

Company Number: 05125969
Registered Charity Numbers: 1104324 and SCO38626



CTC CHARITABLE TRUST

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2011

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

Trustees

J Brown

N N Hayes (resigned on 31st December 2010)

P Mathison (Chairman)

H A Spurr

J M Cockersole (appointed on 24th January 2011)

T Jackson (appointed on 24th January 2011)

J Catt (appointed on 24th January 2011)

Chief Executive and Company Secretary

K E Mayne

Registered Office and Operational Address

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

Auditor

Buzzacott LLP, 130 Wood Street, London, EC2V 6DL

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 the directors of CTC Charitable Trust (the "Charity") for the purposes of company law, submit their report and the accounts for the year to 30 September 2011.

Structure, governance and management

CTC Charitable Trust is a company limited by guarantee, incorporated in England and Wales on 12 May 2004. The Charity was established under a Memorandum of Association which established the objects and powers of the Charity and is governed by its Articles of Association. The company registration number is 05125969.

The Charity 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 2009.

Trustees are appointed by Cyclists' Touring Club ("CTC"), the national cyclists' organisation, which founded the Charity in 2004. The Charity 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 carried out by staff and volunteers from within the CTC membership.

Decision making is subject to a scheme of delegation which has been devised by a sub-committee of the board in liaison with the Chief Executive. Policy making is retained by the board of trustees, however the implementation of these policies is delegated to the Senior management of the trust. The board has an oversight of the principle activities of the organisation and meets as a whole on a quarterly basis. The two main sub-committees of the board also meet on a quarterly basis, and have responsibilities for finance and policy respectively.

Risk review

The Trustees acknowledge their responsibility to assess and manage the risks that the organisation faces and to review them regularly. The trustees have considered the risks to which the Charity is exposed, and has in place policies inherited from CTC that mitigate those risks.

CTC operates a comprehensive annual planning and budgeting process, which is approved by the Board. There is a system of financial reporting to the Board that compares actual results against budget to enable corrective action to be taken as and when appropriate. The Charity has also developed non-financial key performance indicators to provide a more extensive assessment of its effectiveness in meeting its aims.

As a result of these processes the Board is able to focus specific attention on identified risks at appropriate times. For example the Board has invested significant funds in the last three years to ensure the resilience of its information technology systems.

In the last year the Trustees spent significant time working with the Board of CTC to assess the overall impact of the economic situation on CTC as a group of companies, in particular the ending of a number of large funding streams which have been delivered by the Charity. An action plan for responding to the changes was agreed which ensured that the risks were mitigated and will be delivered in the financial year commencing October 2011.

Public benefit

The Board continuously reviews the activities of CTC Charitable Trust against its charitable objectives and its Strategic Vision. The Board is satisfied that all activities are related to these objectives. No specific issues to the detriment of these objectives have been identified.

The Board confirms that they have complied with the duty in the Charities Act 2006 to have due regard to the public benefit in determining the activities undertaken by the Charity. The trustees have given consideration to the Charity Commission's general guidance on public benefit when setting the charity's aims and objectives and planning its activities.

The Board can demonstrate that promoting cycling for individuals, groups and communities contributes to the conservation and protection of the environment, the health and safety of the public, community participation in healthy recreation and amateur sports, social welfare. It provides a programme of education to support all of these activities.

Objectives and activities

The Charity'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 Board of Trustees of CTC and the Trustees of the Charity.

Summary of objects

The objects for which CTC is established are:

To promote cycling, cycle touring, and fellowship between cyclists for the public benefit as a means of furthering the following charitable purposes:-

- The promotion of cycling, including cycle touring, as an amateur sport
- The promotion of the conservation and protection of the environment
- The preservation and protection of the health and safety of the public
- The promotion of community participation in healthy recreation in the interests of social welfare
- The advancement of amateur sports
- The advancement of education

Explanation of the Charity's aims

The Council has adopted a Strategic Vision for the period 2007-2012 which guides achievement of these objects.

It says

Our Vision

A future in which CTC is an innovative, thriving organisation of cyclists and supporters working to promote cycling for all people; cycling that is accessible and safe; cycling that is enjoyable and functional; cycling that enriches lives and communities.

CTC improves lives by promoting cycling for fair, inclusive and sustainable access to health, mobility, transport and leisure.

Our Values

We conduct ourselves ethically and with integrity; our relationships and activities are based on trust and respect, cooperation and companionship. We work together in a way that is supportive, constructive, participative and democratic. We strive for continuing growth, learning and development of individuals, groups and communities.

