

Company Number: 5125969
Registered Charity Numbers: 1104324 and SCO38626



CTC CHARITABLE TRUST

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2008

Reference and Administrative Details of the Charity, its Trustees and Advisors

Trustees

J Brown
A Luxton
P Mathison
P Strauss

Company Secretary

K E Mayne

Registered Office and Operational Address

Parklands, Railton Road, Guildford, Surrey, GU2 9JX

Auditor

Chantrey Vellacott DFK LLP, Russell Square House, 10-12 Russell Square, London, WC1B 5LF

Bankers

Royal Bank of Scotland, 10 North Street, Guildford, Surrey, GU1 4AF

Solicitors

Russell Cooke Solicitors, 2 Putney Hill, Putney, London, SW15 6AB

REPORT OF THE TRUSTEES

The Trustees, who are directors of the CTC Charitable Trust (the "Company"), submit their report and the accounts for the year to 30 September 2008.

Structure, governance and management

CTC Charitable Trust is a company limited by guarantee, incorporated in England and Wales on 12 May 2004. The Company was established under a Memorandum of Association which established the objects and powers of the Company and is governed by its Articles of Association. The Company registration number is 512596.

The Company was registered as a charity number 1104324 by the Charity Commission on 14 June 2004 and by the Office of the Scottish Charity Regulator as charity number SCO 38626 on 30 August 2008.

Trustees are appointed by Cyclists' Touring Club ("CTC"), the national cyclists' organisation, which founded the Company in 2004. The Company has inherited well-established strategies, board procedures, management systems and employees from CTC and is authorised to use the trading brands of CTC in its work. Delivery of all charitable activities is delegated to staff and to volunteers from within the CTC membership.

Risk review

The Trustees have considered the risks to which the Company is exposed, and has in place policies inherited from CTC that mitigate those risks.

Objectives and activities

The Company's objectives cover cycling, education, rights and duties of citizens and public servants, road safety, transport, healthful recreation, conservation of the environment, public health and safety. It achieves these objects by promoting cycling and associated education, and providing legal advice, assistance, representation, publications, lectures, research, facilitation and facilities.

Some services were operated on behalf of CTC as shared programmes agreed between the National Council of CTC and the Trustees.

Achievement and performance

Summary of the year

This has been a year of massive change for the charity as several major new initiatives have started, together with changes in a number of the our work areas. Most significantly has been the significant increase in staff numbers driven by our new project work which has seen 16 new officers recruited, the majority based with partner organisations across the country. Whilst it is early days for these new projects and teams, this expansion has taken us a long way to achieving one of the goals of the 2007-2012 CTC Strategic Plan of becoming a truly decentralised, diverse, outreach organisation.

Thank you to our supporters and funders

We continued to seek external funds in areas important to CTC: cycle training; professional development for local authority and cycling professionals; cyclists' safety; and development of improved access to cycling for all. We seek funds and partners that complement our goals and do not compromise our voice as independent and authoritative advocates for cycling.

We are delighted that we can attract funding from statutory organisations without compromising our standing as the independent voice of cyclists. This demonstrates the value those partners place on our knowledge and experience which comes from our knowledge of cycling and cyclists. Throughout this report we are pleased to acknowledge the support of these funders.

We have a full-time Trust, Lottery and Statutory Funds Officer to complement this work.

Access to cycling

Grants and sponsorship

The biggest story of the year has been the start of the £6.3 million BIG Lottery funded Cycle Champions programme which was announced in last year's report. It has been a huge job to establish agreements with 13 very different partners across England, identify work bases, develop steering groups and work programmes and recruit the 15 staff

needed for the project. However, all of these elements are now in place and the team is already delivering some spectacular results in bringing the benefits of cycling to a wide range of under-represented groups and communities. Since the first projects commenced in Spring of 2008, we have helped nearly 5000 individuals across 90 groups and have identified nearly 250 volunteers who help maintain the sustainability of the projects into the future

Cycle training is also at a critical stage in the development of the sector. In March 2008, the Government announced an increased budget of £140 million for Cycling England over the next three years, of which a significant portion is allocated to the further expansion of the Bikeability award scheme. There will also be major changes to the governance structure of cycle training which will have profound implications of the way we operate within the sector and will see the charity taking a much more proactive role in the direct delivery of training across the country.

