Bicycle Network Incorporated

ABN 41 026 835 903

Annual Financial Report - 30 June 2022

Bicycle Network Incorporated
Board members' report
30 June 2022

The board members present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2022.

Board members
The following persons were board members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Prita Jobling-Baker
Keir Paterson
Jo Curtin
James Garriock
Gillian Hatch (Finished term in October 2021))
Jenica Brooke
Jennifer Lang
Alexander Ong
Rita Nehme
Emilie van de Graaff (Appointed October 2021)

Board Member	***Relevant skills, experience, and expertise***
Prita Jobling-Baker (Acting President from August to November 2021, Vice-President from November 2021)	LLB, BS (Psychology) (Hon), LLM Elected in 2019
Keir Paterson (President until July 2021)	MBA (Melbourne Business School) Elected in 2016. Co-opted 2019, Re-elected 2020
Jo Curtin	BA (Media Studies) (Hons). Over 15 years NFP management and executive level administration experience. Elected in 2015, Re-elected 2018 & 2021
James Garriock (President from November 2021)	BA, GradDipEd, Msc (Distn). GAICD. Leadership Victoria Williamson Community Leadership Program. Executive Director of Insync. Elected in 2019
Jenica Brooke	BA (International Relations), BCom (Accounting & Finance). CA. GAICD Elected in 2020
Jennifer Lang	BEc, FIAA, GAICD. Actuary and Non Executive Director Co-opted from 1 February 2021
Alexander Ong	BCom (Accounting & Finance), LLB, MBA Co-opted from 1 February 2021
Rita Nehme	BS (Chemical Engineering), MS (Geological Sciences), Social Impact and Sustainability Manager of Richmond Football Club. Co-opted from 1 February 2021
Emilie van de Graaff	Bachelor degree in Landscape Architecture, Graduate Diplomas in Management & Public Relations, Australian Institute of Company Directors Elected in 2021

Board Member's emoluments
Board Members are not paid for their services to the organisation.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Board Meetings	Board Meetings	Audit & Risk Committee	
	Held	Attended	Held	Attended
Prita Jobling-Baker	9	8	4	4
Keir Paterson (Leave of absence)	7	7	4	2
Jo Curtin	9	9	-	-
James Garriock	9	9	-	-
Gillian Hatch (Term completed October 2021)	5	5	2	2
Jenica Brooke	9	8	6	6
Jennifer Lang	9	9	6	6
Alexander Ong	9	9	2	2
Rita Nehme	9	7	-	-
Emilie van de Graaff (Appointed October 2021)	4	4	-	-
Alison McCormack (Co-opted November 2021, Resigned June 2022)	-	-	3	2

Principal activities
During the financial year 2021-22 Bicycle Network Incorporated promoted the health of the Australian community through the prevention and control of disease by "More People Cycling More Often".

By adopting established public health principles which address key determinants, our work increases the number of people who ride each week for transport and/or recreation.

Objectives and strategy for achieving the objectives
During the year, we worked to reduce the structural barriers to bicycle riding and establish a positive context in which individuals can sustain a positive change in behaviour. We worked to:

- Extend and improve on-road bicycle lanes, bicycle paths and rail trails;
- Establish bicycle parking in offices and at train stations;
- Improve legislation relating to planning new suburbs and traffic regulations;
- Enhance government strategies and policy reviews.

We worked to help individuals, organisations and communities change their behaviour using our proven and cost effective pathways including:

- Events such as the Great Victorian Bike Ride and the Peaks Challenge Falls Creek;
- Measureable behaviour change programs such as Ride to Work, Ride to School and riding to the railway station (Parkiteer).

We supported those with effective habits by providing advice and services to approximately 48,500 members and over 300,000 'Friends'.

We worked to build stronger community connections through our structured volunteer program. During the year more than 1,000 people contributed their time and skills to the vision of a healthy society where bike riding is a normal part of everyday life.

Significant changes in the state of affairs
No significant changes in the nature of these activities occurred during the financial year.

Operating result
The result from operating activities for the year was a deficit of $981,366 (2021 surplus of $119,030). Bicycle Network Inc. is exempt from income tax because it is categorised as a not-for-profit organisation for tax purposes.

Insurance of Officers

During the year, Bicycle Network Inc. paid a premium of $23,262 to insure the Board Members and Officers of the organisation. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of Bicycle Network Incorporated. Included also are payments arising from liabilities incurred by the officers in connection with such proceedings other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position, or of information to gain advantage for themselves or someone else to cause detriment to the organisation.

