

**Company Number: 4787626**  
**Registered Charity Number: 1108037**

# **THE CYCLISTS' DEFENCE FUND**

## **REPORT AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2010**

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

### **Trustees**

S M Bolt (from 24 June 2010)  
R N Geffen  
N Gough (from 24 June 2010)  
P D Michaels  
R L Muers  
S Shivapadasundaram  
H Vecht

### **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 2010.

### **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 and the Charity is therefore regarded as a subsidiary of CTC. 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 manage 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**

During the year the Charity has clarified the work it proposes to undertake in line with each of its charitable objectives. It has also started developing a communications strategy to increase awareness of the Charity's work. This process is being led by Chris Field, who has been co-opted to the Board. His background as marketing and communications manager for a spinal injury charity means he brings useful skills in this area, as well as knowledge and contacts relating to personal injury law.

We have also specifically identified four broad areas of law in which we would be interested in supporting legal challenges. These are:

- 1) Decisions by the police, prosecutors, the courts or other public bodies relating to the legal aftermath of cyclists' injuries, whether in relation to civil or criminal legal proceedings;
- 2) Decisions by public authorities relating to transport policy, planning, highway design, highway maintenance or rights of way issues, which fail (adequately) to take account of cycling or cyclists' needs;

- 3) Decisions by the police, prosecutors, the courts or other public bodies which appear to be based on prejudice against cyclists; and
- 4) Decisions by employers, public authorities or other bodies to apply health and safety law in ways which are not legally justified and which may undermine the promotion of cycling.

The Charity is working with RoadPeace, the road crash victims' charity, and with CTC, the national cyclists' organisation, to compile a dossier of media reports of cases where the police, prosecutors or courts appear to have taken poor decisions in the aftermath of a cyclist's injury or death. This dossier can be seen on CTC's "Stop Smidsy" website ([www.stop-smidsy.org.uk/casestudies](http://www.stop-smidsy.org.uk/casestudies) - n.b. Smidsy stands for "Sorry mate I didn't see you", the perennial excuse given for bad driving.) It will help make the case that individual cases supported by the Charity are not just "one off" failings but symptomatic of a wider problem.

During the year the Charity has successfully supported two cases relating to individual cyclists who appeared to the Charity to be facing unjust prosecutions based on prejudice against cyclists rather than sound law. In both cases the prosecutions were dropped prior to a substantive court hearing; however the cyclists concerned had both been very anxious about defending themselves in the absence of the Charity's support.

The Charity also provided financial support for a major challenge on a traffic management issue in London. Regrettably this challenge had to be withdrawn when the claimants being supported by the Charity were refused a cost protection order (they believe incorrectly). This left them (and hence the Charity) potentially open to unlimited liabilities if the case had proceeded, with the Charity having already incurred substantial costs in the meantime. The Charity is bringing a complaint about the way this case was handled, as we believe it was a case with merit, and its failure to proceed has wider implications for the ability of charities and other voluntary sector bodies to mount challenges in the public interest.

The Charity's plan for a book on "Cyclists' and the Law" continues to make progress. We continue to issue briefings on individual high-profile cases relating to cycling, and to provide advice and information to cyclists on general matters relating to cycling and the law.

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 CDF website or by other means, and the numbers of people accessing these materials;
- Donations to the Charity, and the Charity's overall financial performance.

## **Financial Review**

Despite the absence of any public campaigns operated by the Charity, there continued to be a steady but low flow of general donations during the year. Overall, reserves have slightly fallen during the year due to the continued employment of a part time member of staff.

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**

At the time of the year end, we have one potential judicial review cases under consideration, relating to a rights of way issue. During the year ahead the Charity also expects to be asked to support cases arising from CTC's "Stop Smidsy" campaign (see above), and to issue briefings relating to "Stop Smidsy". It already offers 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 Fund has agreed to support a bursary for a Masters student wishing to carry out a research dissertation on a topic falling within the Fund's charitable objects. We have identified outline topics for which we would be interested in supporting research, and have started forging contacts in universities and other institutions who may be willing to advertise the bursary to their students, and to provide supervision if one of their students receives the bursary award.

## **Statement of Trustee's 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 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 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 Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 business.

The trustees are responsible for keeping proper accounting records which 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 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.

