

Bicycle New South Wales Incorporated and controlled entity

ABN: 26 511 801 801

Consolidated Financial report

For the year ended 30 June 2020

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BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN: 26 511 801 801

BOARD REPORT

The Board members present their report together with the financial report of the group, being the association and its controlled entity, for the year ended 30 June 2020 and auditor's report thereon.

Board members names

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

Jonathan Leighton

Royce Lee

David Kelly (Ceased 2/12/2019)

Peter Lee

Melinda Tarrant

Deanne Methven (Ceased 28/09/2020)

Peter Duncan (Ceased 15/07/2020)

David Maywald

Darryn Capes-Davis

Katie Banerjee (Elected 2/12/2019)

The Board members have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The profit of the group for the year amounted to \$223,337 (2019: \$108,591).

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

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BOARD REPORT

Review of operations

Bicycle NSW was significantly impacted by the Covid-19 pandemic, virus restrictions, economic recession and government stimulus. The organisation has materially benefited from the federal government's JobKeeper Payment as well as Boosting Cash Flow for Employers. These funds helped to maintain the employment of staff, continue operations and secure financial viability. Revenue was boosted by \$163,000 of government subsidies, of which \$92,000 was received by 30 June 2020. Total revenue grew by almost 10% during the financial year, but would have fallen 6% without government subsidies. Revenue and cashflow will also be boosted by government subsidies during the year to 30 June 2021.

Membership subscriptions were 7,468 at 30 June 2020, with 13,790 Total Members (including multiple people per household account). Subscriptions declined by 5% during the financial year, following a 9% decline during the previous financial year (decline of only 1% after adjusting for the loss of Foodora). The vast majority of subscriptions are for individuals and households, both of which fell during the financial year. Concession subscriptions continued to grow. Some Members failed to renew due to the weak economic environment (unfortunately the key renewal period overlapped with the trough of the recession during the second quarter of 2020). Staff have been actively engaging with Members and with Bicycle User Groups (BUGs) to renew their memberships. The organisation has also been making use of online advertising, targeted promotions and membership campaigns.

Spring Cycle was held during October 2019, with 5,800 riders compared to 6,800 riders in the previous year. Bicycle NSW had to make the heartbreaking decision to cancel Spring Cycle 2020 amidst the Covid-19 pandemic. Gear Up Girl was not held during 2020 due to lack of financial viability and insufficient sponsorship.

During the previous financial year 7% of income came from events and 5% came from donations/sponsors. But during the current financial year there has been an increased reliance on Membership subscriptions and government subsidies as sources of income. Total expenses slightly fell during the current financial year, with lower employee costs but higher insurance premiums. Total comprehensive income (i.e. profits) more than doubled, due to government subsidies.

Net cash provided by operating activities fell by 31% during the financial year. However, the organisation has built up a very sizable cash buffer of over one million dollars, which supports solvency going into the next financial year to 30 June 2021.

Significant changes in state of affairs

There were no significant changes in the group's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Principal activities

The principal activity of the group during the year was to promote, advocate and support cycling in all its forms as an environmentally sustainable and healthy form of transport, recreation and tourism through the engagement of government, industry and the community at all levels.

**BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN: 26 511 801 801**

BOARD REPORT

Signed on behalf of the members of the board.



Board member: _____

Jonathan Leighton



Board member: _____

Melinda Tarrant

Dated this 5th day of November 2020

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE MEMBERS OF BICYCLE NEW SOUTH WALES INCORPORATED**

In relation to the independence audit for the year ended 30 June 2020, to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of Section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) No contraventions of *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Bicycle New South Wales Incorporated and the entities it controlled during the year.