The year also saw the end of our three year, Cycling England funded capacity project for cycle training. During this critical period for the sector, we provided bursaries to just under 1000 new instructors, more than doubling the capacity of the sector as well as helping the creation of 7 new Instructor Training Providers.

A major step forward for CTC training during the year was the arrival of a full-time training officer in Wales funded by the Wales Assembly Government for three years. The project will also look at how links can be established between on-road cycle training and wider agendas such as health, transport, recreation and tourism.

CTC is also part of a consortium of European Cyclists' Federation members involved in the LifeCycle project to promote healthy mobility behaviour throughout the entire life time using a life long approach on cycling. LifeCycle's overall objective is to integrate cycling into daily routines, improve the perception and image of cycling and motivate potential users to give cycling a go.

Networks and support

Progress continues to be made in supporting and developing our invaluable group of local campaigners, the Right to Ride network. The network remains at around 350 individuals with 24 new representatives joining this year and a similar number leaving. The network had a number of significant successes in the year with the highlights being the overturning of a ban on bikes in a major new bus lane in Brighton; an agreement brokered in the High Court that cyclists should be allowed into Kettering town centre; and the opening up of access to cyclists of an underpass under the main A75 in Dumfries. Development activities in the year include two very well organised and attended conferences, held in conjunction with the Cycle Campaign Network in Oxford and Cambridge and a networking day for all volunteers in the South East Region. A big step forward was also providing the information and materials needed by new representatives online thus making it easier for people interested in joining the network to find out what it is all about and for new representatives to get up to speed to start effective campaigning sooner.

Supporting mountain biking.

There were three major highlights of the year for our off-road team. The first of these was our leadership in the design and management of the construction of 'Hog Hill', the off road trail at the prestigious Redbridge Cycling Centre in East London. This high-profile development, part of the Olympic legacy programme, provides world-class on and off road racing and leisure riding facilities inside the M25. The site was opened by The Mayor of London, Boris Johnson, in August 2008. Boris met our team at the opening ceremony and declared that CTC had done a 'fantastic job'.

The second major event of 2008 came right at the end of the year when it was announced that we had acquired the market leading off-road training company, OTC and its founder and Managing Director, Dan Cook, along with a network of highly experienced Leader Trainers. This acquisition will allow us to combine our existing off-road skills courses with OTC's array of leadership qualifications to give us an unparalleled portfolio of off-road educational products.

Finally, we are also delighted to be working in partnership with the Forestry Commission in South-West England to help develop tourism opportunities for off-road cycling in the region. Using our recognised Champions model of working we are working with the Forestry Commission to help maximise the potential of existing and new off-road facilities.

Professional Services

Whilst we support partners right across cycling, a specific Professional Services team was established in 2007 in recognition of its growing importance.

During much of the year we have been using CTC's unique cycling knowledge to support Cycling England's selection process for the recently appointed Cycling Towns and Cities: in short listing from the 74 bids; interviewing these 19 and selecting 11 towns and one city. CTC is now represented on the Cycling Towns Programme Board and expects to be involved in developing processes for capturing best practice and exchanging learning between the towns.

We are also part of a consortium of consultants which provides support services to Cycling England. We provide the coordinator for this work, two other staff are on the core team and we expect others to become involved as specialist skills are needed. Through this contract we have provided assistance to the six Cycling Demonstration Towns, 82 other local authorities and 14 other organisations, supported the Cycle Training Standards Board and led the launch of Cycling England's Member Champions initiative which now has more than 40 designated local authority champions signed up. We also successfully completed the London Regional Benchmarking Project, funded by Transport for London (TfL), and the project featured as one of the main presentations at the TfL Walking and Cycling Conference in April 2008. Eleven London boroughs participated and we are hopeful that TfL will support follow on work. Regions previously benchmarked have been followed up with two-day Development Workshops funded by Cycling England, and the charity has now started a second round of these with 40 local authorities attending workshops over the year.

The Professional Services team was also successful as part of a consortium of 15 partners in 9 countries bidding for EC funding for a three year project to identify and promote best practice in public bike sharing schemes.

