

World Bicycle Relief Australia Limited

ABN 85 610 648 612

Financial Statements

For the Year Ended 31 December 2021

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CORPORATE INFORMATION

World Bicycle Relief Australia Limited (WBR or “the Company”) is a non-profit company limited by guarantee and registered with the Australian Charities and Not-for-profits Commission.

The Company’s objective is to relieve the needs of people living in impoverished or disaster-stricken areas of the world by the provision of bicycles to enable them to access education, employment, healthcare and other essentials of life.

The Company’s Board members include representatives of World Bicycle Relief an international, non-profit organisation that specialises in large-scale, comprehensive bicycle distribution programs to aid poverty relief in developing countries around the world. Its programmes focus primarily on education, economic development, health care and gender equality.

Responsible Entities

Responsible Entities at the date of this report are:

Jeffrey Bosken

David Evans

David Neiswander

Anthony Shippard

Ben Walsh

Registered charity street address

PO Box 6305

West Gosford NSW 2250

Australia

Auditor

Grant Thornton

Auditor's Independence Declaration

To the Responsible Entities of World Bicycle Relief Australia Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of World Bicycle Relief Australia Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Bhavesh Narsey
Partner – Audit & Assurance

Sydney, 2 May 2022

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Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2021

	Note	2021 \$	2020 \$
Revenue	2	1,440,514	277,939
Employee benefits expense	3	(108,096)	(124,122)
Administration expenses	4	(156,936)	(90,191)
Program funding expenses	5	(972,984)	-
		(1,238,016)	(214,313)
Surplus for the year		202,498	63,626
Other comprehensive income		-	-
Total comprehensive income for the year		202,498	63,626

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
As at 31 December 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	6	199,535	169,542
Receivables	7	169,078	3,556
Other assets	8	1,558	855
TOTAL CURRENT ASSETS		370,172	173,953
TOTAL ASSETS		370,172	173,953
CURRENT LIABILITIES			
Payables and accruals	9	21,713	52,021
Other payables and loans	10	189,748	165,719
TOTAL CURRENT LIABILITIES		211,461	217,740
TOTAL LIABILITIES		211,461	217,740
NET ASSETS (LIABILITIES)		158,711	(43,787)
FUNDS			
Accumulated funds / (deficiency in funds)		158,711	(43,787)
TOTAL FUNDS / (DEFICIENCY)		158,711	(43,787)

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Funds For the year ended 31 December 2021

	Note	Accumulated Funds \$	Total Funds \$
Balance at 1 January 2020		(107,413)	(107,413)
Surplus for the year		63,626	63,626
Other comprehensive income		-	-
Total comprehensive income for the year		63,626	63,626
Balance at 31 December 2020		(43,787)	(43,787)
Balance at 1 January 2021		(43,787)	(43,787)
Surplus for the year		202,498	202,498
Other comprehensive income		-	-
Total comprehensive income for the year		202,498	202,498
Balance at 31 December 2021		158,711	158,711

The above Statement of Changes in Funds should be read in conjunction with the accompanying notes.

Statement of Cash Flows For the year ended 31 December 2021

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operations		1,280,826	261,584
Payments to suppliers and employees		(1,230,238)	(174,813)
Interest received		-	-
Net cash provided by (used in) operating activities	11	50,588	86,711
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	-
Net cash provided by investing activities		-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Increase / (decrease) in loan from related parties		(20,595)	8,937
Net cash provided by (used in) financing activities		(20,595)	8,937
Net (decrease)/increase in cash held		29,993	95,708
Cash at beginning of financial year		169,542	73,834
Cash at end of financial year	6	199,535	169,542

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**WORLD BICYCLE RELIEF AUSTRALIA
ABN 85 610 648 612**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of World Bicycle Relief Australia (the "Company") for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 02 May 2022.

World Bicycle Relief Australia is a Company limited by guarantee, incorporated and domiciled in Australia, registered with the Australian Charities and Not-for-profits Commission and under the Charitable Fundraising Act 1991.

Basis of Preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Australian Charities and Not-for-profits Commission Act 2012, Australian Charities and Not-for-profits Commission Regulation 2013 and the Charitable Fundraising Act 1991.

Historical cost convention

The financial report has been prepared on an accrual basis and is based on historical costs, modified by the revaluation of financial assets for which fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the Company in the preparation of this report. The accounting policies have been consistently applied, unless otherwise stated.

Going Concern

The Company had a surplus of \$202,498 for the 31 December 2021 year, and was in a net asset position of \$158,711 as at 31 December 2021.

The Company also had an at call liability owing to its international controlling entity of \$189,748 as at 31 December 2021.