C R MILLINGTON
Partner

PITCHER PARTNERS
Sydney

19 November 2020

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN: 26 511 801 801

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Revenue	2	<u>1,159,478</u>	<u>1,057,823</u>
		<u>1,159,478</u>	<u>1,057,823</u>
Less: expenses			
Materials and consumables used		(87,066)	(115,526)
Depreciation and amortisation expense		(35,121)	(5,015)
Employee benefits expense		(549,384)	(578,866)
Occupancy expense		(4,167)	(25,000)
Advertising expense		(13,690)	(18,861)
Insurance expense		(227,477)	(188,816)
Finance costs		<u>(19,236)</u>	<u>(17,148)</u>
		<u>(936,141)</u>	<u>(949,232)</u>
Profit before income tax expense		223,337	108,591
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>223,337</u></u>	<u><u>108,591</u></u>

The accompanying notes form part of these financial statements.

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	5	1,137,404	961,914
Receivables	6	96,383	72,746
Other financial assets	7	12,320	12,320
Other assets	10	<u>5,967</u>	<u>3,128</u>
Total current assets		<u>1,252,074</u>	<u>1,050,108</u>
Non-current assets			
Other financial assets	7	30,000	30,000
Intangible assets		1	1
Lease assets	9	73,000	-
Property, plant and equipment	8	<u>5,844</u>	<u>11,562</u>
Total non-current assets		<u>108,845</u>	<u>41,563</u>
Total assets		<u>1,360,919</u>	<u>1,091,671</u>
Current liabilities			
Payables	11	119,479	113,392
Lease liabilities	9	33,206	-
Provisions	12	57,986	53,888
Other liabilities	13	<u>767,483</u>	<u>892,606</u>
Total current liabilities		<u>978,154</u>	<u>1,059,886</u>
Non-current liabilities			
Lease liabilities	9	42,068	-
Provisions	12	2,788	2,630
Other liabilities	13	<u>85,417</u>	-
Total non-current liabilities		<u>130,273</u>	<u>2,630</u>
Total liabilities		<u>1,108,427</u>	<u>1,062,516</u>
Net assets		<u>252,492</u>	<u>29,155</u>
Members funds			
Accumulated surplus	14	<u>252,492</u>	<u>29,155</u>
Total members funds		<u>252,492</u>	<u>29,155</u>

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated surplus	Total equity
	\$	\$
Consolidated		
Balance as at 1 July 2018	(79,436)	(79,436)
Surplus for the year	<u>108,591</u>	<u>108,591</u>
Total comprehensive income for the year	<u>108,591</u>	<u>108,591</u>
Balance as at 30 June 2019	<u>29,155</u>	<u>29,155</u>
Balance as at 1 July 2019	29,155	29,155
Surplus for the year	<u>223,337</u>	<u>223,337</u>
Total comprehensive income for the year	<u>223,337</u>	<u>223,337</u>
Balance as at 30 June 2020	<u>252,492</u>	<u>252,492</u>

The accompanying notes form part of these financial statements.

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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from customers		1,002,509	1,357,671
Government subsidies		92,000	-
Payments to suppliers and employees		(890,152)	(1,066,114)
Interest received		1,626	3,632
Finance costs		<u>(3,364)</u>	<u>-</u>
Net cash provided by operating activities		<u>202,619</u>	<u>295,189</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		1,207	177
Payment for property, plant and equipment		(2,533)	(8,949)
Payment for other non current assets		<u>-</u>	<u>1</u>
Net cash provided by / (used in) investing activities		<u>(1,326)</u>	<u>(8,771)</u>
Cash flow from financing activities			
Principal portion of lease payments		<u>(25,803)</u>	<u>-</u>
Net cash provided by / (used in) financing activities		<u>(25,803)</u>	<u>-</u>
Reconciliation of cash			
Cash at beginning of the financial year		961,914	675,496
Net increase in cash held		<u>175,490</u>	<u>286,418</u>
Cash at end of financial year	17(a)	<u><u>1,137,404</u></u>	<u><u>961,914</u></u>

The accompanying notes form part of these financial statements.

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the *Associations Incorporation Act 2009* and the *Australian Charities and Not-for-profits Commission Act 2012*, and Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board.

Bicycle New South Wales Incorporated is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the board as at the date of the board report.