Significant activities

In its 2007 strategic plan the Council of CTC along with the Trustees of the Charity identified six areas of combined activity which would form the basis of its work. They continue as the main areas in which we operate.

- Working for and supporting all individual cyclists' interests through membership and other means.
- Cyclists' Touring Club supporting the benefits of touring, travelling, holiday & leisure cycling.
- Working with groups and communities who would benefit from low cost transport, better health, exercise and social interaction through increased levels of cycling.
- CTC training and education, a nationally recognised authority on training and education in the cycling sector.
- CTC campaigning will improve access to cycling for all and raise public and political awareness of the needs of current and future cyclists.
- CTC will supply services to public, private and voluntary/community sector organisations.

Grant making policy

CTC Charitable Trust provides grants under its Bike Club project to organisations who are in the process of setting up an independent and self-sustaining Bike Club. Specific terms and conditions are applied to all grants awarded. The bike clubs are set up with the aim of using cycling as a means to engage with children and young people and challenge them to try something new. Young people will have the opportunity to have their activities and achievements recognised through the Youth Achievement Awards.

Achievement and performance

Growing the reach of CTC through beneficiaries, customers and supporters

CTC Charitable Trust reaches people through development projects, extending the public benefit of cycling widely. CTC provided the volunteers, knowledge and services that enabled CTC Charitable Trust to reach over 100,000 additional people in the year. This is our biggest ever programme. These included:

- 12 Workplace Challenges engaged over 900 organisations and over 21,000 participants.
- 279 Bike Clubs have started which are projecting to engage 26,200 young people in the first year of their activities.
- Our Cycle Champions Community Development programme reached the milestone of 50,000 direct and 100,000 indirect beneficiaries at the end of the year including 11,000 direct participants this year.
- Nearly 2,000 people came to our Cycle Xtra forest cycling activities.

We had 5,000 training participants and trained 1000 new instructors, leaders, mechanics and trail builders who will go out to benefit thousands more people through their work.

Bike Club

Bike Club continues to be an inspirational approach to cycling for children and young people, mums and parents, increasing cycling in schools and youth settings. Bike Club reaches and includes all members of the community, regardless of age, religion, ability or social background. With funding from the Department for Transport, the ASDA Foundation and local partners Bike Club now extends right across the UK, launching new clubs in Scotland, Wales and Northern Ireland. Over 275 new cycling clubs have been formed so far, each inspiring young people to make cycling part of their lives.

The Bike Club consortium consists of CTC Charitable Trust, ContinYou, the leading community learning organisation and UK Youth, the leading national youth work Charity.

Cycle Champions

The Cycle Champions project continues to inspire, delivering high quality, innovative cycling activities and local volunteer development across England on behalf of BIG Lottery. As we approach the end of our final year of the four year project we are delighted that we have already beaten our original beneficiary targets in all but 3 of our locations.

Stowheath Cycle Group

Stowheath Cycle Group is made up of adults with learning disabilities at Stow Heath Day Centre in Wolverhampton. The group has around 10 members and is supported by 2 champions who are staff at the day centre.

The group was initially set up to teach the members cycle repair skills, but has grown to be a self-sufficient local re-cycle bike scheme.

The local community has donated bikes and also seek advice and repairs from the club for their bike problems. The club also rides trikes, a hand cycle and the fixed re-cycled bikes around the grounds of the centre.

The club has also encouraged other centre service users to use the bikes to get them outdoors. Members range in age from people in their 30s to 60s and they are from a variety of backgrounds.

Training and Development

A major effort over the last two years was the work to become accredited as an Instructor Training Organisation (ITO), able to qualify cycling instructors under new arrangements for National Standard cycle training. CTC was finally one of the few organisations approved in November 2010. In the meantime, the team have been busy working with partners to deliver cycle training and supporting activities to more than 800 children in a number of local authorities and communities across England. Outside England, CTC have a seat on the Scottish Cycle Training Delivery and Standards Group whilst in Wales we have delivered over £50k of bursaries for instructor training as part of our Wales Assembly Government-funded project to increase capacity in cycle training.

Our education teams have rolled out and scaled up delivery of new products including the continued development of CTC's Mountain Bike Skills Instructor Program which enables the development of a network of CTC Mountain Bike Skills Instructors across the UK.

