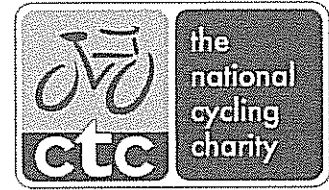


**Company Number: 05125969**  
**Registered Charity Numbers: 1104324 and SCO38626**



## **CTC CHARITABLE TRUST**

### **REPORT AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2012**

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

### **Trustees**

J Brown  
J Catt (resigned 31 December 2011)  
J Cockersole  
T Jackson  
P Mathison (Chair – resigned 31 December 2011)  
H Spurr (Chair – appointed 1 January 2012)

### **Chief Executive and Company Secretary**

Gordon Seabright

### **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 2012.

### 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.

On 30 September 2012 the charity merged with the Cyclists' Touring Club with the net assets transferring to them. All continuing activities are to be transferred to the Cyclists' Touring Club at that date.

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 have 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.

### 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 2011 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 and 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 and 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:

- promote community participation in healthy recreation by promoting the amateur sport of cycling, cycle touring and associated amateur sports;
- preserve and protect the health and safety of the public by encouraging and facilitating cycling and the safety of cyclists;
- advance education by whatever means the trustees think fit, including the provision of cycling, training and educational activities related to cycling;
- promote the conservation and protection of the environment.

## 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 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**

### **Extending the reach of CTC**

The reach continues; with the change in status of our organisation, CTC the national cycling charity continues to build upon the success of our established engagement programmes.

Our aim to promote, inspire, and protect can be seen across the nations of the UK. Our Cycling Champion's Programme may have ended; the Bike Club support from the Department for Transport and the ASDA foundation ceasing in December 2012, but the legacy is evident, and our target to ensure sustainable cycling activity has been achieved.

CTC continue to support the employment of cycling development officers in many towns and cities. Eighteen posts have been re-funded to create new employment opportunities and ensure longevity of our programmes into and beyond 2013.

We bid for, and secured a number of posts through the Local Sustainable Transport Fund; more encouragingly we were able to evidence our capability to deliver cycling activity from an evidence base of our previous year's delivery to new supporters.

European funding for a cycle logistics programme and a new commercial supporter for a cycle for health pilot programme are indicative of our growing reputation. We will evaluate cycling as a behavioural change opportunity to assist in the reduction of the risk of cardio respiratory disease and diabetes<sup>2</sup>. Leeds Metropolitan University is evaluating this programme with a view to extending this programme in 2013.

### **Bike Club**

Bike Club continues to be an inspirational approach to cycling for children and young people, mums, dads and guardians, 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. The funding may be concluding, but the lessons learned, the tools for engagement and the experience gained now form a product which our cycling development officers offer. The toolkit, advice, support to new groups and the branding available adds to the armory which is available to our regional staff.

Across the UK, England, Scotland, Wales and Northern Ireland we now boast 300 new cycling clubs, 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 refused to end in 2012; BIG Lottery, impressed by our ability to deliver cycling to those communities which would not normally engage in cycling activity, and our efforts which enabled us to exceed our targets for 2011, allocated a further 6 months funding for 13 projects and a 12 month funding 'pot' for our flagship Sheffield scheme. Our cycling development officers have recruited Champions and volunteers in the community who continue to inspire, delivering high quality, innovative cycling activities across England. The four year funding may have ceased in 2012, the legacy a proud achievement. Examples of continuing successes 'beyond the funding' this year;

- Stroke and Mental Health support cycling groups in East Hants

- Mental Health sessions at Endcliffe Park Sheffield
- Cycle for Health and disability cycling groups at Hillsborough park, Sheffield
- 'Cycling through the years' at Swindon

Indicative of the letters we receive from new cyclists who attend our sessions;

"Since taking up the cycling beginner's course I can now ride a bike confidently and on my own. I did a trip on my own from the Swindon football stadium all the way down to the great western hospital via Coate Water. I was so impressed with the progress I have made. I have also done one of the free group bike rides on Sundays which was fantastic."