The following are the significant accounting policies adopted by the group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the group"), comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of the subsidiary are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. The subsidiary is consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

(c) New and revised accounting standards effective at 30 June 2020

The group has applied all new and revised Australian Accounting Standards that apply to annual reporting periods beginning on or after 1 July 2019, including AASB 16 *Leases* (AASB 16), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 15: *Revenue from Contracts with Customers* (AASB 15).

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New and revised accounting standards effective at 30 June 2020 (Continued)

AASB 16: Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
 - i. investment property, the lessee applies the fair value model in AASB 140 *Investment Property* to the right-of-use asset; or
 - ii. property, plant or equipment, the applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and
- (b) lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of the predecessor standard, AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

In accordance with the transition requirements of AASB 16, the group has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect, if any, of initially applying the new standard recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at 1 July 2019). Accordingly, comparative information has not been restated.

The group has also elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under the predecessor standard:

- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value;
- to not recognise a right-of-use asset and a lease liability for leases for which the lease term ends within 12 months of the date of initial application; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

There were no leases held at the initial adoption date, the balance included at 30 June 2020 relates to new leases signed during the year, with a borrowing rate of 4.66% applied.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New and revised accounting standards effective at 30 June 2020 (Continued)

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

AASB 1058 replaces the income recognition requirements in AASB 1004: *Contributions* applicable to private sector not-for-profit entities with a model based on the principles of AASB 15: *Revenue from Contracts with Customers*. Consequently, AASB 1058 requires private sector not-for-profit entities to recognise all revenue from contracts with customers when the related performance obligations are satisfied, irrespective of whether the ultimate beneficiary of the goods or services provided by the not-for-profit entity is the grantor of the funds or another entity. An agreement involving a not-for-profit entity would be classified as a contract with a customer (and therefore accounted for under AASB 15) if the agreement:

- (a) creates enforceable rights and obligations between the parties; and
- (b) includes a promise by the not-for-profit entity to transfer a good or service that is sufficiently specific for the entity to determine when the obligation is satisfied.

For contracts with customers that comprise a donation component, AASB 1058 requires such components to be treated as part of the performance obligation(s) unless the entity can demonstrate that component is not related to the promised goods or services.

When an arrangement does not meet the criteria for a contract with a customer under AASB 15, the arrangement is accounted for in accordance with AASB 1058, which requires:

- (a) the asset received by the not-for-profit entity to be accounted for in accordance with the applicable Australian Accounting Standard, which in most circumstances requires the asset to be initially measured at its fair value;
- (b) any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions) to be accounted for in accordance with the applicable Australian Accounting Standard; and
- (c) any difference between the consideration given for the asset and its fair value, after recognising any related amounts (such as contributions from owners, financial liabilities, contract liabilities, lease liabilities and provisions), is recognised as income.

However, amending standard AASB 2018-8 provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirement to right-of-use assets arising under leases with significantly below-market terms and conditions. This enables not-for-profit entities to elect to initially measure such right-of-use assets at cost rather than fair value, which has the corresponding effect of reducing the amount of income recognised under AASB 1058.

AASB 1058 also permits a not-for-profit entity to recognise volunteer services as an asset or expense (as applicable) and any related contributions by owners or revenue as an accounting policy choice, provided that the fair value of the services can be measured reliably.

AASB 1058 also has specific recognition criteria in relation to transfers to enable an entity to acquire or construct a recognisable non-financial asset to be controlled by the entity. The obligation to acquire or construct the non-financial asset is accounted for similarly to a performance obligation under AASB 15.

In accordance with the transition requirements of AASB 1058 and AASB 15, the group has elected to apply AASB 1058 and AASB 15 retrospectively, with the cumulative effect, if any, of initially applying the new standards recognised as an adjustment to opening retained earnings at the date of initial application (i.e., at

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New and revised accounting standards effective at 30 June 2020 (Continued)

1 July 2019). Accordingly, comparative information has not been restated.

The application of AASB 1058 and AASB 15 has not materially impacted the recognition and measurement of income or revenue from contracts with customers.