The ability of the Company to continue as going concern and meet its debts and liabilities as and when they fall due is solely dependent upon the financial support of the international controlling entity.

World Bicycle Relief, NFP (US) has confirmed to the Directors of this Company its intention to not call the loan due to it by this Company and that it will continue to provide financial support to this Company, including that it will provide additional loan funds to this Company as and when needed sufficient to enable this Company to meet its debts as and when they fall due, for at least 12 months from the date of signing of this financial report.

If the financial support to this Company from World Bicycle Relief, NFP (US) was to be withdrawn or not provided as outlined in its confirmation to the Directors of this Company, there is material uncertainty that this Company would remain a going concern.

The financial statements have been prepared on a Going Concern basis as the Directors expect the financial support as outlined above, will continue.

Accounting Policies

(a) Income Tax

No provision for income tax has been raised as the Company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. The Company is endorsed as a Deductible Gift Recipient pursuant to Subdivision 30-20, Item 1.1.6 of the Income Tax Assessment Act 1997.

(b) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Trade Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid.

(d) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Expected future payments are discounted using national government bond rates at balance sheet date with terms to maturity, as closely as possible, to the estimated future cash outflows. Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(e) Revenue recognition

i. Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

Only service arrangements subject to a contract and with sufficiently specific performance obligations can be accounted for under AASB 15.

Revenue, when and if accounted for under AASB 15, is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

ii. Revenue recognition policy for revenue streams for which there are not sufficiently specific performance obligations and accounted for AASB 1058, and other revenue.

Revenue from fundraising

Donations, legacies and bequests

Donations, legacies and bequests collected are recognised as revenue when the Company gains control of the asset.

iii. Other income

Other revenue

Other revenue relates to the sales of goods in relation to the sale of merchandise during events held throughout the year. Revenue is recognised on date of receipt.

Realised foreign Exchange Gain

Foreign exchange gain is recognised when World Bicycle Relief makes repayments to the intercompany payable to the parent company in the United States.

**WORLD BICYCLE RELIEF AUSTRALIA
ABN 85 610 648 612**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with the use of the resources.

(g) Goods and Services Tax (GST)

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

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

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

(h) Critical accounting estimates and judgements

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

WORLD BICYCLE RELIEF AUSTRALIA
ABN 85 610 648 612

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
NOTE 2: Revenue and other income		
Contributions income		
Contributions – from World Bicycle Relief, NFP (US)	907,985	-
Contributions – from individuals, corporates, institutions	532,529	262,169
	1,440,514	262,169
Other income		
Foreign exchange gain	-	15,770
	1,440,514	277,939
NOTE 3: Employee Benefits Expense		
Salary and wages	96,732	109,063
Employee benefits – superannuation and other benefits	11,364	15,059
	108,096	124,122
NOTE 4: Administration Expenses		
Insurance	1,642	2,439
Professional fees	69,601	75,632
Office supplies	16,482	3,227
Occupancy	416	-
Meals and entertainment	-	491
Travel expenses	117	2,998
Fundraising, banking and merchant fees	11,051	5,403
Foreign exchange loss	44,625	-
Other expenses	13,002	1
	156,936	90,191
NOTE 5: Program Expenses		
Program expenses	972,984	-
	972,984	-
NOTE 6: Cash and cash equivalents		
Cash at bank	199,535	169,542
	199,535	169,542
NOTE 7: Trade Receivables		
Other receivables	167,345	2,991
GST receivable	1,733	565
	169,078	3,556
NOTE 8: Other Assets		
Prepaid expenses	1,558	855
	1,558	855

WORLD BICYCLE RELIEF AUSTRALIA
ABN 85 610 648 612

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
NOTE 9: Trade and other payables	\$	\$
Trade payables	-	35,479
Accruals	21,713	16,542
	21,713	52,021

NOTE 10: Intercompany Payables

Intercompany Loan payable to controlling entity - World Bicycle Relief, NFP (US). Refer to Note 14

	189,748	165,719
	189,748	165,719

NOTE 11: Reconciliation of Cash Flows from Operating Activities

Reconciliation of cash flow from operations with deficit from operating activities

Surplus (Deficit) from operating activities	202,498	63,626
Non-cash movements:		
Depreciation	-	-
Foreign currency (loss) / gain	44,625	(15,771)
Changes in assets and liabilities:		
(Increase) / Decrease in accounts receivables and other assets	(165,522)	(1,560)
(Increase) / Decrease in other assets	(704)	442
(Decrease) / Increase in payables	(30,309)	39,974
Net cash inflows from operating activities	50,588	86,711

NOTE 12: MEMBERS' GUARANTEE

As a Company limited by guarantee, the liability of the members is limited. Every member undertakes to contribute \$10.00 to the assets of the Company if it is wound up while that person is a member, or within one year afterwards, for: payment of the Company's debts and liabilities contracted before they ceased to be a member; and costs and expenses of winding up.