### **Training and Development**

Our status as an Instructor Training Organisation (ITO), our reputation with the Department for Transport, and our capacity to deliver through our network of accredited instructors, saw the award of a major financial contribution to deliver additional bikeability courses to young people beyond the curriculum hours. Training to the branded National Standard cycle training criteria we were able to deliver and commit to training 3000 new young cyclists.

Our education and development team, not content with the delivery of already excellent cycle training products, have enhanced the delivery of, increased the portfolio of, and all round bettered the offer of CTC for all things 'training'. A suite of training programmes and opportunities for bespoke training courses are now on offer. From beginner to instructing the instructor.

Emphasis on quality and professionalism remains the ethos; equally important, access and availability for all. The next twelve months challenge for training and development will be to ensure that 'cycling for all', through disability instructor courses is met. Our organisational aspirations to promote inspire and protect cyclists whatever their ability, drives us to meet these needs. So far;

Our education teams have rolled out and scaled up delivery of the following 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.
- Women specific led rides.
- All inclusive cycling sessions.

### **Workplace cycling**

Our commuter focused Workplace Challenge programme with our partner organisation Challenge for Change continues to prove very popular. Commuter cyclists, workplace employees and owners have responded magnificently over the past 12 months to new challenges set in York, Leicestershire, Greater Manchester, Wales, Reading, Kirckaldy and the Isle of Wight to name but a few localities. It is not only the investment of time from CTC, but the funding support from local authorities, primary care trusts and environmental team partnerships that continue to make our 'workplace cycle challenges so successful.

### **Cycle Logistics**

Intelligent Energy Europe supported CTC to introduce 'cycle logistics'. This programme aims to convince organisations that the conveying by cargo bikes of goods in the urban environment is not only economically viable, but a socially responsible and effective means of transportation. We have extended this concept to offer an incentive led scheme, 'shop by bike' to encourage people to move from the car to the bike when considering their weekly shopping needs. Vouchers, advice and a post pilot evaluation study form just part of this behavioural change initiative. Results are expected toward the end of 2013.

### **Off-Road Cycling Development**

Training and education, community engagement, campaigning and information provision for the ever increasing popularity of off-road cycling has necessitated CTC to respond to demand. Embracing the challenge, new products,

courses and contracts have been developed and secured. Skills courses, trail build, maintenance, led rides, technical leading, inclusive riding, trail maintenance and first aid in the outdoors. This work continues apace.

The launch in 2012 of our off-road 'centre of excellence' in North Yorkshire allows us to look to the future with confidence. Dalby Forest is the location of the Dalby Bike Barn. Established as a partnership enterprise between CTC, PACE Cycles and the Forestry commission, the 'DBB' offers everything for off-roaders of all abilities. Offering beginners to elite world-cup competitive off-road (or mountain bike if you like) riders an all-inclusive service; from bike hire to education, bike sales to social support, and top quality food to an opportunity to ride some of the greatest trails in the world, CTC can be rightly proud of their satellite headquarters for off-road riding.

## **Financial review**

### **Results for the year**

The results for this financial year reflect the ending of the Champions and other project work. This is reflected in the significant decrease of £1,715,364 in grant income and is due to the completion of Champions and other projects.

The impact of this, as reported last year, was an organisational restructure with a number of staff being made redundant. The restructure process was carried out in three phases and is now complete.

At midnight on the 30 September 2012 the Trust merged with the Club and all staff were TUPE'd to the Club and all outstanding activities will now be carried out within the Club.

### **Reserves policy and financial risk review**

The strategic plan for the Charity for this financial year was 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.

### **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.

### **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**

At midnight on 30 September 2012 CTC Charitable Trust merged with the Cyclists' Touring Club. All projects and contract delivery plans will be a part of the strategy of CTC.