Further details of the group's accounting policy in relation to accounting for income under AASB 1058 and revenue from contracts with customers under AASB 15 are contained in Note 1(d) .

(d) Revenue from contracts with customers

Membership

Revenue from the rendering of services is recognised over time as the performance obligation, being the provision of services from which customers receive benefit, is provided.

Other revenue

Other revenue is recognised at the point in time when the associated performance obligation has been met.

Interest

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

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions.

(f) Financial instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial instruments (Continued)

Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Trade and other receivables

Trade and other receivables arise from the group's transactions with its customers and are normally settled within 30 days.

Consistent with both the group's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

(g) Property, plant and equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Office equipment at cost	20%-67%	Diminishing value

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that are denominated in the currency in which the benefits will be paid. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

(j) Income tax

No provision for income tax has been raised as the group is exempt from income tax.

(k) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the 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 consolidated statement of financial position are shown inclusive of GST.

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

(l) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Memberships paid in advance

The liability for memberships paid in advance represents the group's obligation to transfer services to the customer for which the group has received consideration (or an amount of consideration is due) from the customer. Amounts recorded are subsequently recognised as revenue when the group transfers the services to the customer.

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

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

	2020	2019
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
Membership fees	923,209	921,271
Entry fees	985	1,998
Government subsidies	163,000	-
Events	50,852	72,328
Sponsorship	-	17,662
Donations	13,615	37,202
Interest	1,626	3,632
Other	5,941	3,730
Merchandising sales	<u>250</u>	<u>-</u>
	<u><u>1,159,478</u></u>	<u><u>1,057,823</u></u>
NOTE 3: REMUNERATION OF AUDITORS		
Audit services		
Audit of financial report	<u>14,600</u>	<u>14,050</u>
NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the group		
- short-term employee benefits	338,736	321,856
- post-employment benefits	<u>32,031</u>	<u>30,438</u>
	<u><u>370,767</u></u>	<u><u>352,294</u></u>
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	-	200
Cash at bank	<u>1,137,404</u>	<u>961,714</u>
	<u><u>1,137,404</u></u>	<u><u>961,914</u></u>
NOTE 6: RECEIVABLES		
CURRENT		
Trade debtors	24,961	66,449
Interest receivable	151	6,297
Accrued Government Subsidies	71,000	-
Accrued Income	<u>271</u>	<u>-</u>
	<u><u>96,383</u></u>	<u><u>72,746</u></u>

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

ABN: 26 511 801 801

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

	2020	2019
	\$	\$
NOTE 7: OTHER FINANCIAL ASSETS		
CURRENT		
<i>Financial assets measured at amortised cost</i>		
Term Deposits	<u>12,320</u>	<u>12,320</u>
NON CURRENT		
<i>Financial assets measured at amortised cost</i>		
Term Deposits	<u>30,000</u>	<u>30,000</u>

A term deposit of \$30,000 is held as a bank guarantee in relation to the office lease agreement for Bicentennial Drive, Bicentennial Park, Sydney Olympic Park.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Plant and equipment

Office equipment at cost	20,731	28,348
Accumulated depreciation	<u>(14,887)</u>	<u>(16,786)</u>
	<u>5,844</u>	<u>11,562</u>
Total property, plant and equipment	<u>5,844</u>	<u>11,562</u>

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

<i>Office equipment</i>		
Opening carrying amount	11,562	7,805
Additions	2,553	8,949
Disposals	(1,227)	(177)
Depreciation expense	<u>(7,044)</u>	<u>(5,015)</u>
Closing carrying amount	<u>5,844</u>	<u>11,562</u>

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

ABN: 26 511 801 801

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020****NOTE 9: LEASE ASSETS AND LEASE LIABILITIES****Lease arrangements (30 June 2020)**

The following information relates to the current reporting period only, and is presented in accordance with AASB 16 *Leases* (which was applied by the group for the first time in the current reporting period).