On behalf of the Board members

James Garriock
Board President

Jennifer Lang
Chair, Audit & Risk Committee

24 October 2022

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General information

The financial statements cover Bicycle Network Incorporated as an individual entity. The financial statements are presented in Australian dollars, which is Bicycle Network Incorporated's functional and presentation currency.

Bicycle Network Incorporated is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 4, 246 Bourke St Melbourne VIC 3000	Level 4, 246 Bourke St Melbourne VIC 3000

A description of the nature of the incorporated association's operations and its principal activities are included in the board members' report, which is not part of the financial statements.

The financial statements were authorised for issue on 24 October 2022.

Bicycle Network Incorporated
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue			
Revenue	3	8,134,054	6,018,499
Other income	4	663,220	2,141,447
		8,797,274	8,159,946
Expenses			
Employee benefits		(3,616,173)	(3,626,107)
Supply and service costs		(2,511,565)	(1,026,565)
Depreciation and amortisation		(463,567)	(848,809)
Insurance		(927,152)	(889,061)
Printing and office costs		(147,671)	(148,786)
Promotion costs		(498,664)	(278,772)
Cost of merchandise		(251,211)	(209,941)
Audit, legal and consultancy		(336,918)	(315,700)
Finance costs		(86,792)	(107,370)
IT and online costs		(286,401)	(294,857)
Occupancy costs		(226,261)	(244,813)
Unrealised loss on financial assets		(348,130)	-
Other		(78,135)	(50,134)
Surplus/(deficit) before income tax expense		(981,366)	119,031
Income tax expense		-	-
Surplus/(deficit) after income tax expense for the year attributable to the members of Bicycle Network Incorporated		(981,366)	119,031
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Bicycle Network Incorporated		(981,366)	119,031

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Bicycle Network Incorporated
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	5	2,672,333	3,594,045
Trade and other receivables	6	456,951	221,529
Inventories		49,751	59,805
Financial assets	7	880,653	519,422
Other assets	10	503,443	416,444
Total current assets		4,563,131	4,811,245
Non-current assets			
Financial assets at fair value through surplus/deficit	8	3,015,337	3,239,428
Property, plant and equipment	11	494,602	415,695
Right-of-use assets	9	1,224,702	153,946
Other assets	10	269,174	880,653
Total non-current assets		5,003,815	4,689,722
Total assets		9,566,946	9,500,967
Liabilities			
Current liabilities			
Trade and other payables	12	5,139,176	5,059,251
Lease liabilities	13	279,152	149,674
Provisions	14	513,343	886,359
Total current liabilities		5,931,671	6,095,284
Non-current liabilities			
Lease liabilities	13	1,266,750	46,463
Provisions	14	45,452	54,781
Total non-current liabilities		1,312,202	101,244
Total liabilities		7,243,873	6,196,528
Net assets		2,323,073	3,304,439
Equity			
Reserves	15	15,000	15,000
Retained earnings		2,308,073	3,289,439
Total equity		2,323,073	3,304,439

The above statement of financial position should be read in conjunction with the accompanying notes

Bicycle Network Incorporated
Statement of changes in equity
For the year ended 30 June 2022

	Insurance Reserve $	Retained Surpluses $	Total equity $
Balance at 1 July 2020	15,000	3,170,408	3,185,408
Surplus after income tax expense for the year	-	119,031	119,031
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	119,031	119,031
Balance at 30 June 2021	15,000	3,289,439	3,304,439

	Insurance Reserve $	Retained Surpluses $	Total equity $
Balance at 1 July 2021	15,000	3,289,439	3,304,439
Deficit after income tax expense for the year	-	(981,366)	(981,366)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(981,366)	(981,366)
Balance at 30 June 2022	15,000	2,308,073	2,323,073

The above statement of changes in equity should be read in conjunction with the accompanying notes

Bicycle Network Incorporated
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from members and riders (inclusive of GST)		9,548,498	10,304,581
Payments to suppliers and employees (inclusive of GST)		(9,847,420)	(7,385,829)
		(298,922)	2,918,752
Investment income received		-	108,255
Interest received		3,604	7,056
Interest and other finance costs paid		(39,020)	(107,370)
Net cash from/(used in) operating activities		(334,338)	2,926,693
Cash flows from investing activities			
Proceeds/(payments) for investments and term deposits		126,209	(69,980)
Payments for property, plant and equipment	11	(250,360)	(85,360)
Net cash used in investing activities		(124,151)	(155,340)
Cash flows from financing activities			
Repayment of lease liabilities		(463,223)	(649,591)
Net cash used in financing activities		(463,223)	(649,591)
Net increase/(decrease) in cash and cash equivalents		(921,712)	2,121,762
Cash and cash equivalents at the beginning of the financial year		3,594,045	1,472,283
Cash and cash equivalents at the end of the financial year	5	2,672,333	3,594,045