CTC are also taking the lead and developing a course aimed at volunteer mountain bike trail maintenance. Training volunteers to look after their own trails along with developing and sharing best practice in the sector. After two very successful pilots we look forward to launching the course in 2012. Utilising CTC's partnership with the Forestry Commission and working with a range of private landowners. This course both meets a need in the sector and enables volunteers to look after their own trails, 'big society' in action lead by the CTC's training and education department.

Our education teams have rolled out and scaled up delivery of new products including:

- CTC Trainer Award developed and piloted, to start to enable widespread partnership delivery of maintenance, young leader and ride supporter courses.
- New mechanisms for delivering the Introduction to Supporting Rides and Ride Manager courses
- New Skill Instructor Urban course (meeting urban bike park / bmx track needs) developed, piloted and rolled out.
- First Aid courses for a range of customers integrated and delivered in house.

Workplace cycling

Our commuter focused Workplace Challenge programme continues to prove very popular with a number of challenges delivered this year, from a range of funding sources including local authority physical activity and environment teams, Cycle Towns, Primary Care Trusts, and our own Cycle Champions project.

Cycle Xtra

This project continued during the year and was funded by Cycling England as part of their series of Finding New Solutions pilots. Branded CycleXtra, this project is a partnership with Hoseasons Holidays and the Forestry Commission which saw CTC providing family cycling activities at a number of holiday parks and forests across England.

Mountain biking

Mountain biking is a part of all our programmes, especially training and community development. As well as this we also provide dedicated support where CTC is increasingly being called on to provide the users perspective on a wide range of mountain bike provision, from access agreements to woodland through to purpose built facilities such as pump tracks and trails. In the future we will continue to grow our trail building work and will focus on developing a more effective business model by partnering more closely with major civil engineering companies who are growing increasingly active in the area.

Campaigning

There was limited opportunity in the year to make a positive contribution to the promotion of cycling, much of our campaigning this year was defensive in nature, protecting the benefits that cycling brings. However some long term campaigns have made progress.

In Northern Ireland, a back-bench Assembly Member proposed a compulsory helmet law for cyclists. Fortunately, the major parties were swayed not just by our arguments about the threat to cycling's health and other benefits, but also the potential impact on Northern Ireland's cycle tourism and retail sectors. A big "thank-you" to our volunteers and partners whose efforts helped secure this important win.

At Westminster Andrea Leadsom MP hit the headlines with a call for increased sentences for cyclists who kill. Whilst CTC is happy to support sensible proposals, her proposed legislative change might have affected one cyclist in a decade. Given that pedestrian and cyclist fatalities lead to injustices several times a week, CTC argued that there plenty of far more serious failings of traffic law and enforcement.

CTC strongly criticised government plans, to permit longer lorries onto UK roads, ostensibly for a “trial”. Our members writing to their MPs in support of CTC’s “No longer lorries” campaign clearly made their mark – the Government has decided to scale back the trial.

Further defensive work for mountain bikers and leisure riders related to the Government’s threat to sell off England’s forest estate. After the Government’s hasty U-turn, CTC’s off-road advisor Colin Palmer joined a number of access groups to influence the workings of the Government-appointed Forest Advisory Panel.

Probably the worst development in cycling policy was the abolition of Cycling England (CE) in the Government’s “bonfire of the quangos”. CTC supported CE’s work because it operated incredibly efficiently, with minimal running costs and its programmes overall were having a demonstrable impact on boosting cycle use, reducing car use and improving public health.

We lobbied hard for the protection of some of CE’s work. CTC made sure our guide “Cycling: a local transport solution” was widely disseminated to make the case for good cycle-friendly spending programmes. We are also pleased that efforts to protect the national cycle training scheme Bikeability were rewarded when the funding was ring-fenced for four years.

Funding for cycling was also the focus of a CTC campaign prior to the Scottish Parliament elections in May 2011, seeking to offset a marked decline in funding for cycling, despite significantly increased spending on road-building.

There were some positive steps forward which reflect CTC’s long term campaigning priorities.

The Department for Transport issued a road safety strategy in May. The good news is that the strategy now recognises that the benefits of more and safer cycling can and should go hand in hand, with cycling getting safer the more cyclists there are. This is reflected by the inclusion of “rate-based” indicators to measure improvements in cycle safety, i.e. the risk of a cycle casualty per billion km travelled. This was a key demand of CTC’s 2010 “Safety in Numbers” campaign, as simply aiming to reduce casualty numbers was creating a perverse incentive for discouraging cycling.