	2020
	\$
(a) Lease assets	
Under lease	101,077
Accumulated depreciation	<u>(28,077)</u>
	<u>73,000</u>
Total carrying amount of lease assets	<u><u>73,000</u></u>

Reconciliations

Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:

Land and buildings

Opening carrying amount	-
Additions	101,077
Depreciation	<u>(28,077)</u>
Closing carrying amount	<u><u>73,000</u></u>

(b) Lease liabilities

CURRENT	
Lease liability	<u>33,206</u>
NON CURRENT	
Lease liability	<u>42,068</u>
Total carrying amount of lease liabilities	<u><u>75,274</u></u>

(c) Lease expenses and cashflows

Interest expense on lease liabilities	3,364
Expense relating to lease payments made for leases of low value assets (for which a lease asset and a lease liability has not been recognised)	4,167
Depreciation expense on lease assets	28,077
Cash outflow in relation to leases	29,167

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN: 26 511 801 801

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 9: LEASE ASSETS AND LEASE LIABILITIES (CONTINUED)

(d) Non-cancellable operating lease arrangements (30 June 2019)

The following information relates to non-cancellable operating lease arrangements of the prior reporting period only, and is presented in accordance with the predecessor accounting standard AASB 117 Leases.

At 30 June 2019 the property lease was on a 12 month term, with rent payable monthly in advance.

		2019
		\$
- Not later than 1 year		2,297
- Later than 1 year and not later than 5 years		<u>3,373</u>
Aggregate lease payments contracted for at reporting date		<u><u>5,670</u></u>

NOTE 10: OTHER ASSETS

CURRENT

Prepayments	<u>5,967</u>	<u>3,128</u>
	<u><u>5,967</u></u>	<u><u>3,128</u></u>

NOTE 11: PAYABLES

CURRENT

Unsecured liabilities

Sundry creditors and accruals	<u>119,479</u>	<u>113,392</u>
	<u><u>119,479</u></u>	<u><u>113,392</u></u>

NOTE 12: PROVISIONS

CURRENT

Employee benefits	(a)	<u>57,986</u>	<u>53,888</u>
		<u><u>57,986</u></u>	<u><u>53,888</u></u>

NON CURRENT

Employee benefits	(a)	<u>2,788</u>	<u>2,630</u>
		<u><u>2,788</u></u>	<u><u>2,630</u></u>

(a) Aggregate employee benefits liability	60,774	56,518
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NOTE 13: OTHER LIABILITIES

CURRENT

Memberships paid in advance	767,483	840,938
Grants & Sponsorship in advance	<u>-</u>	<u>51,668</u>
	<u><u>767,483</u></u>	<u><u>892,606</u></u>

NON CURRENT

Memberships paid in advance	<u>85,417</u>	<u>-</u>
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BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN: 26 511 801 801

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 14: ACCUMULATED SURPLUS / (LOSSES)		
Accumulated surplus / (losses) at beginning of year	29,155	(79,436)
Net surplus	<u>223,337</u>	<u>108,591</u>
	<u><u>252,492</u></u>	<u><u>29,155</u></u>

NOTE 15: INTERESTS IN SUBSIDIARIES

The following are the group's subsidiaries:

	Country of incorporation	Ownership interest held by the group	
Subsidiaries of Bicycle New South Wales Incorporated:		2020	2019
		%	%
Bicycle New South Wales Environmental Trust	Australia	100	100

Bicycle New South Wales Incorporated acted as trustee of the Bicycle New South Wales Environmental Trust for the whole of the financial year.