The team is also developing CTC's knowledge management capability which will complement our established benchmarking programme for facilitating exchange of experience and best practice. Members of the team have assisted with the planning and organisation of a conference on the Design for Cycle Traffic in Bolton and have presented papers at a number of other conferences.

Campaigning

This has been a busy and successful year, both lobbying for more cycle-friendly policies and building the profile of the CTC's campaigning in the media.

Three major policy processes have dominated our campaigning agenda, and will continue to do so for much of the coming year. Firstly the Government is working towards a new policy statement on how transport can address the threat of climate change whilst still delivering economic benefits. This in turn will provide the context for the second key process, namely the next round of Local Transport Strategies – the Government will publish guidance on these in summer 2009 and English local authorities will then write their Local Transport Strategies by summer 2010. The third and perhaps most important area for CTC's campaigning is our extensive work on road safety. A new Road Safety Strategy for the next decade is due for publication next summer and we are carrying out a huge range of activities to frame the debate that leads up to its publication.

We put in a submission to a major Commons Transport Select Committee inquiry on Road Safety, to which we were then very pleased to be invited to give oral evidence in Parliament. The Committee's inquiry report backed many of our recommendations, including more 20 mph speed limits, a stronger role for cycle training, and new road safety targets which support wider health and environmental objectives by encouraging more as well as safer cycling. Another key development which will shape the Road Safety Strategy is a recently-commissioned DfT study on cycle safety. We have worked hard to make sure that DfT's study team will start out by asking the right questions.

When the Government launched a consultation on the training and testing of novice drivers, we also had to point out in the media that they had forgotten to include any groups concerned about walking or cycling.

Meanwhile, in a consultation submission on the sentencing of bad driving offences, we argued that sentences should more closely reflect drivers' attitudes and behaviour rather than being hugely dependent whether or not a victim happened to die (as happens at present). The threat from lorries also needs to be addressed, with 8 out of the 10 London cyclists killed so far in 2008 having been hit by lorries.

We have been working up a longer-term road safety campaigning strategy, to be launched in 2009, focusing on the shortcomings in our road traffic laws and our failure to enforce and prosecute them adequately. These failings are creating a culture where bad driving is not seen as a serious offence. We were disappointed that the courts refused to allow us to challenge some new Crown Prosecution Service guidelines on "prosecuting bad driving", which we still believe fails to state the law accurately.

In Scotland we are working on the development of a new Cycling Action Plan for Scotland (CAPS), while in Wales we had a place on the steering group – chaired by Wales's Environment Minister Jane Davidson – which has now signed off Wales's Walking and Cycling Action Plan. Our AGM visit to Belfast opened up new dialogues in a number of areas from road safety policy and the potential role of cycle training in encouraging more and safer cycling to assessing the potential for bikes to reduce congestion in Belfast.

Together with Cyclenation (formerly known as the Cycle Campaign Network), we organised a seminar on cycle-friendly infrastructure in Oxford, which brought volunteer cycle campaigners and local authority officers together to discuss what makes for good (and bad!) cycling conditions. The event could provide a useful model for future plans to improve the quality of the dialogue and understanding between the two groups. The discussion also informed our submission to consultation on the DfT's new Cycle Infrastructure Design guidance, a document which has now been published 6 years after DfT first started work on it!

On other street design and planning matters, we responded to a consultation on traffic signing and were highly critical of the locations of the Governments proposed "eco-towns" (whilst praising the street design guidelines as a model which should be adopted elsewhere).

Our work on cycles and public transport this year included another Commons Select Committee submission on the Government's Rail White Paper, lobbying on the Crossrail Bill, sponsorship of one of the Association of Train Operating Companies' Cycle-rail awards, sitting on the steering group for the Government's "Station Travel Plans" programme, and addressing failings in the system for reporting cyclists' falls on level crossings. CTC's public transport advisor Dave Holladay successfully stepped in to sort out Eurostar's initial embarrassment over the lack of cycle parking at the new St Pancras International terminal, and then persuaded them to simplify their cycle reservation system leading to an almost instant trebling of the numbers of cyclists travelling on Eurostar services. We are delighted that Dave's work has been publicly recognised with him winning the People Award in the ATOC National Cycle-Rail Awards 2008.

Meanwhile CTC was also on the steering group for the manifesto entitled "Take Action on Active Travel", drawn up by Sustrans and the Association of Directors of Public Health and signed by more than 80 other groups.