Soon afterwards, the Government announced plans to make it easier for councils to introduce 20mph schemes, and changes to various traffic signing regulations, including permission to use the previously outlawed “no entry – except cycling” sign. These are all things which CTC has long campaigned for.

There was also good news for CTC’s “Fill That Hole” awards, presented in conjunction with Aggregate Industries. The aim was to encourage local authorities to respond proactively to cyclists’ reports of potholes via CTC’s fillthathole.org.uk website. Congratulations to the overall winner – Cheshire West & Chester – and to the several other authorities who demonstrated a real commitment to maintaining good road surfaces in financially difficult times.

Meanwhile in Wales, local CTC campaigner Roy Spilsbury continued his multi-year battle to secure cycle access to the wide promenade in Llandudno. At last the local council has announced that it will no longer seek to enforce its archaic bylaw. With the Welsh Government committed to a continuous coastal walking and cycling route we really hope Conwy will accept either that its ambiguously worded bylaw should be lifted, or that cycling was never banned in the first place.

Financial review

Results for the year

During the financial year the organisation has spent money on the introduction of a new financial accounting system to aid both statutory and internal reporting and management.

The organisation experienced an increased level of grant funding by approximately £750,000 in comparison to the previous year and as such related expenditure increased by a similar level.

However, with the ending of a number of our grant funding projects in the forthcoming financial year, new sources of funding are currently being sought. As a result of this, the organisation has had to implement a restructure process in response to the decreased level of project funds.

This year the charity has seen an increase in its operational costs including the general running costs of the building, along with a salary increase as part of the charity's three year agreed negotiations with the staff union. This has in part led to the overall deficit seen in the accounts.

Development of detailed financial plans and policies for the Charity have again been deferred by the Trustees pending the outcome of the proposal, fully supported by the Trustees, that CTC becomes a Charity and that the new charitable organisation merges with the CTC Charitable Trust.

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.

Reserves policy

CTC requires "free reserves" (ie those assets within the general fund excluding tangible fixed assets) to: Ensure cash reserves are available to provide working capital, estimated at around £250,000; Cover short term fluctuations in income (such as when grant income is payable in arrears); Provide continuity of income, for example, to cover the effect of the loss of grant income; Cover capital expenditure; and provide funds available to develop the Strategic Plan. It is estimated that reserves of the order of £500,000 are needed to cover the above.

At the end of the year the Charitable Trust had reserves of £1,201,127 which comprised of £1,081,179 of unrestricted reserves and £119,948 of restricted funds. The "free reserves" showed a deficit of £425,031, in part due to the fact that the building equates to a large proportion of the unrestricted reserves total. Due to the parent-subsidiary relationship between the Trust and the Cyclists' Touring Club, and the impending merger of the two charities, the Board of Trustees has reviewed the available un-restricted reserves in light of the above mentioned reserves policy and consider that there are sufficient reserves across the two charities. Restricted funds are not included within the reserves policy review due to the fact that they are subject to specific conditions.

Principal funding sources including any borrowings

The principal funding sources of CTC Charitable Trust are as follows:

Grant funders are approached by CTC Charitable Trust where their funding can enhance our mission, in particular where the funders have a shared interest in reaching out through cycling to communities that are at risk of ill health or lack of access to services which can be improved by cycling.

We also supply charitable services to some public sector bodies who contract us to deliver activities which enable them to reach more cyclists. These are mainly training and education related.

Future strategy

Education & Development

As Cycling England was wound up in 2011, the Professional Services team has switched their attention to the corporate world and in particular will focus on developing and delivering products which enhance and extend the Workplace Challenges under the new Cycle Friendly Workplace banner. 2011 was also the final year of the European OBIS Project with major activities being to help facilitate a conference London (in conjunction with Transport for London) and running the workshop at which the key decisions will be taken regarding the production of the Best Practice Manual – the primary output of the project;

2011 saw a significant expansion of our current portfolio of off-road courses with a new streamlined booking system launched and a shift in focus towards more public courses. We also plan to roll-out a Skill Instructor Light course which is a new course recently piloted, designed for instructors working on urban skills development environments with a combination of fundamentals from the Trail Leader and Skill Instructor courses followed by a days GO-MTB orientation course. There will also be more news on the provision of skills courses for individuals.

