

CYCLING ADVOCATES NETWORK INC

Financial Reports

For the Six Months ended 30th June 2010

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**AUDIT REPORT
TO THE MEMBERS OF
CYCLING ADVOCATES NETWORK INCORPORATED**

We have audited the Financial Reports. The financial reports provide information about the past financial performance of the Society and its financial position as at 30 June 2010. This information is stated in accordance with the accounting policies set out in the notes to the financial statements.

The Executive Committees' Responsibilities

The Executive Committee is responsible for the preparation of a Financial Reports, which fairly reflects the financial position of the Society as at 30 June 2010 and the results of operations for the six month period ended on that date.

Auditors' Responsibilities

It is our responsibility to express an independent opinion on the Financial Reports presented by the Executive Committee and report our opinion to you.

Basis of Opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the Financial Reports. It also includes assessing:

- the significant estimates and judgements made by the Executive Committee in the preparation of the financial report, and
- whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with New Zealand Auditing Standards. We planned and performed the audit so as to obtain all the information and explanations which we considered necessary in order to provide sufficient evidence to obtain reasonable assurance that the financial report is free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Reports.

We are associated with Ainger Tomlin Ltd who assisted with the compilation of the Financial Reports. We have no other interest in the Society.

Unqualified Opinion

In our opinion the Financial Reports on pages 2 to 10 fairly reflects the financial position of Cycling Advocates Network Incorporated as at 30 June 2010 and the results of its operations for the six month period ended on that date.

Our audit was completed on 12 October 2010 and our unqualified opinion is expressed as at that date.



AINGER TOMLIN AUDIT
Christchurch, New Zealand

CYCLING ADVOCATES NETWORK INC

Statement of Financial Performance

For the Six Months ended 30th June 2010

	<i>Jun 2010</i>	<i>2009</i>
	\$	\$
INCOME		
Membership Income	8,745	10,892
Donations/Sponsorship Received	10,790	2,108
Consulting Fees	-	250
Interest Received	1,296	2,017
Grants - CAN Awards	-	3,000
Workshops	1,500	-
Merchandise Sold	2,377	5,309
Chainlinks Advertising	1,275	2,400
Cycle Training	1,000	450
	<u>26,983</u>	<u>26,427</u>
TOTAL INCOME	<u>26,983</u>	<u>26,427</u>
LESS EXPENSES		
Accountancy Fees	1,072	500
Bad Debts Written Off	89	167
Bank Charges	123	286
CAN Awards	-	3,556
Campaigns/Publicity/Materials	4,167	65
Contributions / Sponsorship	200	1,100
Consultants Fees / Honoraria	-	2,500
Costs of Merchandise	1,766	2,969
Cycle Training	1,563	2,005
General Expenses	-	44
Gifts	-	222
Meetings/Travel/Communication	300	770
Printing & Magazine	5,310	8,904
Subscriptions	256	376
Website Expenses	-	129
Total Expenses	<u>14,845</u>	<u>23,592</u>
OTHER INCOME		
Sundry Income (Note 10)	42,591	-
SURPLUS/(DEFICIT)	<u>\$54,729</u>	<u>\$2,835</u>

*The accompanying notes form part of these financial statements.
These financial statements should be read
in conjunction with the attached Audit Report.*



CYCLING ADVOCATES NETWORK INC

Statement of Movements in Funds

For the Six Months ended 30th June 2010

	<i>2010</i>	<i>2009</i>
	<i>\$</i>	<i>\$</i>
ACCUMULATED FUNDS AT START OF YEAR	25,189	22,354
SURPLUS		
Net Surplus	54,729	2,835
ACCUMULATED FUNDS AT END OF YEAR	<u>\$79,918</u>	<u>\$25,189</u>

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CYCLING ADVOCATES NETWORK INC

Statement of Financial Position

As at 30th June 2010

	2010	2009
	\$	\$
CURRENT ASSETS		
Kiwibank Cheque Account	26,215	6,831
Kiwibank Network Project	6,862	14,430
Kiwibank On Call	40,443	6,547
Kiwibank Term Deposit	15,000	15,689
Kiwibank Conference Account	45,067	28,314
Paypal Internet Account	202	1,267
Pretty Cash	300	300
Kiwibank Term Deposit Network Project	-	30,000
Accounts Receivable	5,556	2,475
Conference Funds Receivable	1,034	18,389
Stock on Hand - Note 1(g)	2,855	2,762
Total Current Assets	143,534	127,005
NON-CURRENT ASSETS		
Fixed Assets as per Schedule	1,861	2,351
TOTAL ASSETS	145,395	129,355
CURRENT LIABILITIES		
GST Due for payment	407	4,634
Accounts Payable	2,799	-
Accrued Expenses	1,000	1,000
Employee Entitlements Due	3,974	2,613
Due to Affiliated Groups	2,307	1,666
Receipts in Advance	8,889	-
Subscriptions in Advance	-	1,262
Unexpended Project Funds - Note 10	-	46,289
Conference Funds Payable	500	211
Conference Funds Held in Trust - Note 9	45,602	46,493
Total Current Liabilities	65,477	104,167
TOTAL LIABILITIES	65,477	104,167
NET ASSETS	<u>\$79,918</u>	<u>\$25,189</u>

