

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

# **THE CYCLISTS' DEFENCE FUND**

## **REPORT AND FINANCIAL STATEMENTS**

**30 SEPTEMBER 2011**

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

### **Trustees**

S M Bolt  
C Field (appointed 01.02.2011)  
R N Geffen  
N Gough  
P D Michaels (resigned 31.08.2010)  
R L Muers  
S Shivapadasundaram  
H Vecht

### **Registered Office and Operational Address**

Parklands, Railton Road, Guildford, 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

### **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 2011.

### **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.

Decision making is retained within the board of trustees, which meets on average once a quarter. The board has an oversight of the principle activities of the organisation.

### **Risk Review**

The Trustees have considered the risks to which the Charity is exposed, and have 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.

The trustees have considered the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The Board confirms that they have complied with the duty in the Charity Act 2006 to have due regard to the public benefit in determining the activities undertaken by the charity.

## **Achievement and Performance**

One important achievement in the past year was to support individual members of CTC in persuading Cumbria Council to reverse a decision to permit the illegal and dangerous practice of driving motor vehicles through a bridleway tunnel which carries National Cycle Network route 20 under the A590 Witherslack Bypass in Cumbria. When local councillors, responding to community pressures, initially voted to legalise the practice, CDF provided funds to initiate a legal challenge. Council officers had previously given undertakings to the Local Government Ombudsman to take steps to prevent driving through the underpass. Prompted by the legal challenge, they invited Councillors to review the decision, advising them of the legal consequences of proceeding with it. Discussions are still ongoing about alternative solutions – there is still strong community pressure to admit driving through the tunnel despite it being below even the minimum width requirements for a pedestrian-and-cycle only tunnel, let alone one for use by motor vehicles. Nonetheless CDF remains hopeful of a satisfactory resolution.

CDF also provided support for a legal challenge to the conduct and outcome of an inquest into the death of cyclist Eilidh Cairns, who was killed by a lorry near Notting Hill in 2009. The driver was never charged with even a careless (let alone a dangerous) driving offence, and only pleaded guilty to driving with uncorrected defective eyesight when Eilidh's bereaved family pressured the police to check his vision. Eilidh's sister Kate Cairns remained concerned that the coroner had disallowed questioning of various key aspects of the case, including the positioning of the driver's mirrors and the layout of the junction, and the coroner's failure even to consider using her powers to report on any aspect of the case which was symptomatic of "a systemic problem". Sadly, the High Court did not accept Kate's lawyers' argument that the involvement of lorries in around 20% of all cycle fatalities, and over 50% of fatalities in London, represented a systemic problem.

## **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**

Failings of the legal system in the aftermath of fatal or serious injuries to cyclists are expected to form a key element of CDF's future activities. CDF, together with CTC and road crash victims' charity RoadPeace, is seeking funding to publicise individual cases where there appear to have been failings of police investigations or evidence-gathering, weak prosecutions or poorly conducted court hearings, leading to light sentences or failures to convict at all, in cases where tough sentences seem to be warranted. This project is timely, as the Government is considering minor changes to the framework of road traffic offences and sentences, when a more comprehensive overhaul appears to be justified.

The formation of this partnership has also underpinned some work carried out during the year to review its relationship with CTC, the organisation which established CDF in the first place and which currently remains its sole member. CDF remains dependent on CTC for publicity and fundraising support, as well as for the employment of its one part-time staff member and for financial services, under a Service Level Agreement with CTC. Due to reductions in CTC's revenues, that support has weakened during the past year, and CDF Trustees have sought clarity from CTC about the extent to which CTC wishes to be related to, or independent of, CDF

itself. A way forward has been agreed and CDF will now be looking at ways to involve other partner organisations in its activities and decision-making processes.

## **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 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.

Approved by the Trustees and signed on their behalf by

R N Geffen  
21 January 2012

## **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 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. 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 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.

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.

### **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 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; or
- we have not received all the information and explanations we require for our audit.