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN: 26 511 801 801

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$

NOTE 16: FINANCIAL INFORMATION FOR TRUSTS THE ASSOCIATION ADMINISTERED DURING THE YEAR

Bicycle New South Wales Incorporated acted as trustee of Bicycle New South Wales Environmental Trust for the financial year. The financial information for the trust under the group's administration during the year is presented as follows:

(a) Statement of Comprehensive Income

Revenue and other income

Revenue	<u>13,708</u>	<u>36,683</u>
Total Revenue	<u>13,708</u>	<u>36,683</u>
Total Expenses	<u>-</u>	<u>-</u>
Surplus/(Deficit) for the year	<u>13,708</u>	<u>36,683</u>

(b) Statement of Financial Position

Current assets

Cash and cash equivalents	55,512	40,197
Receivables	<u>12,070</u>	<u>13,633</u>
Total current assets	<u>67,582</u>	<u>53,830</u>
Total assets	<u>67,582</u>	<u>53,830</u>

Current liabilities

Payables	<u>46</u>	<u>-</u>
Total current liabilities	<u>46</u>	<u>-</u>
Total liabilities	<u>46</u>	<u>-</u>
Net assets	<u><u>67,536</u></u>	<u><u>53,830</u></u>

The trust does not have any mortgages, charges or other securities affecting the property of the trust.

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

ABN: 26 511 801 801

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

2020	2019
\$	\$

NOTE 17: CASH FLOW INFORMATION**(a) Reconciliation of cash**

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position is as follows:

Cash on hand	-	200
Cash at bank	<u>1,137,404</u>	<u>961,714</u>
	<u>1,137,404</u>	<u>961,914</u>

(b) Credit standby arrangements with banks

Credit card facility available	60,000	60,000
Amount utilised	<u>(1,714)</u>	<u>(7,327)</u>
Unused credit facility	<u>58,286</u>	<u>52,673</u>

The facility shown is the amount available to Bicycle NSW in relation to credit cards. Bicycle NSW have not assigned this full limit; the total limits for credit cards in use has decreased to \$30k in 2020 from \$35k in 2019.

The above facility was arranged with the Association's bankers and was arranged with the general terms and conditions being set and agreed to annually.

(c) Contingent liability arrangements with banks

Contingent liability facility	42,320	42,320
Amount utilised	<u>(42,320)</u>	<u>(42,320)</u>
Unused contingent liability facility	<u>-</u>	<u>-</u>

The association has a contingent liability facility secured by a term deposit as detailed in Note 7 for \$30,000 for a bank guarantee in relation to the office lease agreement for Bicentennial Drive, Bicentennial Park, Sydney Olympic Park.

The association also has a bank guarantee for \$12,320 in relation to the lease of a previous office that the entity ceased to lease in 2009 at level 5, 822 George St Sydney.

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

ABN: 26 511 801 801

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020****NOTE 18: RELATED PARTY TRANSACTIONS****Board Members**

The names of the Board Members who held office during the year are as follows:-

J. Leighton, R. Lee, D. Kelly, P. Lee, M. Tarrant, D. Methven, P. Duncan, D. Capes-Davis, D. Maywald, K. Banerjee.

Remuneration

Board Members hold office as honorary positions and are not paid for their services to the organisation.

Other Transactions of Board Members and their Related Entities

Entities related to Board Members paid membership fees and purchased goods and services from the Association during the year. These transactions between related parties are on normal commercial terms and conditions which are no more favourable than those available to other parties unless otherwise stated.

NOTE 19: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Bicycle New South Wales Incorporated, financial statements:

(a) Summarised statement of financial position**Assets**

Current assets	1,196,541	1,009,902
Non-current assets	<u>108,845</u>	<u>41,563</u>
Total assets	<u>1,305,386</u>	<u>1,051,465</u>

Liabilities

Current liabilities	990,583	1,073,934
Non-current liabilities	<u>130,273</u>	<u>2,630</u>
Total liabilities	<u>1,120,856</u>	<u>1,076,564</u>
Net assets	<u>184,530</u>	<u>(25,099)</u>

Members funds

Accumulated surplus	<u>184,530</u>	<u>(25,099)</u>
Total members funds	<u>184,530</u>	<u>(25,099)</u>

(b) Summarised statement of profit or loss and other comprehensive income

Surplus / (deficit) for the year	<u>209,628</u>	<u>72,817</u>
Total comprehensive income for the year	<u>209,628</u>	<u>72,817</u>

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY

ABN: 26 511 801 801

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

2020 **2019**
\$ **\$**

NOTE 20: FUNDRAISING ACTIVITIES

Fundraising appeals conducted during the financial period included the general receiving of indirectly solicited donations and bequests.