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012, the Fundraising Act 1998 and associated regulations, as appropriate for not-for profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition
The incorporated association recognises revenue as follows:

Revenue is recognised either under AASB 15 or AASB 1058

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Grant income
Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 as revenue from contracts with customers, with revenue recognised as these performance obligations are met. Where there is a difference between the timing of the receipt of the grant and the satisfaction of the performance obligations, it will result in the recognition of a receivable, contract asset or contract liability.
AASB 1058 requires that where there are no contracted performance obligations, revenue is recognised when received.

Capital Grants
Capital grants received under an enforceable agreement to enable the company to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the incorporated association (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed.
For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the incorporated association.

Note 1. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
As the incorporated association is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The incorporated association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Note 1. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the incorporated association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold fit-out costs	10-25%
Leased office equipment	20%
Office equipment	20-33%
Rides equipment	30%
Catering equipment	10-30%
Furniture & fittings	20-25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the incorporated association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The incorporated association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 1. Significant accounting policies (continued)

Trade and other payables
These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incorporated association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Provisions
Provisions are recognised when the incorporated association has a present (legal or constructive) obligation as a result of a past event, it is probable the incorporated association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 1. Significant accounting policies (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the incorporated association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the incorporated association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the incorporated association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Financial assets at fair value through surplus/deficit
The incorporated association maintains a portfolio of securities with a carrying value of $3,015,337 at the end of the reporting period. During the 2022 financial year the value of financial investment has decreased by $224,091. The board, in consultation with the entity’s external investment advisors, carefully monitor the value of the investments during the year. Reports are regularly given to the directors, who review the value at year-end to determine whether such investments will be considered impaired. Due to the nature of the financial assets, market valuations can fluctuate significantly based on economic conditions at any point in time.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Revenue

	2022 $	2021 $
Rides revenue	2,416,543	602,464
Membership fees, income and donations	3,182,569	3,049,030
Campaigns revenue	490,693	378,465
Behaviour change programs	1,688,300	1,443,034
Other products and services	355,949	545,506
	8,134,054	6,018,499

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2022 $	2021 $
Geographical regions		
Australia	8,134,054	6,018,499

Note 4. Other income

	2022 $	2021 $
Investment income	162,261	108,255
Government contributions	45,400	1,597,550
Interest income	3,604	7,056
Unrealised gains on financials assets	-	428,586
Other income - reversal of make good provision	451,955	-
	663,220	2,141,447

Note 5. Cash and cash equivalents

	2022 $	2021 $
Current assets		
Cash at bank and on hand	979,108	567,761
Deposits at call	1,693,225	3,026,284
	2,672,333	3,594,045

Note 6. Trade and other receivables

	2022 $	2021 $
Current assets		
Trade debtors	397,379	53,253
Other receivables	59,572	168,276
	456,951	221,529

Note 7. Financial assets

	2022 $	**2021** $
Current assets		
Term deposit	880,653	519,422

Note 8. Financial assets at fair value through surplus/deficit

	2022 $	**2021** $
Non-current assets		
Financial assets at fair value through surplus/deficit	3,015,337	3,239,428

Note 9. Right-of-use assets

	2022 $	**2021** $
Non-current assets		
Right-of-use assets - premises	1,597,215	1,076,740
Less: Accumulated depreciation	(372,513)	(922,794)
	1,224,702	153,946

There were $1,362,870 additions to the right-of-use assets during the year and depreciation charged to profit or loss was $292,114.