### **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.

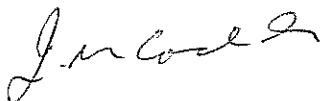
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



J Cockersole  
Vice Chair  
20 March 2013



## **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 2012 which comprise the statement of financial activities, the balance sheet, the principal accounting policies 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 2012 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

214113

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 2012**

		2012		2011	
	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Grants		-	66,915	66,915	93,352
Donations, legacies and other voluntary income	2	15,508	-	15,508	415,776
Investment income and interest		293	-	293	316
<b>Total</b>		<b>15,801</b>	<b>66,915</b>	<b>82,716</b>	<b>509,444</b>
<b>Incoming resources from charitable activities</b>					
Grants		-	1,899,374	1,899,374	3,588,301
Sales and services provided		710,480	-	710,480	595,531
Services provided to Group Companies		423,284	-	423,284	420,096
Other incoming resources		1,460	-	1,460	1,861
<b>Total</b>		<b>1,135,224</b>	<b>1,899,374</b>	<b>3,034,598</b>	<b>4,605,789</b>
<b>TOTAL INCOMING RESOURCES</b>		<b>1,151,025</b>	<b>1,966,289</b>	<b>3,117,314</b>	<b>5,115,233</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating donations</b>					
		<b>33,328</b>	-	<b>33,328</b>	<b>30,818</b>
<b>Charitable activities</b>					
Health and wellbeing projects		108,643	830,944	939,587	1,768,128
Youth projects		152,973	628,930	781,903	1,669,798
Education and services for organisations		562,320	290,994	853,314	480,403
Cycle training		257,487	55,825	313,312	429,971
Campaigning		247,414	-	247,414	276,498
Cycling development		284,926	-	284,926	574,536
<b>Total</b>	4	<b>1,613,763</b>	<b>1,806,693</b>	<b>3,420,456</b>	<b>5,199,334</b>
<b>Governance costs</b>		<b>14,574</b>	-	<b>14,574</b>	<b>8,769</b>
<b>Transfer to Cyclists' Touring Club (Registered Charity No. 1147607)</b>	15	<b>570,539</b>	<b>279,544</b>	<b>850,083</b>	-
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,232,204</b>	<b>2,086,237</b>	<b>4,318,441</b>	<b>5,238,921</b>
<b>NET OUTGOING RESOURCES, being net expenditure for the year, and net movement in funds</b>					
		<b>(1,081,180)</b>	<b>(119,948)</b>	<b>(1,201,127)</b>	<b>(123,688)</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		1,081,179	119,948	1,201,127	1,324,815
<b>TOTAL FUNDS CARRIED FORWARD</b>	10	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,201,127</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 discontinued activities of the CTC Charitable Trust.

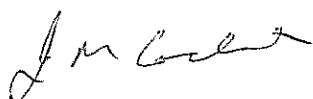
The notes on pages 13 to 20 form part of these financial statements.

## BALANCE SHEET AS AT 30 SEPTEMBER 2012

	Note	2012 £	£	2011 £
<b>FIXED ASSETS</b>	7		-	1,506,210
<b>CURRENT ASSETS</b>				
Stocks		-		172
Debtors	8	-		403,949
Cash at bank and in hand		-		213,225
			-	617,346
<b>CREDITORS</b> , amounts falling due within one year:	9		-	922,429
<b>NET CURRENT LIABILITIES</b>			-	<b>(305,083)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			-	<b>1,201,127</b>
 <b>THE FUNDS OF THE CHARITY</b>				
Unrestricted funds			-	1,081,179
Restricted funds			-	119,948
<b>TOTAL FUNDS</b>	10		-	<b>1,201,127</b>

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 19 January 2013 and signed on their behalf by:



J Cockersole  
Vice Chair

The notes on pages 13 to 20 form part of these financial statements.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

### 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) **Transfer to connected charity**

At midnight on the 30 September 2012 the Trust merged with the Cyclists' Touring Club (Registered Charity Number 1147607) and all assets and liabilities were transferred to the Club (see note 15).

c) **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).

d) **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.