Cycle Champions

Based on exceeding all our targets, the BIG Lottery approved an extension of both the scope of activities and geographic areas for the project to allow us to continue the work for a further period. This will mean all projects targeting the key beneficiary groups including BME groups, older people, inclusive cycling and women. However the project will now also focus on young people for the first time and will allow us to extend Bike Club and related activities into areas they are currently not available. In addition, the territory of each officer has also been expanded such that Cycle Champions activities will now in reach of more than 70% of people in England. The focus will be on achieving the sustainability of the projects after the Lottery funding ends.

Business Development

A number of Workplaces Challenges have already been pencilled in for 2012. We will also focus on improving on-sales of CTC products through the challenge including the affiliated Bicycle User Group (BUG) package and associated CTC membership. We will continue to grow our trail building work and will focus on developing a more effective business model by partnering more closely with major civil engineering companies who are growing increasingly active in the area.

Bike Club

With the project fully underway, 2012 will see the team focus on achieving targets for numbers of clubs, individuals and volunteers engaged in the project as well the extension of the current operating areas. In addition, the new Bike Club website will be launched and there will be a number of events to promote the Bike Club tool kit, a major output from the project that will help embed Bike Club as a ongoing sustainable activity.

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company 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 and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Small company provisions

The report has been prepared in accordance with the special provision for small companies under Part 15 of the Companies Act 2006.

Approved by the Trustees and signed on their behalf by

Chairman
21 January 2012

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 2011 which comprise the statement of financial activities, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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. Our audit work has been undertaken so that we might state to the charity's members and trustees 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 charity, the charity's members as a body and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the statement of trustees' responsibilities set out in the report of the trustees, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the trustees

Edward Finch, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2011

		2011		2010
	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Grants		-	93,352	93,352
Donations, legacies and other voluntary income	2	415,776	-	415,776
Investment income and interest		316	-	316
Total		416,092	93,352	509,444
Incoming resources from charitable activities				
Grants		-	3,588,301	3,588,301
Sales and services provided		520,683	74,848	595,531
Services provided to Group Companies		420,096	-	420,096
Other incoming resources		1,861	-	1,861
Total		942,640	3,663,149	4,605,789
TOTAL INCOMING RESOURCES		1,358,732	3,756,501	5,115,233
RESOURCES EXPENDED				
Costs of generating donations		30,818	-	30,818
Charitable activities				
Health and wellbeing projects		102,761	1,665,367	1,768,128
Youth projects		71,850	1,597,948	1,669,798
Education and services for organisations		110,751	369,652	480,403
Cycle training		350,435	79,536	429,971
Campaigning		276,498	-	276,498
Cycling development		574,536	-	574,536
Total, charitable activities	4	1,486,831	3,712,503	5,199,334
Governance costs		8,769	-	8,769
TOTAL RESOURCES EXPENDED		1,526,418	3,712,503	5,238,921
NET INCOMING / (OUTGOING) RESOURCES , being net income / (expenditure) for the year		(167,686)	43,998	(123,688)
RECONCILIATION OF FUNDS				
Total funds brought forward		1,248,865	75,950	1,324,815
TOTAL FUNDS CARRIED FORWARD	10	1,081,179	119,948	1,201,127

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.

The notes on pages 15 to 21 form part of these financial statements.

BALANCE SHEET AS AT 30 SEPTEMBER 2011

		2011		2010	
	Note	£	£		£
FIXED ASSETS	7		1,506,210		1,581,684
CURRENT ASSETS					
Stocks		172			216
Debtors	8	403,949			533,901
Cash at bank and in hand		<u>213,225</u>			<u>321,244</u>
			617,346		855,361
CREDITORS , amounts falling due within one year:	9		<u>922,429</u>		<u>1,112,230</u>
NET CURRENT LIABILITIES			(305,083)		(256,869)
			<u> </u>		<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,201,127</u>		<u>1,324,815</u>
THE FUNDS OF THE CHARITY					
Unrestricted funds			1,081,179		1,248,865
Restricted funds			<u>119,948</u>		<u>75,950</u>
TOTAL FUNDS	10		<u>1,201,127</u>		<u>1,324,815</u>

In the preparation of these financial statements, advantage has been taken of special exemptions applicable to small companies on the grounds that the Charity is a small company as defined in the Companies Act 2006.

Approved by the Trustees and authorised for issue on 21 January 2012 and signed on their behalf by:

Chairman

The notes on pages 15 to 21 form part of these financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and the Statement of Recommended Practice issued by the Charity Commission in March 2005 and revised in July 2008.
- b) **Incoming and outgoing resources**

All incoming resources are recognised in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant. Where income from grants is related to performance and specific deliverables, this is accounted for as the charity earns the right to consideration by its performance.