In so far as the trustees are aware:

- There is no relevant audit information of which the charity's auditor is unaware; and
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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**

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

**Auditor**

A decision has been made by the Trustees not to reappoint Chantrey Vellacott DFK LLP as auditor.

Buzzacott LLP have indicated their willingness to be appointed as auditor for future accounting periods, subject to their appointment at the next annual general meeting.

Approved by the Trustees and signed on their behalf by

R N Geffen  
8 March 2011

## **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 2010 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 Chapter 3 of Section 16 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 (incorporating the directors' report) 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 2010 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  
8 March 2011

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Prior Year Total Funds £
<b>INCOMING RESOURCES</b>					
Donations, legacies and other voluntary income	2	20,425	2,888	23,313	20,141
Investment income and interest		429	-	429	8,577
<b>TOTAL INCOMING RESOURCES</b>		<b>20,854</b>	<b>2,888</b>	<b>23,742</b>	<b>28,718</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities		25,815	-	25,815	19,770
Governance costs	3	727	2,888	3,615	2,420
<b>TOTAL RESOURCES EXPENDED</b>		<b>26,542</b>	<b>2,888</b>	<b>29,430</b>	<b>22,190</b>
<b>NET (OUTGOING) / INCOMING RESOURCES</b> , being net expenditure / income for the year		<b>(5,688)</b>	<b>-</b>	<b>(5,688)</b>	<b>6,528</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward	4	102,842	-	102,842	96,314
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>97,154</b>	<b>-</b>	<b>97,154</b>	<b>102,842</b>

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 11 and 12 form part of these financial accounts.

## BALANCE SHEET AS AT 30 SEPTEMBER 2010

	2010		2009	
	£	£	£	£
<b>CURRENT ASSETS</b>				
Prepayments	9		301	
Amounts due from parent company	5,845		6,676	
Amounts due from group companies	253		253	
Cash at bank and in hand	<u>99,845</u>		<u>98,402</u>	
		105,951		105,631
<b>CREDITORS</b> , amounts falling due within one year:				
Sundry creditors	2,938			2,789
Amounts due to group companies	<u>5,859</u>			-
		8,797		
<b>NET CURRENT ASSETS</b>		<u><b>97,154</b></u>		<u><b>102,842</b></u>
Unrestricted funds		97,154		102,842
Restricted funds		-		-
<b>TOTAL FUNDS</b>		<u><b>97,154</b></u>		<u><b>102,842</b></u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The Notes on pages 11 and 12 form part of these financial accounts.

These financial statements were approved and authorised for issue by the Trustees on 8 March 2011 and signed on their behalf by:

R N Geffen

Company registration number 4787626

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2010

### 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 in March 2005 and revised in July 2008.
- 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

	2010		2009	
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	£
General donations received	20,425	2,888	23,313	20,141
Legacies	-	-	-	-
<b>Total</b>	<b>20,425</b>	<b>2,888</b>	<b>23,313</b>	<b>20,141</b>

### 3. Governance costs

	2010		2009	
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	£
Trustees' expenses	607	-	607	-
Audit fees	-	2,888	2,888	2,300
Professional fees	-	-	-	-
Bank fees	120	-	120	120
<b>Total</b>	<b>727</b>	<b>2,888</b>	<b>3,615</b>	<b>2,420</b>

During the year 1 Trustee (2009: 0) was reimbursed £106 (2009: £nil) for travel expenses.

#### 4. Movements in funds

	At 1 October 2009 £	Incoming Resources £	Outgoing Resources £	At 30 September 2010 £
Unrestricted funds	102,842	20,854	(26,542)	97,154
Restricted funds	-	2,888	(2,888)	-
<b>Total Funds</b>	<b>102,842</b>	<b>23,742</b>	<b>(29,430)</b>	<b>97,154</b>

#### 5. Analysis of assets in the funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Cash at bank and in hand	99,845	-	99,845
Other net current assets	(2,691)	-	(2,691)
<b>Total</b>	<b>97,154</b>	<b>-</b>	<b>97,154</b>

#### 6. Staff costs

	2010 £	2009 £
Salaries and fees payable	4,768	4,880
Social security costs	-	-
Pension costs	-	-
	<b>4,768</b>	<b>4,880</b>
Average number of employees	1	1

The Trustees did not receive any remuneration during the year (2009: £nil).

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

#### 8. Ultimate parent company

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.