

Company Number: 4787626
Registered Charity Number: 1108037

THE CYCLISTS' DEFENCE FUND

REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2009

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

Trustees

R N Geffen
C Langdon (to 31 December 2008)
P D Michaels
R L Muers (from 1 January 2009)
S Shivapadasundaram
H Vecht (from 1 January 2009)

Registered Office and Operational Address

Parklands, Railton Road, Guildford, 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

Company Secretary

K E Mayne

REPORT OF THE TRUSTEES, INCORPORATING THE DIRECTORS' REPORT

The Trustees, who are the directors of The Cyclists' Defence Fund (the "Charity"), submit their report and the accounts for the year ended 30 September 2009.

Structure, Governance and Management

The Cyclists' Defence Fund is a company limited by guarantee, incorporated in England and Wales. 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 Charity's company registration number is 4787626.

The Charity has been registered as a charity by the Charity Commission. The charity registration number is 1108037.

Trustees are appointed by the sole member, Cyclists' Touring Club ("CTC"), the national cyclists' organisation, which founded the Charity in 2003. Trustees are appointed for a period of three years after which Trustees are eligible for reappointment.

Potential new trustees are initially sent information about the Charity's work and the role of Trustees. They are also invited to attend one or more Trustees' meetings as observers, so that they can see the board's work first-hand. They are then asked if they wish to confirm their interest in standing and, if so, the existing Trustees will decide whether to co-opt them. Co-optees are then nominated at the Charity's next AGM, where the members of CTC Council decide whether or not to confirm their appointment.

Risk Review

The Trustees have considered the risks to which the Charity is exposed, and has identified appropriate steps to mitigate those risks.

Objectives and Activities

The Charity exists to:

- preserve and protect the health and safety of the public by encouraging and facilitating safe cycling;
- advance the education of the public in the relationship between cycling and the law;
- further the sound development, administration and knowledge of the law relating to cycling; and
- promote, assist, undertake and commission research into the law, practice, and administration of justice in connection with cycling and to disseminate the useful results of such research.

Achievement and Performance

The Charity has considered a number of possible legal challenges during the past year in support of its charitable objectives. Several of these involved supporting the activities of local cycle campaigners, and in some cases the threat of legal action has helped reverse a decision which would otherwise have been harmful to cycling. For instance, a solicitors' letter funded by the Charity helped a Northamptonshire-based volunteer campaigner to persuade the local authority to stop delaying on allowing cycling within the new Kettering pedestrian-priority area, something they had originally resisted.

In other cases – notably two London-based issues – the Charity received legal advice against pursuing the proposed challenges. We also continue to respond to regular inquiries from cyclists who face what they perceive as unjust prosecutions for minor offences. Whilst in general we are unable to assist with these, we did in one case help a local cycle campaigner to establish that prosecutions being threatened against cyclists for riding on a particular section of the National Cycle Network were in fact unlawful.

The Charity's plans for a book on "Cyclists' and the Law" stalled during the course of the year. We were forced to break off the contract with the person originally commissioned to edit it; however, the book is now progressing well under a new editor.

The Charity will assess its performance by reviewing:

- The numbers of potential legal actions considered, those actually taken on and the outcome of our involvement (including cases resolved informally);
- The amount of new briefings or other publications relating to cycling and the law made available on the Charity's website or by other means, and the numbers of people accessing these materials;
- Donations to the Charity, and the Charity's overall financial performance.

The Charity's ability to support legal actions will depend on suitable cases being brought to the Charity's attention in time to contest them. With only one paid employee working one day per week, the Charity is largely dependent on volunteer contributors to provide material for briefings and other publications.

Financial Review

A steady flow of donations to support the Charity's work was received during the year, contrary to the decline in the previous year. Costs increased during the year due to the need to reimburse CTC for accommodation provided for the Charity's staff and for services provided to the Charity, but these costs were offset by a donation from CTC to the Charity. Overall, the Charity saw a modest increase in reserves during the year.

The Trustees remain of the view that the financial resources held by the Charity need to be substantially increased in order to widen the range of work that the Charity is able to perform, given the high costs of litigation, and have strategies in place to achieve this.

Reserves Policy

At this stage of the Charity's existence, the reserves policy remains a simple one of building up reserves to the level that the Trustees believe is necessary to be able to properly achieve the Charity's objectives.

Investment Policy

Funds are currently held in interest bearing bank and deposit accounts in the Charity's name.

Plans for the Future

We have two potential judicial review cases under consideration at the time of this report. During the year ahead the Charity also expects to be asked to support cases arising from the "Stop Smidsy" campaign recently launched by CTC to tackle bad driving by pressing the police, CPS and the courts themselves to act more firmly on cases of bad driving. The Charity will also be issuing briefings relating to "Stop Smidsy", together with CTC, offering advice to cyclists on what to do in the event of a collision, and how to pursue their case through the various legal processes which ensue following a collision.

The Charity also plans to offer some bursaries for MSc students to support research on matters relating to cycling and the law.

Statement of Trustee's 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 Charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005. 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 Charity 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 2006); 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 Charity's auditor is unaware.