Where grant funding is received in advance, the amount is deferred and released to the statement of financial activities monthly, based on the advance claim made and any required adjustment is then made once the next claim is submitted. 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 Charity 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.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated between the expenditure categories of the Statement of financial activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis (see note 6).

c) **Charitable funds**

Unrestricted funds are donations and other incoming resources receivable or generated for the objects of the Charity 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 cost.

All other 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

Intangible Assets - over 10 years

Computer equipment - over three years.

Furniture and other items - over 10 years.

Fully depreciated assets are eliminated from the balance sheet.

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. The costs of minor additions or those costing below £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in most cases is estimated as 3 years.

Fixed assets purchased under grants are not capitalised by the charity in agreement with our funding arrangements.

e) Investments

Investments held as fixed assets are revalued at the portfolio value at the balance sheet date and the gain or loss is taken to the statement of financial activities.

f) 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 Charity'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.

g) 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 CTA 2010 ss 466 – 493 so far as its income and gains are applied for charitable purposes.

h) Pension scheme

The Charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Charity in independently administered funds. The pension costs shown in note 10 represent contributions payable by the Charity to the funds, all of which have been paid over.

i) Cash flow statement

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

j) Related party transactions

The Charity 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

	2011 Unrestricted Funds £	2010 Unrestricted Funds £
Donations (including Gift Aid)	394,396	684,121
Legacies	21,380	882
	415,776	685,003

3. Net incoming / (outgoing) resources for the year

This is stated after charging:

	2011 £	2010 £
Audit fees	8,500	7,000
Bank charges and interest	653	3,163
Depreciation	89,970	104,264
Non-recoverable VAT	17,913	26,144

4. Resources expended on charitable activities

	2011 £			2010 £	
	Staff costs	Other direct costs	Support costs	Total	
Health & Wellbeing Projects	634,212	1,032,417	101,500	1,768,129	1,544,510
Youth Projects	504,616	1,093,332	71,850	1,669,798	1,458,614
Education & Services to organisations	165,507	307,902	6,993	480,402	419,645
Cycle Training	153,392	254,636	21,944	429,972	375,592
Campaigning	178,285	72,741	25,472	276,498	241,529
Cycling Development	400,516	111,617	62,402	574,535	501,872
Total	2,036,528	2,872,645	290,161	5,199,334	4,541,762

5. Grants awarded

The charity makes grants to institutions in accordance with its grant making policy set out in the trustees' report.

The grants payable during the year were for the following purposes:

	Grants awarded to institutions
Youth Projects	
Bike Club	381,688
	381,688

6. Support costs

The allocation of support costs has been based on an estimated proportion of the salary costs of the projects which receive support from central staff. The method of allocation, is consistent with that used in the previous year. The overall allocation is as follows:

	Fundraising costs	Management Fees and Central Overheads	Total
Health & Wellbeing Projects	11,165	90,335	101,500
Youth Projects	7,904	63,946	71,850
Education & Services to organisations	769	6,224	6,993
Cycle Training	2,414	19,530	21,944
Campaigning	2,802	22,670	25,472
Cycling Development	6,864	55,538	62,402
	31,918	258,243	290,161

Staff costs and overhead expenses are allocated to cost centres on the basis of retrospective individual estimations of time spent. The cost centre totals are allocated to the Statement of Financial Activities headings either directly or apportioned on the basis of estimates by management.

Support costs comprise costs incurred directly in support of expenditure on the charitable objects, and include finance and administration costs. These costs have been apportioned to these activities based on the full time equivalent staff time carrying out these activities

7. Fixed assets

	Freehold land and buildings	Furniture and equipment	Intangible assets	Total
Cost	£	£	£	£
1 October 2010	1,564,710	155,266	29,500	1,749,476
Additions during the year	-	14,496	-	14,496
Fully depreciated assets written off	-	-	-	0
30 September 2011	1,564,710	169,762	29,500	1,763,972
Depreciation				
1 October 2010	120,814	41,078	5,900	167,792
Charge for year	26,588	60,432	2,950	89,970
Fully depreciated assets written off	-	-	-	0
30 September 2011	147,402	101,510	8,850	257,762
Net Book Value				
At 30 September 2011	1,417,308	68,252	20,650	1,506,210
At 30 September 2010	1,443,896	114,188	23,600	1,581,684

Intangible assets arose from the purchase by the Charity of the business of OTC Training Limited as a going concern.