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in conjunction with the attached Audit Report.*



CYCLING ADVOCATES NETWORK INC

Statement of Financial Position

As at 30th June 2010

	2010	2009
	\$	\$
Represented by;		
ACCUMULATED FUNDS		
Retained Earnings	79,918	25,189
TOTAL ACCUMULATED FUNDS	<u><u>\$79,918</u></u>	<u><u>\$25,189</u></u>

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in conjunction with the attached Audit Report.*



CYCLING ADVOCATES NETWORK INC

Schedule of Fixed Assets and Depreciation

For the Six Months ended 30th June 2010

Asset	Cost Price	Book Value 01/01/2010	Additions Disposals	Gain/Loss on Disposal	Capital Profit	--- Depreciation --- Mth Rate	\$	Accum Deprec 30/06/2010	Book Value 30/06/2010	
<u>FURNITURE & FITTINGS</u>										
Furniture	620	229				6	25.0% DV	30	421	199
<u>TOTAL FURNITURE & FITTINGS</u>	620	229						30	421	199
<u>OFFICE EQUIPMENT</u>										
Computer	5,096	228				6	60.0% DV	68	4,936	160
Computer Monitor	525	80				6	60.0% DV	24	469	56
Mac Mini & Screen	2,042	278				6	60.0% DV	84	1,848	194
Data Projector	1,048	151				6	60.0% DV	46	943	105
Laptop	909	200				6	60.0% DV	60	769	140
Projector	915	561				6	30.0% DV	84	438	477
Projector, Screen & Speaker	915	624				6	30.0% DV	94	385	530
<u>TOTAL OFFICE EQUIPMENT</u>	11,450	2,122						460	9,788	1,662
<u>TOTAL FIXED ASSETS</u>	12,070	2,351						490	10,209	1,861

The accompanying notes form part of these financial statements.
 These financial statements should be read
 in conjunction with the attached Audit Report.



CYCLING ADVOCATES NETWORK INC

Notes to the Financial Statements

For the Six Months ended 30th June 2010

1. STATEMENT OF ACCOUNTING POLICIES

Cycling Advocates Network Inc is a incorporated society. These Financial Statements have been prepared in accordance with generally accepted accounting practices in New Zealand.

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. Accrual accounting is used to recognise expenses and revenue in the reporting period they occur.

(a) Differential Reporting

Cycling Advocates Network Inc is a qualifying entity in that it qualifies for Differential Reporting as it is not publicly accountable and there is no separation between the owners and the governing body (or, is not large as defined under the Framework for Differential Reporting).

All applicable differential reporting exemptions have been applied except that GST exclusive accounting has been adopted.

(b) Fixed Assets & Depreciation

The entity has the following classes of fixed assets:

Furniture & Fittings
Office Equipment

All fixed assets are recorded at cost less accumulated depreciation.

Depreciation of the assets has been calculated at the maximum rates permitted by the Income Tax Act 2007. The rates used are shown on the Schedule of Fixed Assets and Depreciation attached.

(c) Goods & Services Tax

These financial statements have been prepared on a GST exclusive basis, except for receivables and payables that are stated inclusive of GST.

(d) Funds Held in Trust

Funds are held in trust where they have been received for a specific purpose. This includes specified project funds held in trust for conference. The Society guarantees to hold sufficient funds to enable the funds to be used for the intended purpose at any time.

(e) Grants

Grants received are recognised as operating revenue, unless specific conditions attached to a grant require repayment if not met. In these cases, the grant is treated as a liability until conditions are satisfied. Non-cash Grants are recognised as revenue at their fair value.

(f) Income Tax

The society has charitable status and is exempt from income taxation.

(g) Stock on Hand

Stock on Hand is recognised at the lower of cost, determined on a first in first out basis, and net realisable value.