**e) 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

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) Intangible Fixed Assets**

Intangible fixed assets represent the purchase of OTC Training Limited as a going concern . All such assets are being amortised on a straight- line basis over a period of 10 years to spread the cost over its expected useful life.

**f) Investments**

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

**g) 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.

**h) Corporation tax**

As the CTC Charitable Trust is a registered charity under the Charities Act 2011 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.

**i) 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 12 represent contributions payable by the Charity to the funds, all of which have been paid over.

**j) Cash flow statement**

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

flow statement.

**k) 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**

	2012			2011
	Unrestricted Funds	Restricted Funds	Total Funds	Unrestricted Funds
	£	£	£	£
Donations (including Gift Aid)	3,508	-	3,508	394,396
Legacies	12,000	-	12,000	21,380
	<b>15,508</b>	<b>-</b>	<b>15,508</b>	<b>415,776</b>

**3. Net outgoing resources for the year**

This is stated after charging:

	2012	2011
	£	£
Audit fees	8,974	8,500
Non-audit services provided by auditor	638	-
Bank charges and interest	565	653
Depreciation	65,794	89,970
Non-recoverable VAT	20,731	17,913

**4. Resources expended on charitable activities**

	2012			2011	
	Staff costs	Other direct costs	Support costs	Total	£
	£	£	£	£	£
Health & Wellbeing Projects	508,226	225,384	205,977	939,587	1,768,129
Youth Projects	299,465	360,822	121,616	781,903	1,669,798
Education & Services to organisations	377,266	323,147	152,901	853,314	480,402
Cycle Training	123,002	140,459	49,851	313,312	429,971
Campaigning	143,867	45,239	58,308	247,414	276,498
Cycling Development	127,643	105,551	51,732	284,926	574,536
Total	<b>1,579,469</b>	<b>1,200,602</b>	<b>640,385</b>	<b>3,420,456</b>	<b>5,199,334</b>

## 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:

	2012	2011
	£	£
Youth Projects		
Bike Club	122,978	381,688
	<u>122,978</u>	<u>381,688</u>

Small grants were awarded by Bike Club averaging £2,000 to 27 schools, 18 community groups and 16 youth groups during the year.

## 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:

	Management fees	Premises costs	General office	Other staff costs	Financial costs	Total
	£	£	£	£	£	£
Health & Wellbeing Projects	109,004	9,961	41,486	17,803	27,723	205,977
Youth Projects	64,229	5,914	24,195	10,570	16,707	121,616
Education & Services to organisations	80,916	7,470	30,370	13,352	20,791	152,901
Cycle Training	26,381	2,490	9,598	4,451	6,931	49,851
Campaigning	30,857	2,801	11,845	5,007	7,797	58,307
Cycling Development	27,377	2,489	10,484	4,451	6,932	51,733
	<u>338,764</u>	<u>31,125</u>	<u>127,978</u>	<u>55,634</u>	<u>86,881</u>	<u>640,385</u>

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
	£	£	£	£
<b>Cost</b>				
1 October 2011	1,564,710	169,762	29,500	1,763,972
Additions during the year	-	14,650	-	14,650
Transfer to CTC	(1,564,710)	(184,412)	(29,500)	(1,778,622)
30 September 2012	-	-	-	-
<b>Depreciation</b>				
1 October 2011	147,402	101,510	8,850	257,762
Charge for year	26,588	36,256	2,950	65,794
Transfer to CTC	(173,990)	(137,766)	(11,800)	(323,556)
30 September 2012	-	-	-	-
<b>Net Book Value</b>				
At 30 September 2012	-	-	-	-
At 30 September 2011	1,417,308	68,252	20,650	1,506,210

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

	2012	2011
	£	£
Trade debtors	-	163,601
Prepayments	-	205,263
Amounts due from group companies	-	33,865
Other debtors	-	1,220
	-	<b>403,949</b>