On off-road matters, we responded to two parliamentary inquiries on the Government's coastal access proposals (sadly they seem determined to leave out cycling) and had a useful dialogue with Natural England about their future plans.

We are also increasing our level of commitment to the European Cyclists' Federation where there are policy issues that attract the interest of EU policy makers such as a Green Paper on Urban Mobility and Road Safety.

Financial review

Overall, the charity's income for the year increased by over 25% to £2.2 million. The core donation from CTC membership income enables the charity to operate independently of any one funder and ensures that vital work such as campaigning which is unlikely ever to attract external funding is a continued part of CTC's activities. The BIG Lottery grants have more than made up for the ending of the Cycle Training work funded by DfT. The activities carried out during the year are shown in the graph below:

Our major asset is CTC's National Office. The building was built to CTC's specification and occupied in April 2005. The inevitable minor snagging issues arose during the first year of occupation but were all fully resolved at the builder's expense as part of the contractual warranty arrangements. Our surveyor commented both during and after the construction of the building that it was built and fitted out to a high standard, providing a valuable asset of which we can be justifiably proud. The building is fully owned by the charity on a freehold basis and there are no encumbrances on the building. The building but not the land is depreciated in accordance with agreed Accounting Policies. Recognising that assets such as buildings require regular maintenance, we established a Property Sinking Fund immediately the building was occupied and the Fund now stands at nearly £10,000. This will continue to grow and Council believes is likely to be more than sufficient for all likely future costs associated with the building. The Fund is likely to be utilised for redecoration of the highly trafficked public areas of the building during 2008/09, with a full internal redecoration programme provisionally planned for five years after occupation.

During the year, we also agreed to the complete replacement of CTC's servers to provide CTC with additional capacity, much improved resilience and full disaster recovery capabilities.

Reserves policy and financial risk review

The strategic plan for the charity remains one of building up our activities through additional income which will enable us to grow our activities and allow more people to enjoy the benefits of cycling. Our annual donation from CTC will be a smaller percentage of income but is essential to maintaining activities which are unlikely to be funded by other sources such as campaigning and for us to provide charitable services which benefit all current and potential cyclists including CTC members. We plan to build up reserves specifically to deal with any gaps between grant funded contracts and other financial risks.

Investment policy

The charity continues to follow the overall Investment Policy of CTC until such time as the charity has built up its own reserves.

Future strategy

Working with CTC Council, we created a common Strategic Plan in 2007 which identifies the work of CTC as a membership organisation and that of the CTC Charitable Trust to ensure that our work is distinctive but that both organisations flourish under the CTC brand.

The key strands of the Strategy for the charity are:

- To improve access to cycling for all, working with groups and communities who will benefit from the charity's work;
- To ensure that the charity becomes the nationally recognised authority on training and education in the cycling sector;
- To raise public and political awareness of the needs of current and future cyclists through the charity's campaigning activities; and
- To provide professional services to public, private and voluntary / community sector organisations.

Business plans for each of these work streams identify the way in which each of these areas will be developed. In support of these objectives, we will specifically focus on developing volunteers, groups and other networks to build capacity, knowledge and skills in the cycling and transport communities, amongst its members and supporters, and in cycling champions and advocates.

Statement of trustees' responsibilities

Company and charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year, and of the surplus or deficit for that period. In preparing those financial statements, the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on a going concern basis.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2006. They are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each Trustee, who was a director of the company at the date that this report was approved, has taken all steps that they ought to have taken as directors in order to:

- make themselves aware of any relevant audit information (as defined by the Companies Act 1985); and
- ensure that the auditor is aware of all relevant audit information (as defined).

As far as each Trustee is aware, there is no relevant audit information of which the company's auditor is unaware.

The maintenance and integrity of the company's website is the responsibility of the Trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Chantrey Vellacott DFK LLP have indicated their willingness to continue as auditor, subject to their reappointment at the next annual general meeting.