CYCLING ADVOCATES NETWORK INC

Notes to the Financial Statements

For the Six Months ended 30th June 2010

(h) **Receivables**

Receivables are stated at their estimated realisable value. Bad debts are written off in the year in which they are identified.

(i) **Subscriptions**

Subscription Revenue is recognised as income in the year to which it relates.

2. **CHANGES IN ACCOUNTING POLICIES**

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

3. **AUDIT**

These financial statements have been subject to audit, please refer to the Audit Report.

4. **CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (2009:\$0). Cycling Advocates Network Inc has not granted any securities in respect of liabilities payable by any other party whatsoever.

5. **GOING CONCERN**

The continued operation of the Entity is reliant on it receiving continued funding and other financial support from the community. The Society also acknowledges the substantial level of in-kind and voluntary support from its supporters, without which it would be in a different financial position.

6. **CAPITAL EXPENDITURE COMMITMENTS**

At balance date there are no known capital commitments (2009:\$0)

7. **COMPARATIVES**

The Society had a change of balance date from 31 December to 30 June. These financial statements have been prepared for the 6 months ended 30 June 2010. The comparatives represents the 12 months period ended 31 December 2009.

8. **RELATED PARTIES**

Through her company, Sustainable Business Solutions, the Committee member, Anne Fitzsimon, was remunerated for fundraising services on normal commercial terms.

CYCLING ADVOCATES NETWORK INC

Notes to the Financial Statements

For the Six Months ended 30th June 2010

9. CONFERENCE FUNDS HELD IN TRUST

At 30 June 2010, the Society was holding \$45,067 funds in trust in respect of conference activities managed through a separate bank account under the umbrella of Cycling Advocates Network Inc. \$1,034 was due to be received from CMNZ and some other outstanding invoices were due to be paid, which brings the balance to \$45,602.

Income

- Conference Income	-	78,299
- Interest Received	309	1,048
Total Income	309	79,347

Less Outgoings

- Conference Outgoings	1,200	68,158
Total Outgoings	1,200	68,158

NET MOVEMENT OF FUNDS

	<u>(891)</u>	<u>11,189</u>
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Reconciliation to Funds Held

Funds Held 01 January	46,493	35,304
Net Movement of Funds	<u>(891)</u>	<u>11,189</u>
Conference Funds Held at 31 December	<u>45,602</u>	<u>46,493</u>

Comprised

Kiwibank Conference Account	45,067	28,314
Receivable	1,034	18,389
Less Payable	<u>(500)</u>	<u>(211)</u>
CONFERENCE FUNDS HELD	<u>45,602</u>	<u>46,493</u>

CYCLING ADVOCATES NETWORK INC

Notes to the Financial Statements

For the Six Months ended 30th June 2010

10. GOVERNMENT FUNDED CYCLING NETWORK PROJECT

The contract concluded at 30 June 2010 with all accountabilities completed within budget. The Society acknowledges the in-kind and voluntary contributions of its supporters and members that contributed to the performance of the contract.

Income

- Grants Received - LTNZ Grant 154 User Groups	80,000	180,000
- Recovered Expenses	2,433	2,418
- Interest Received	155	471
Total Income	82,588	182,889

Less Expenses

- ACC	-	568
- General Expenses	647	4,471
- Communication Costs	5,291	11,458
- Digital Strategy Development	5,091	4,591
- Equipment Rentals/Repairs	591	1,694
- Insurance	-	1,135
- Postage	356	651
- Printing, Publicity & Promotion	3,640	14,820
- Rent - Offices	2,478	4,063
- Staffing - Training & Recruitment Costs	1,201	1,683
- Wages & Salaries	49,448	114,885
- Subcontracting - Prof. Fees (CRUMBS)	1,250	-
- Upskilling Groups - Cycle Training	541	1,171
- Prof. Fees (Audit)	1,728	2,090
- Resource Kit Police Training	-	2,500
- Consulting (Product Dev)	1,554	3,682
- Consulting (Fundraising Dev)	3,029	-
- Travel/Meeting Costs	8,426	17,110
- Depreciation on Equipment	490	1,990
- Library	527	1,307
Total Expenses	86,287	189,869

INCOME LESS EXPENDITURE

(3,699) (6,981)

Reconciliation to Funds Held

Funds Held 01 January	46,289	53,270
Net Movement of Funds	(3,699)	(6,981)
Unexpended Project Funds 30 June	42,591	46,289

Comprised

LTNZ Funds	42,591	46,289
Unexpended Project Funds	42,591	46,289

Transferred to Income

(42,591) -

BALANCE HELD

- (46,289)

These financial statements should be read in conjunction with the attached Audit Report.