The incorporated association leases buildings for its offices and warehouses under agreements of between 2 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The incorporated association leases premises under agreements of 1 year or less . These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Right of Use Premises $	Total $
Balance at 1 July 2021	153,946	153,946
Additions	1,362,870	1,362,870
Depreciation expense	(292,114)	(292,114)
Balance at 30 June 2022	1,224,702	1,224,702

Note 10. Other assets

	2022 $	2021 $
Current assets		
Prepaid expenses	139,761	23,537
Prepaid ride expenses	363,682	392,907
	503,443	416,444
Non-current assets		
Other non-current assets	269,174	880,653
	772,617	1,297,097

Note 11. Property, plant and equipment

	2022 $	2021 $
Non-current assets		
Leasehold improvements - at cost	151,198	1,916,499
Less: Accumulated depreciation	(17,754)	(1,916,499)
	133,444	-
Plant and equipment - at cost	2,691,877	2,719,605
Less: Accumulated depreciation	(2,330,719)	(2,303,910)
	361,158	415,695
	494,602	415,695

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold Improvements $	Plant and Equipment $	Total $
Balance at 1 July 2021	-	415,695	415,695
Additions	151,198	99,161	250,359
Depreciation expense	(17,754)	(153,698)	(171,452)
Balance at 30 June 2022	133,444	361,158	494,602

Note 12. Trade and other payables

	2022 $	2021 $
Current liabilities		
Trade payables	383,624	265,739
Other payables	228,019	294,504
Unexpired membership fees	1,210,317	1,225,463
Prepaid ride and other fees	2,043,816	2,086,345
Parkiteer deposits	1,273,400	1,187,200
	5,139,176	5,059,251

Note 13. Lease liabilities

	2022 $	2021 $
Current liabilities		
Lease liability	279,152	149,674
Non-current liabilities		
Lease liability	1,266,750	46,463
	1,545,902	196,137
Future lease payments		
Future lease payments are due as follows:		
Within one year	330,109	153,947
One to five years	1,345,541	48,865
Less future finance charges	(129,748)	(6,675)
	1,545,902	196,137

Note 14. Provisions

	2022 $	2021 $
Current liabilities		
Annual leave	337,238	319,015
Long service leave	176,105	117,226
Lease make good	-	450,118
	513,343	886,359
Non-current liabilities		
Long service leave	45,452	54,781
	558,795	941,140

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the incorporated association at the end of the respective lease terms.

Note 15. Reserves

	2022 $	2021 $
Insurance reserve	15,000	15,000

Nature and purpose of Reserve:
The Insurance Reserve recognises the potential liability that may arise from Bicycle Network self-insuring a maximum of $15,000 of the excess on rider insurance claims.

Note 16. Key management personnel disclosures

Compensation
The aggregate compensation made to board members and other members of key management personnel of the incorporated association is set out below:

	2022 $	2021 $
Aggregate compensation	1,065,280	1,130,115

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the incorporated association:

	2022 $	2021 $
Audit services -		
Audit of the financial statements	23,000	22,500
Other services -		
Preparation of the financial statements	3,000	3,000
Grant Acquittals	2,850	2,400
	5,850	5,400
	28,850	27,900

Note 18. Contingent liabilities

Bicycle Network Inc. is self-insuring for an excess in the event that claims are received on the liability policy for a claim or injury sustained during the year ended 30 June 2022. Claims are expected to be made up to three years after the accident. The excess for the 2022 year is $0 (2021: $0). Therefore, the reserve of $15,000 (2021: $15,000) as disclosed in Note 14 has been formed.

Note 19. Commitments

	2022 $	2021 $
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	-	150,000

Note 20. Related party transactions

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Other related party disclosure
Bicycle Network is the official trading name of Bicycle Network Incorporated.

Bicycle Network Incorporated
Board members' declaration
30 June 2022

In the board members' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures, the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Associations Incorporation Reform Act 2012, the Fundraising Act 1998 and associated regulations;

- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the board members

James Garriock
Board President

Jennifer Lang
Chair, Audit & Risk Committee

24 October 2022

BICYCLE NETWORK INC.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Bicycle Network Inc. (the Association), which comprises the statement of financial position as at 30 June 2022, 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 statements, including a summary of significant accounting policies, and the Board's declaration.

In our opinion the financial report of Bicycle Network Inc. has been prepared in accordance with the *Associations Incorporation Reform Act 2012*, including:

i. giving a true and fair view of the Association's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards-Simplified Disclosures.

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 Association in accordance with the auditor independence 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 Board are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

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

The Board of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the Associations Incorporations Reform Act 2012 and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board are responsible for assessing the Association'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 Board either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx

This description forms part of our independent auditor's report.

William Buck

WILLIAM BUCK AUDIT (VIC) PTY LTD
ABN 59 116 151 136

C. L. Sweeney
Director

Dated: Melbourne 24 October, 2022