Approved by the Trustees and signed on their behalf by

P Mathison
17 January 2009

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF CTC CHARITABLE TRUST

We have audited the financial statements of CTC Charitable Trust for the year ended 30 September 2008 which comprise the statement of financial activities, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. We are eligible to act as an auditor in terms of section 25 of the Companies Act 1989. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditor

The Trustees (who are also the directors of CTC Charitable Trust for the purposes of company law) responsibilities for preparing the report of the Trustees (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Trustees' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We also report to you whether in our opinion the information given in the report of the Trustees (incorporating the directors' report) is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the report of the Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the report of the Trustees (incorporating the directors' report) is consistent with the financial statements.

CHANTREY VELLACOTT DFK LLP
Chartered Accountants
Registered Auditor
LONDON
17 January 2009

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2008

| | | 2008 | | 2007 | |
|---|------|-------------------------|-----------------------|------------------|------------------|
| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ | Total Funds £ |
| INCOMING RESOURCES | | | | | |
| Incoming resources from generated funds | | | | | |
| Grants and sponsorship | | - | 795,223 | 795,223 | 761,392 |
| Donations, legacies and other voluntary income | 2 | 810,808 | - | 810,808 | 617,199 |
| Investment income and interest | | 2,464 | - | 2,464 | 2,947 |
| Total | | 813,272 | 795,223 | 1,608,496 | 1,381,538 |
| Incoming resources from charitable activities | | | | | |
| Sales and services provided | | 446,690 | - | 446,690 | 229,227 |
| Services provided to Cyclists' Touring Club | | 140,000 | - | 140,000 | 140,165 |
| Other incoming resources | | 910 | - | 910 | 1,020 |
| Total | | 587,600 | - | 587,600 | 370,412 |
| TOTAL INCOMING RESOURCES | | 1,400,873 | 795,223 | 2,196,096 | 1,751,950 |
| RESOURCES EXPENDED | | | | | |
| Costs of generating donations | | 121,520 | - | 121,520 | 30,330 |
| Charitable activities | | | | | |
| Cycling development | | 302,195 | 576,312 | 878,508 | 137,825 |
| Cycle training | | 375,577 | 133,453 | 509,030 | 591,677 |
| Cycling information & helplines | | 136,536 | - | 136,536 | 160,225 |
| Campaigning | | 190,624 | - | 190,624 | 249,308 |
| Services to cycling professionals | | 313,053 | - | 313,053 | 318,664 |
| Environmental projects | | 5,361 | 35,707 | 41,068 | 253,143 |
| Total, Charitable activities | | 1,323,347 | 745,472 | 2,068,819 | 1,710,842 |
| Governance costs | | 5,756 | - | 5,756 | 10,778 |
| TOTAL RESOURCES EXPENDED | | 1,450,623 | 745,472 | 2,196,095 | 1,751,950 |
| NET INCOMING RESOURCES , being net income / (expenditure) for the year | 3 | (49,751) | 49,751 | - | - |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | | 1,345,572 | 9,187 | 1,354,759 | 1,354,759 |
| TOTAL FUNDS CARRIED FORWARD | 7 | 1,295,821 | 58,938 | 1,354,759 | 1,354,759 |

All recognised gains and losses are shown above and therefore a separate Statement of Total Recognised Gains and Losses has not been presented. All amounts relate to continuing activities.

BALANCE SHEET AS AT 30 SEPTEMBER 2008

| | Note | 2008 | | 2007 | |
|---|------|---------------|-------------------------|------|-------------------------|
| | | £ | £ | | £ |
| FIXED ASSETS | 4 | | 1,645,523 | | 1,625,981 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 253,907 | | | 323,640 |
| Cash at bank and in hand | | <u>46,304</u> | | | <u>27,463</u> |
| | | | 300,211 | | 351,103 |
| CREDITORS , amounts falling due within one year: | 6 | | <u>590,975</u> | | <u>622,325</u> |
| NET CURRENT LIABILITIES | | | (290,764) | | (271,222) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,354,759</u> | | <u>1,354,759</u> |
| | | | | | |
| THE FUNDS OF THE CHARITY | | | | | |
| Unrestricted funds | | | 1,295,821 | | 1,345,572 |
| Restricted funds | | | <u>58,938</u> | | <u>9,187</u> |
| TOTAL FUNDS | 7 | | <u>1,354,759</u> | | <u>1,354,760</u> |

In the preparation of these financial statements, advantage has been taken of special exemptions applicable to small companies on the grounds that the Trust is a small company as defined in the Companies Act, 1985.