NOTE 13: CONTINGENCIES AND COMMITMENTS

There were no contingent assets or liabilities at year-end (2020: nil). There were no commitments at year-end. (2020: nil).

NOTE 14: RELATED PARTY TRANSACTIONS

The loan disclosed at Note 10 is from the parent group (the international controlling entity – World Bicycle Relief, NFP (US)) and is at call, interest free and unsecured.

World Bicycle Relief, NFP (US) donated \$907,985 to the Company during the year (FY20: nil). This is disclosed in Note 2.

The Company paid Program Expenses of \$972,984 (FY20: nil) to Buffalo Bicycle Limited, a company controlled by World Bicycle Relief, NFP (US) for programs in Malawi, Zambia and Zimbabwe. This is disclosed in Note 5.

SRAM is a corporate partner of World Bicycle Relief Australia. The co-founder of World Bicycle Relief Australia is also the co-founder of SRAM. SRAM provided rental premises to the Company on a pro-bono basis.

Jeffrey Bosken and David Neiswander are directors of this Company and also employees of World Bicycle Relief, NFP (US). Key Management Personnel includes board members and the Development Director. The board members are not remunerated and receive no compensation for their service as board members. Key Management Personal compensation is disclosed at Note 3.

WORLD BICYCLE RELIEF AUSTRALIA
ABN 85 610 648 612

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 15: Disclosure in accordance with the Charitable Fundraising Act 1991 (NSW)	2021	2020
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	\$	\$
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Details of aggregate fundraising income and expense from fundraising appeals:

Gross income from fundraising, donations and corporate sponsorships	1,440,514	262,169
	<u>1,440,514</u>	<u>262,169</u>

Expenses in fundraising and disbursement of funds raised is disclosed in the Statement of Profit or Loss.

NOTE 16: EVENTS AFTER THE BALANCE DATE

There have been no other matters or circumstances since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

WORLD BICYCLE RELIEF AUSTRALIA LIMITED
ABN 85 610 648 612

Responsible Entities' Declaration

In the opinion of the Responsible Entities of World Bicycle Relief Australia Limited:

- a. The financial statements and notes of World Bicycle Relief Australia Limited are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - i. Giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Regulation 2013*, and
- b. There are reasonable grounds to believe that World Bicycle Relief Australia Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Responsible Entities:

Jeff Bosken

Jeffrey Bosken

Director

Dated this 02 May 2022

WORLD BICYCLE RELIEF AUSTRALIA LIMITED
ABN 85 610 648 612

PRINCIPAL OFFICER'S DECLARATION IN ACCORDANCE WITH THE CHARITABLE FUNDRAISING ACT (NSW)
1991

I, Jeffrey Bosken, Director of World Bicycle Relief Australia Limited, declare that:

1. World Bicycle Relief Australia Limited is able to pay all of its debts as and when the debts become due and payable;
2. The 31 December 2021 financial statements of World Bicycle Relief Australia Limited satisfy the requirements of the Charitable Fundraising Act 1991 and the Charitable Fundraising Regulation 2021;
3. The contents of the 31 December 2021 financial statements of World Bicycle Relief Australia Limited are true and fair; and
4. World Bicycle Relief Australia Limited has appropriate and effective internal controls.

Jeff Bosken

Jeffrey Bosken

Director

Dated this 02 May 2022

Independent Auditor's Report

To the Members of World Bicycle Relief Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of World Bicycle Relief Australia Limited (the "Registered Entity") which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in funds 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 Responsible Entities' declaration.

In our opinion the financial report of World Bicycle Relief Australia Limited has been prepared in accordance with the requirements of Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- a) giving a true and fair view of the Registered Entity's financial position as at 31 December 2021 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.

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 Registered Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

Those charged with governance are responsible for the other information. The other information comprises the Principal Officer's Declaration.

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 Responsible Entities for the financial report

The Responsible Entities of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the ACNC Act and the Charitable Fundraising Act 1991, and for such internal control as the Responsible Entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Responsible Entities are responsible for assessing the Registered Entity'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 Responsible Entities either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Registered Entity'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 Registered Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Responsible Entities.

- Conclude on the appropriateness of the Responsible Entities' 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 Registered Entity'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 Registered Entity 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 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Bhavesh Narsey
Partner – Audit & Assurance

Sydney, 2 May 2022