## 9. Creditors, amounts falling due within one year

	2012	2011
	£	£
Trade creditors	-	174,774
Accruals	-	25,932
Other taxes and social security	-	55,631
Deferred income	-	31,899
Other creditors	-	3,884
Amounts due to parent undertaking	-	242,309
Loan from Cyclists' Touring Club	-	388,000
	-	<b>922,429</b>

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 2011	Incoming Resources £	Outgoing Resources £	Transfers £	At 30 September 2012 £
<b>Unrestricted Funds:</b>					
General Funds	1,071,632	1,151,025	(1,661,665)	(560,992)	-
Premises sinking fund	9,547	-	-	(9,547)	-
<b>Total, Unrestricted funds</b>	<b>1,081,179</b>	<b>1,151,025</b>	<b>(1,661,665)</b>	<b>(570,539)</b>	<b>-</b>
<b>Restricted Funds:</b>					
Health and wellbeing projects	73,728	802,346	(830,944)	(45,130)	-
Youth projects	(6,108)	800,453	(628,930)	(165,415)	-
Education and services for organisations	43,628	261,154	(290,994)	(13,788)	-
Cycle training	8,700	97,152	(55,825)	(50,027)	-
Campaigns	-	5,184	-	(5,184)	-
<b>Total, Restricted funds</b>	<b>119,948</b>	<b>1,966,289</b>	<b>(1,806,693)</b>	<b>(279,544)</b>	<b>-</b>
<b>Total Funds</b>	<b>1,201,127</b>	<b>3,117,314</b>	<b>(3,468,358)</b>	<b>(850,083)</b>	<b>-</b>

Funds 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.
<b>Health and wellbeing projects</b>	
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.
<b>Youth projects</b>	
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.
<b>Education and services for organisations</b>	
Workplace Challenge	A number of projects aimed at encouraging employers to assist their employees to cycle for work and for leisure.

### Cycle Training

Bikeability	Training qualification delivered to children and adults
National Standards Instructor	Courses to train the trainers
Mountain Bike	Courses designed to train instructors, bespoke groups and individuals.

## 11. Analysis of assets in the funds

	Unrestricted Funds	Restricted Funds	Total Funds	2011
	£	£	£	£
Cash at bank and in hand	-	-	-	213,225
Fixed assets	-	-	-	1,506,210
Stocks	-	-	-	172
Debtors	-	-	-	403,949
Creditors	-	-	-	(922,429)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,201,127</b>

## 12. Staff costs

	Project staff	Non-Project staff	Total	2011
	£	£	£	£
Salaries and fees payable	1,186,730	257,629	1,444,359	1,862,123
Social security costs	117,709	25,574	143,283	178,941
Pension costs	19,537	5,618	25,155	28,565
	<b>1,323,976</b>	<b>288,821</b>	<b>1,612,797</b>	<b>2,069,629</b>

The average number of employees, analysed by function was:

	Actual numbers		Full time equivalent	
	2012	2011	2012	2011
Health & wellbeing	15	20	14	18
Youth projects	10	16	9	15
Education & services for organisations	7	7	7	7
Cycle training	12	16	5	8
Campaigns	4	6	4	6
Cycling development	4	5	4	5
Support and administration	10	11	8	9
	<b>62</b>	<b>81</b>	<b>51</b>	<b>68</b>

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.

#### 15. Transfer of Assets

With effect from midnight on 30 September 2012 the CTC Charitable Trust merged with the Cyclists' Touring Club and the following assets and liabilities were transferred to the Cyclists' Touring Club:

	£
Tangible Fixed Assets	1,437,366
Intangible Assets	17,700
Stocks	172
Cash at bank and in hand	101,309
Debtors	508,095
Creditors	<u>(1,214,559)</u>
	<u>850,083</u>

The above transfer included £279,544 of restricted funds of which £182,724 were debtors and £96,820 were cash at bank.