The carrying value of the property is reviewed for impairment on a quarterly basis by the investment committee who note rental value and market value of properties of a similar size and geographic location to determine if an impairment may be required.

8. Debtors

	2011	2010
	£	£
Trade debtors	163,601	284,675
Prepayments	205,263	215,860
Amounts due from group companies	33,865	30,698
Other debtors	1,220	2,668
	403,949	533,901

9. Creditors, amounts falling due within one year

	2011	2010
	£	£
Trade creditors	174,774	278,489
Accruals	25,932	60,678
Other taxes and social security	55,631	59,575
Deferred income	31,899	45,540
Other creditors	3,884	11,833
Amounts due to parent undertaking	242,309	268,115
Loan from Cyclists' Touring Club	388,000	388,000
	922,429	1,112,230

The loan from CTC was made to assist in the purchase of the new office and is repayable on 30 September 2012. Interest is payable at the Bank of England base rate.

Deferred income represents grant income for projects received in advance.

10. Movement in funds

	At 30 September 2010	Incoming Resources	Outgoing Resources	Transfers	At 30 September 2011
		£	£	£	£
Unrestricted Funds:					
General Funds	1,234,423	1,358,732	(1,521,523)	-	1,071,632
Premises sinking fund	14,442	-	(4,895)	-	9,547
Total, Unrestricted funds	1,248,865	1,358,732	(1,526,418)	-	1,081,179
Restricted Funds:					
Health and wellbeing projects	52,428	1,686,667	(1,665,367)	-	73,728
Youth projects	8,707	1,583,133	(1,597,948)	-	(6,108)
Education and services for organisations	5,735	407,545	(369,652)	-	43,628
Cycle training	9,080	79,156	(79,536)	-	8,700
Total, Restricted funds	75,950	3,756,501	(3,712,503)	-	119,948
Total Funds	1,324,815	5,115,233	(5,238,921)	-	1,201,127

Funds carried forward are made up of the following:

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.

Health and wellbeing projects

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.
Cycling programmes for health	A project to build on and increase the variety of physical activity opportunities within the already established physical activity referral schemes in Sheffield.
Bike and leisure	A project bringing new people to cycling, motivating people to cycle, and to get people to cycle regularly.
Health communities and older people partnership	A programme of low impact physical activity in Swindon for older adults at risk of inactivity and social exclusion.

Youth projects

Physical activity coordinator for early years	A project to promote active lifestyles across the South East for the early years.
Schools champions and active recreation (Cycling England)	A project to deliver Bike Club in eight places, to integrate cycling beyond simply the journey to school to become a mode of transport to out of school activities.
Schools champions and active recreation (ASDA)	A project to deliver Bike Club in a further six places, to integrate cycling beyond simply the journey to school to become a mode of transport to out of school activities.

Education and services for organisations

Workplace Challenge A number of projects aimed at encouraging employers to assist their employees to cycle for work and for leisure.

11. Analysis of assets in the funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Cash at bank and in hand	93,277	119,948	213,225
Fixed assets	1,506,210	-	1,506,210
Stocks	172	-	172
Debtors	403,949	-	403,949
Creditors	(922,429)	-	(922,429)
Total	1,081,179	119,948	1,201,127

12. Staff costs

	Project staff	Non-Project staff	Total	2010
	£	£	£	£
Salaries and fees payable	1,117,363	744,760	1,862,123	1,657,222
Social security costs	110,721	68,220	178,941	160,925
Pension costs	12,778	15,787	28,565	21,923
	1,240,862	828,767	2,069,629	1,840,070
Average number of employees	62	19	81	100

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

13. Trustees expenses

During the course of the year none of the trustees of the charity incurred, or were subsequently reimbursed, for expenses in relation to the charitable activities of the organisation.

14. Ultimate parent undertaking

As sole member of the Charity, Cyclists' Touring Club has the right to appoint or remove a majority of the board of directors and therefore in accordance with Part 38 section 1159 (b) of the Companies Act 2006, the Charity is a subsidiary of Cyclists' Touring Club, a company limited by guarantee, incorporated in England and Wales. In the event of the Charity winding up, Cyclists' Touring Club, as the sole member, has guaranteed to contribute £1 or any smaller amount required.