials year.

8 Intangible Assets

Websites	41,656	41,656
Brand Development - Orange 360	10,363	10,363
Image & Video Rights	60,000	60,000
Disposals	-	-
Less accumulated amortisation	<u>(52,086)</u>	<u>(15,610)</u>
	<u>59,933</u>	<u>96,409</u>

9 Trade and Other Payables

Current

Trade and other creditors	8,353	90,439
ATO Creditor	26,830	10,624
Accrued expenses	4,450	9,489
Funding Received in Advance	35,000	20,000
Membership Fees Received in Advance	<u>26,628</u>	<u>28,204</u>
	<u>101,261</u>	<u>158,756</u>

10 Lease liabilities

Current

Lease liability - right of use asset	<u>2,963</u>	<u>-</u>
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Current

Lease liability - right of use asset	<u>5,346</u>	<u>-</u>
Total lease liabilities	<u>8,309</u>	<u>-</u>

The company adopted AASB116 - Leases during the year. They therefore recognised the abovementioned right of use assets in their balance sheet in the current financials year.

Short-term leases not recognised as liabilities	4,974	-
Discount rate used in calculating liabilities	5%	

TDO LIMITED
A.B.N. 30 616 158 822

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

11 Employee Leave Entitlements	2020	2019
Current		
Annual leave	14,155	2,418
Total employee leave entitlements	<u>14,155</u>	<u>2,418</u>
12 Cash Flow Information		
Reconciliation of Cash Flow from		
Surplus/(Deficit)	28,458	18,067
Non-cash flows in Surplus/(Deficit)		
Depreciation and Amortisation	49,997	20,716
Loss on Disposal of Asset	-	-
Changes in assets and liabilities, net of		
(Increase) Decrease in receivables	(10,276)	(13,569)
(Increase) Decrease in inventory	(6,806)	4,187
(Increase) Decrease in other assets	(2,566)	(2,435)
Increase (Decrease) in trade and other creditors	(57,495)	(19,431)
Increase (Decrease) in employee leave entitlements	11,737	(2,430)
	<u>(65,406)</u>	<u>(33,678)</u>
Cash flows from operations	<u>13,049</u>	<u>5,105</u>

11 Remuneration of Directors

Except as disclosed below, the directors of the company perform their duties on an honorary basis and do not receive a remuneration for services rendered to the company in their capacity as directors.

During the year, a Director was employed by the company in a Financial Management role, for which he was remunerated as follows:

Director Remuneration	<u>4,995</u>	<u>16,002</u>
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12 Events After Balance Date

There were no subsequent events identified that required adjustment to or disclosure in these financial statements.

TDO LIMITED
A.B.N. 30 616 158 822

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

13 Company Details

The registered office of the company is:
Orange Railway Station, 150 Peisley Street
ORANGE NSW 2800

The principal place of business of the company is:
Orange Railway Station, 150 Peisley Street
ORANGE NSW 2800

TDO LIMITED
A.B.N. 30 616 158 822

DIRECTORS' DECLARATION

The directors have determined that the company is not a reporting entity and that this general purpose financial report has been prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 5 to 19 are in accordance with the *Corporations Act 2001*:
 - a) comply with Australian Accounting Standards applicable to the company; and
 - b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date in accordance with the accounting policy described in Note 1 of the financial statements of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: _____

Director: _____

Dated this ^{28th} day of October 2020

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF TDO LIMITED
A.B.N. 30 616 158 822**

Opinion

We have audited the financial report of TDO Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

the accompanying financial report of TDO Limited, is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the Corporations Regulations 2001.

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 Corporations Act 2001 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of TDO Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared to assist TDO Limited to meet the requirements of the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 to the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes such internal controls as the directors determine necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

Name of Firm: PMW Audit
Chartered Accountants

Audit Partner:


Graham Spalding CA

Address: 65 Hill Street
Orange NSW 2800

Dated this 28th **day of** October **2020**