RESULTS OF FUNDRAISING APPEALS - NET SURPLUS

Gross proceeds from fundraising appeals	13,515	36,591
Less: Direct costs of fundraising appeals	<u>-</u>	<u>-</u>
Net surplus obtained from fundraising appeals	<u>13,515</u>	<u>36,591</u>

Application of the net surplus obtained from fundraising appeals

During the year the company achieved a net surplus of \$1,465 (2019: \$36,591) from fundraising activities defined under the *Charitable Fundraising Act 1991 (NSW)*.

Comparison of certain monetary figures and percentages:

Total cost of fundraising / gross income from fundraising	- <u>13,515</u>	- <u>36,591</u>
Net surplus from fundraising / gross income from fundraising	13,515 <u>13,515</u>	36,591 <u>36,591</u>
	100%	100%

In May 2004, Bicycle New South Wales Environmental Fund, for which the Association acts as trustee, was placed on the Register of Environmental Organisations. As a consequence, donations made to the Fund are tax deductible.

The aim of the Fund is to promote bicycle riding as an environmentally beneficial means of transport.

From time to time Bicycle New South Wales makes applications to the Fund seeking grants to advance the Association's commitment to environmental and advocacy issues. There was a grant of \$nil made to the Association in 2020 (2019: \$nil).

NOTE 21: EVENTS SUBSEQUENT TO REPORTING DATE

As announced on 19 August 2020, Spring Cycle 2020 was cancelled due to COVID-19. This has further resulted in the early termination of the agreement with Ironman to run the event, which may affect future Spring Cycle events.

On 21 July 2020, the Government announced its extending of the JobKeeper Payment until 28 March 2021. At this time, Bicycle NSW has qualified for the first of these extensions until 3 January 2021.

BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN: 26 511 801 801

STATEMENT BY MEMBERS OF THE BOARD

The committee declare that:

1. 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
2. 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*.

Board Member: 

Jonathan Leighton

Board Member: 

Melinda Tarrant

Dated this 5th day of November 2020

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**BICYCLE NEW SOUTH WALES INCORPORATED AND CONTROLLED ENTITY
ABN 26 511 801 801**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BICYCLE NEW SOUTH WALES INCORPORATED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bicycle New South Wales Incorporated "the Association" and its subsidiaries, "the Group", which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in members funds and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the board.

In our opinion, the accompanying financial report has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) Giving a true and fair view of the Groups financial position at 30 June 2020 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013* and the financial reporting requirements of the *Associations Incorporation Act 2009*.

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 Group in accordance with the auditor independence requirements of the *Australian Charities and Not for-profits Commission Act 2012* "ACNC Act" and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* "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.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act and the financial reporting requirements of the Associations Incorporation Act and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 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.

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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's 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 Group'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 Group 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 Board 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 communicate with those charged with governance 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.

Report on Other Legal and Regulatory Requirements

Charitable Fundraising Act 1991

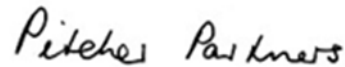
In our opinion:

- (a) the financial statements of the Group show a true and fair view of the financial results of charitable and fundraising activities for the year ended 30 June 2020;
- (b) the financial statements and associated records of the Group have been properly kept during the year in accordance with the Charitable Fundraising Act 1991;
- (c) money received as a result of charitable and fundraising activities conducted during the year has been properly accounted for and applied in accordance with the Act; and
- (d) there are reasonable grounds to believe the Group will be able to pay its debts as and when they fall due.



Carl Millington

Partner



PITCHER PARTNERS

Sydney

19 November 2020