The maintenance and integrity of the Charity'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

R N Geffen
15 December 2009

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CYCLISTS' DEFENCE FUND

We have audited the financial statements of The Cyclists' Defence Fund for the year ended 30 September 2009 which comprise the statement of financial activities, the balance sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Charity's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity'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 Charity and the Charity's members 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' (who are also the directors of the Charity 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) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the report of the Trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the Charity has not kept adequate accounting records, if the Charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Trustees' remuneration specified by law are not made.

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 Trustees 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 of the state of the Charity's affairs as at 30 September 2009 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 United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the report of the Trustees (incorporating the directors' report) is consistent with the financial statements.

IAN STAUNTON (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
LONDON
15 December 2009

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2009

| | Note | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ | Prior Year Total Funds £ |
|--|------|-------------------------|-----------------------|------------------|--------------------------------|
| INCOMING RESOURCES | | | | | |
| Donations, legacies and other voluntary income | 2 | 17,841 | 2,300 | 20,141 | 7,061 |
| Investment income and interest | | 8,577 | - | 8,577 | 1,522 |
| TOTAL INCOMING RESOURCES | | 26,418 | 2,300 | 28,718 | 8,583 |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | | 19,770 | - | 19,770 | 11,763 |
| Governance costs | 3 | 120 | 2,300 | 2,420 | 2,485 |
| TOTAL RESOURCES EXPENDED | | 19,890 | 2,300 | 22,190 | 14,248 |
| NET INCOMING RESOURCES , being net expenditure for the year | | 6,528 | 0 | 6,528 | (5,665) |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | 4 | 96,314 | 0 | 96,314 | 101,979 |
| TOTAL FUNDS CARRIED FORWARD | | 102,842 | 0 | 102,842 | 96,314 |

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 10 and 11 form part of these financial accounts.

BALANCE SHEET AS AT 30 SEPTEMBER 2009

| | 2009 | | 2008 | |
|---|---------------|-----------------------|---------------|----------------------|
| | £ | £ | £ | £ |
| CURRENT ASSETS | | | | |
| Prepayments | 301 | | 55 | |
| Group companies | 6,929 | | 4,326 | |
| Cash at bank and in hand | <u>98,401</u> | | <u>95,704</u> | |
| | | 105,631 | | 100,085 |
| CREDITORS , amounts falling due within one year: | | | | |
| Sundry creditors | | 2,789 | | 3,771 |
| NET CURRENT ASSETS | | <u>102,842</u> | | <u>96,314</u> |
| Unrestricted funds | | 102,842 | | 96,314 |
| TOTAL FUNDS | | <u>102,842</u> | | <u>96,314</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 small as defined by the Companies Act, 2006.

The Notes on pages 10 and 11 form part of these financial accounts.

Approved by the Trustees and authorised for issue on 15 December 2009 and signed on their behalf by:

R N Geffen

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 2005 issued by the Charity Commission.
- b) Voluntary income is received by way of donations and gifts and is included in full in the Statement of Financial Activities when received.
- c) Legacies are recognised when the Charity is advised by the personal representatives of the estate that payment will be made or property transferred and the amount involved can be quantified.
- d) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.
- e) 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.
- f) 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.
- g) The Charity has taken advantage of the exemptions available under FRS1 and has not prepared a cash flow statement.
- h) 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. Donations

| | 2009 | | 2008 | |
|----------------------------|--------------------|------------------|---------------|--------------|
| | Unrestricted Funds | Restricted Funds | Total Funds | Total Funds |
| | £ | £ | £ | £ |
| General donations received | 17,841 | 2,300 | 20,141 | 7,061 |
| Legacies | - | - | - | - |
| Total | 17,841 | 2,300 | 20,141 | 7,061 |

3. Governance costs

| | 2009 | | 2008 | |
|-------------------|--------------------|------------------|--------------|--------------|
| | Unrestricted Funds | Restricted Funds | Total Funds | Total Funds |
| | £ | £ | £ | £ |
| Trustees expenses | - | - | - | - |
| Audit fees | - | 2,300 | 2,300 | 2,350 |
| Professional fees | - | - | - | 15 |
| Bank fees | 120 | - | 120 | 120 |
| Corporation tax | - | - | - | - |
| Total | 120 | 2,300 | 2,420 | 2,485 |

4. Movements in funds

| | At 1 October 2008 £ | Incoming Resources £ | Outgoing Resources £ | At 30 September 2009 £ |
|--------------------|---------------------------|----------------------------|----------------------------|---------------------------------|
| Unrestricted Funds | 96,314 | 26,418 | (19,890) | 102,842 |
| Restricted Funds | - | 2,300 | (2,300) | - |
| Total Funds | 96,314 | 28,718 | (22,190) | 102,842 |

5. Analysis of assets in the funds

| | Unrestricted Funds £ | Restricted Funds £ | Total Funds £ |
|--------------------------|----------------------------|--------------------------|------------------|
| Cash at bank and in hand | 98,402 | - | 98,402 |
| Other net current assets | 4,440 | - | 4,440 |
| Total | 102,842 | - | 102,842 |

6. Staff costs

| | 2009 £ | 2008 £ |
|---------------------------|--------------|--------------|
| Salaries and fees payable | 4,880 | 3,695 |
| Social security costs | - | 36 |
| Pension costs | - | - |
| | 4,880 | 3,731 |

| | | |
|-----------------------------|---|---|
| Average number of employees | 1 | 1 |
|-----------------------------|---|---|

7. Taxation

As The Cyclists' Defence Fund 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.

8. Members of the Charity

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