Approved by the Trustees and authorised for issue on 17 January 2009 and signed on their behalf by:

P Mathison
Chairman

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and the Statement of Recommended Practice 2006 issued by the Charity Commission.

b) Incoming and outgoing resources

Incoming resources are recognised in the Statement of Financial Activities as follows:

Grant income is recognised when the conditions of receipt have been met and there is reasonable assurance of receipt;

Donations and gifts are recognised when received, unless the donor has specified that the donation or gift is to be used in a future accounting period;

Legacies are recognised when the company is advised by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified; and

All other income is recognised when received.

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

c) Charitable funds

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Company without further specified purpose and are available as general funds.

Designated funds are unrestricted funds which the Trustees have allocated for a particular purpose.

Restricted funds are to be used for the specific purposes as laid down by the donor. Expenditure which meets those criteria is charged to the fund, together with a fair allocation of management and support costs.

d) Depreciation

Freehold land is stated at its value when received by the company.

Assets wholly funded by grants or projects are written off as incurred.

All other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates estimated to write off the cost, less any residual value, of each asset over its expected useful life, as follows:

Buildings – over 25 years

Computer and word processing equipment - over three years.

Intangible Assets - over 10 years

Other items - over 10 years.

Fully depreciated assets are eliminated from the balance sheet.

e) Hire purchase and finance leases

Assets acquired under hire purchase agreements and finance leases are capitalised in the balance sheet and are depreciated in accordance with the company's normal policy. The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to the profit and loss account over the terms of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

f) Corporation tax

As the CTC Charitable Trust is a registered charity under the Charities Act 1993 it is entitled to the exemptions from tax afforded by sections 505 ICTA 1988 and 256 TCGA 1992 so far as its income and gains are applied for charitable purposes.

g) Pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The pension costs shown in

note 9 represent contributions payable by the Company to the funds, all of which have been paid over.

h) Cash flow statement

The Company has taken advantage of the exemptions available under FRS1 and has not prepared a cash flow statement.

i) Related party transactions

The Company has taken advantage of the exemptions in FRS 8 – Related Party Disclosures and has not reported transactions with other group companies. There are no other related party transactions.

2. Voluntary income

| | 2008 | 2007 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Donations (including Gift Aid) | 798,568 | 617,199 |
| Legacies | 12,240 | - |
| | <u>810,808</u> | <u>617,199</u> |

3. Net incoming resources for the year

This is stated after charging:

| | 2008 | 2007 |
|---------------------------|--------|--------|
| | £ | £ |
| Audit fees | 5,575 | 5,250 |
| Bank charges and interest | 22,510 | 27,021 |
| Depreciation | 76,857 | 59,325 |
| Non-recoverable VAT | 36,272 | 36,425 |

4. Tangible fixed assets

| | Freehold land and buildings | Furniture and equipment | Total |
|--------------------------------------|-----------------------------------|-------------------------------|------------------|
| | £ | £ | £ |
| Cost | | | |
| 1 October 2007 | 1,564,710 | 284,305 | 1,849,015 |
| Additions during the year | - | 96,399 | 96,399 |
| Disposals | - | - | - |
| Fully depreciated assets written off | - | (215,722) | (215,722) |
| 30 September 2008 | <u>1,564,710</u> | <u>164,982</u> | <u>1,729,692</u> |
| Depreciation | | | |
| 1 October 2007 | 41,049 | 181,985 | 223,034 |
| Charge for year | 26,588 | 50,269 | 76,857 |
| Disposals | - | - | - |
| Fully depreciated assets written off | - | (215,722) | (215,722) |
| 30 September 2008 | <u>67,637</u> | <u>16,532</u> | <u>84,169</u> |
| Net Book Value | | | |
| At 30 September 2008 | <u>1,497,074</u> | <u>148,449</u> | <u>1,645,523</u> |
| At 30 September 2007 | <u>1,523,661</u> | <u>102,320</u> | <u>1,625,981</u> |

5. Debtors

| | 2008 | 2007 |
|-------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 108,500 | 31,493 |
| Prepayments | 90,218 | 64,414 |
| Related companies | 52,167 | 220,460 |
| Other debtors | 3,022 | 7,273 |
| | <u>253,907</u> | <u>323,640</u> |

