

Bicycle Queensland Incorporated

Treasurer's Report for financial year ended 31st December 2006

Presented by John Franklin at the AGM 28th March 2007

2006 was another year beyond expectations and is due to a highly successful year for all facets of the organisation. Advocacy, events and membership have all had a great year. Membership is substantially up and continuing to grow and the events program has set new records for participation.

Bicycle Queensland is in a very healthy financial position. At the end of the year 2006 BQ has a total equity of \$1,081,000. This is an increase of \$230,000 or 27% on 2005. Turnover for the year was over \$1.6million.

The financial result is pleasing yet has been difficult to achieve and only through smart operating and the contribution of staff and volunteers have we continued to grow.

There were some significant outlays in the form of office fit-out and increased rental costs for the new premises, substantially more logistical and transport costs for holding Cycle Queensland in the far north, an increase in staff salaries and legal fees associated with the Rules of Association review. On the other hand, we negotiated a better deal on some insurances, and premiums decreased.

Our improved financial position has allowed us to strengthen our risk management. \$110,000 has been set aside as an Event Contingency Reserve to cover insurance excesses that may result from loss of a bike, luggage or equipment truck while \$120,000 was put into an Event Capital Reserve to provide for buying specialist equipment previously rented but likely to become unavailable and building items not able to be rented that will reduce volunteer effort and risk.

The financial position is one that has been attained on the back of many years of hard slog and aggressive cost control. As we move into a stage of making the organisation more sustainable in the long term I don't expect that such growth in equity will continue. In relaxing the cost control to increase sustainability we must be careful not to get carried away and relinquish our solid financial position, which currently allows BQ to operate without the burden of cash flow pressures and with continuity of operation in the face of poor financial results and event attendance fluctuations.

To avoid burning out the willing we're attracting more staff and volunteers and the forward budgets show that, with more staff and greater investment in labour-saving technology, it will be harder to continue to grow at the same rate financially. The forward budget for 2007 is a break-even budget allowing for 2 additional staff paid at higher rates with additional investment in advocacy programs.

BQ continues to have income tax free status. There is an \$11,000 bank guarantee on the office lease but there are no other mortgages, charges or securities.

A note of thanks to Jackie Franklin and Leanne Cleary who, on a voluntary basis, have kept our financial accounts in great order and, besides saving us thousands in fees, have made the life of the treasurer substantially easier. These tasks are now being completed by staff although Leanne, a chartered accountant, continues to voluntarily consult each quarter.

Personally, after 9 years as Treasurer, I feel a great sense of pride in the significant changes that have occurred in the organisation and importantly that these have been converted into benefits for the cyclists of Queensland.

GPS Business Services are our appointed accountants to finalise the books and conduct an audit as required. Having completed the audit they advise, "BQ's financial records are maintained in adequate manner and appear to be compliant with the Incorporation Act of Qld. In general the internal controls are operating efficiently and there are no significant issues to report."

I formally present the financial statements and the auditors report for Bicycle Queensland Incorporated for the year 2006. I move that the financial statements and auditors report be accepted.

John Franklin, Treasurer BQ 2006, 28th March 2007