6. Creditors, amounts falling due within one year

| | 2008 | 2007 |
|----------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors & accruals | 91,154 | 121,074 |
| Other taxes and social security | 28,622 | 20,718 |
| Bursaries awaiting disbursement | 28,700 | 84,431 |
| Deferred income | 42,215 | 0 |
| Other creditors | 12,284 | 8,101 |
| Loan from Cyclists' Touring Club | 388,000 | 388,000 |
| | <u>590,975</u> | <u>622,325</u> |

The loan from the Cyclists' Touring Club was made to assist in the purchase of the new office and is repayable on 30 September 2008. Interest is payable at the bank of England base rate.

Deferred income represents grant income for projects received in advance.

7. Movement in funds

| | At 30 September 2007 | Incoming Resources | Outgoing Resources | Transfers | At 30 September 2008 |
|----------------------------------|----------------------------|-----------------------|-----------------------|-----------|----------------------------|
| | | £ | £ | £ | £ |
| Unrestricted Funds: | | | | | |
| General Funds | 1,336,984 | 1,399,476 | (1,450,623) | - | 1,285,837 |
| Premises sinking fund | 8,588 | 1,397 | - | - | 9,985 |
| Total, Unrestricted funds | <u>1,345,572</u> | <u>1,400,873</u> | <u>(1,450,623)</u> | - | <u>1,295,822</u> |
| Restricted Funds: | | | | | |
| Cycle training | - | 133,453 | (133,453) | - | - |
| BIG Lottery Champions Project | - | 635,251 | (576,312) | - | 58,939 |
| Peninsula Forestry Commission | - | - | - | - | - |
| Life Cycle Project | - | 1,019 | (1,019) | - | - |
| Climate change project | 9,187 | 25,500 | (34,687) | - | - |
| Total, Restricted funds | <u>9,187</u> | <u>795,223</u> | <u>(745,471)</u> | - | <u>58,939</u> |
| Total Funds | <u>1,354,759</u> | <u>2,196,095</u> | <u>(2,196,095)</u> | - | <u>1,354,759</u> |

| | |
|-------------------------------|---|
| General funds | Unrestricted funds that may be used to further the charity's objects. |
| Premises sinking fund | Unrestricted funds which the Trustees have allocated for the repair and maintenance of National Office. |
| Big Lottery Champions project | The BIG Lottery project set up by the Active Travel Consortium of which the charity is a member to bring the benefits of cycling to a wide range of under-represented groups and communities. |
| Peninsula Forestry Commission | A project with the South West Forestry Commission to develop mountain biking facilities, clubs and other infrastructure in the South West region. |
| Life Cycle Project | The LifeCycle project aims to promote healthy mobility behaviour throughout the entire life time using a life long approach on cycling. |
| Climate change project | A project funded by DEFRA's Climate Challenge Fund to build cyclists' awareness of climate change and its impact. |

8. Analysis of assets in the funds

| | Unrestricted Funds | Restricted Funds | Total Funds |
|--------------------------|-----------------------|---------------------|------------------|
| | £ | £ | £ |
| Cash at bank and in hand | (10,989) | 57,293 | 46,303 |
| Fixed assets | 1,645,523 | - | 1,645,523 |
| Debtors | 173,575 | 80,332 | 253,907 |
| Creditors | 512,288 | 78,687 | 590,975 |
| Total | 1,295,821 | 58,938 | 1,354,759 |

9. Staff costs

| | 2008 £ | 2007 £ |
|---------------------------|----------------|----------------|
| Salaries and fees payable | 491,049 | 390,276 |
| Social security costs | 48,734 | 38,054 |
| Pension costs | 10,502 | 10,746 |
| | 550,285 | 439,076 |

| | | |
|-----------------------------|----|----|
| Average number of employees | 19 | 16 |
|-----------------------------|----|----|

In addition to the above, 16 staff (2007 - 10) were employed by the company on a project basis. The salaries of these staff are shown as expenses of the appropriate activity.

No staff employed by the company earned in excess of £60,000.

10. Members of the Company

Cyclists' Touring Club is the sole member of the Company and has guaranteed to contribute £1 or any smaller amount required in the event of the Company winding up.