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

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

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds £	Prior Year Total Funds £
<b>INCOMING RESOURCES</b>					
Donations, legacies and other voluntary income	2	20,661	2,000	22,661	23,313
Investment income and interest				-	429
<b>TOTAL INCOMING RESOURCES</b>		20,661	2,000	22,661	23,742
<b>RESOURCES EXPENDED</b>					
Charitable activities		25,428		25,428	25,815
Governance costs	3	563	2,000	2,563	3,615
<b>TOTAL RESOURCES EXPENDED</b>		25,991	2,000	27,991	29,430
<b>NET OUTGOING RESOURCES</b> , being net expenditure for the year		(5,330)	-	(5,330)	(5,688)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward	4	97,154		97,154	102,842
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>91,824</b>	<b>-</b>	<b>91,824</b>	<b>97,154</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 10 to 12 form part of these financial accounts.



## BALANCE SHEET AS AT 30 SEPTEMBER 2011

	2011		2010	
	£	£	£	£
<b>CURRENT ASSETS</b>				
Prepayments	-		9	
Amounts due from parent company	5,057		5,844	
Amounts due from group companies	253		253	
Cash at bank and in hand	<u>101,382</u>		<u>99,845</u>	
		106,692		105,951
<b>CREDITORS</b> , amounts falling due within one year:				
Sundry creditors	7,849		2,938	
Amounts due to group companies	<u>7,019</u>		<u>5,859</u>	
		14,868		8,797
<b>NET CURRENT ASSETS</b>		<u><b>91,824</b></u>		<u><b>97,154</b></u>
Unrestricted funds		91,824		97,154
Restricted funds		-		-
<b>TOTAL FUNDS</b>		<u><b>91,824</b></u>		<u><b>97,154</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 10 to 12 form part of these financial accounts.

These financial statements were approved and authorised for issue by the Trustees on 21 January 2012 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 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) 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.

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 are those costs which relate to the direct running of the charity and its responsibilities to be compliant with the various legislations applicable to it. Costs such as audit fees and expenses in relation to trustees meeting are included in this area.

The salary is recharged at cost to CDF from CTC Charitable Trust who maintains the staff member on the payroll. For office accommodation and other management services, an appropriate rate has been calculated based on the office space required and the level of transaction handling required by the finance department.

- 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

	2011		2010	
	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	£	£	£	£
General donations received	20,661	2,000	22,661	23,313
<b>Total</b>	<b>20,661</b>	<b>2,000</b>	<b>22,661</b>	<b>23,313</b>

### 3. Governance costs

	2011		2010
	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Trustees' expenses	442	-	442
Audit fees	-	2,000	2,000
Professional fees	-	-	-
Bank fees	121	-	121
<b>Total</b>	<b>563</b>	<b>2,000</b>	<b>2,563</b>

During the year no Trustees (2010: 1) were reimbursed (2010: £106) for travel expenses.

### 4. Movements in funds

	At 1 October 2010	Incoming Resources	Outgoing Resources	At 30 September 2011
	£	£	£	£
Unrestricted funds	97,154	20,661	(25,991)	91,824
Restricted funds	-	2,000	(2,000)	-
<b>Total Funds</b>	<b>97,154</b>	<b>22,661</b>	<b>(27,991)</b>	<b>91,824</b>

### 5. Analysis of assets in the funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Cash at bank and in hand	101,382	-	101,382
Other net current assets	(9,558)	-	(9,558)
<b>Total</b>	<b>91,824</b>	<b>-</b>	<b>91,824</b>

### 6. Support Costs

The allocation of support costs has been based on an estimated proportion of time costs of the individual member of staff. The method of allocation is consistent with that used in the previous year. The overall allocation is as follows:

	Charitable Activities	Total
	£	£
Support staff	4,992	4,992
Administration costs	13,980	13,980
	<b>18,972</b>	<b>18,972</b>

A service level agreement is in place with partner organisations to provide a part time staff member along with office accommodation and accountancy provision. The fees payable under these service level agreements are listed below:

- Salary £4,992
- Management charges £13,980

## 7. Staff costs

	<b>2011</b>	<b>2010</b>
	£	£
Salaries and fees payable	4,992	4,768
Social security costs	-	-
Pension costs	-	-
	<u><b>4,992</b></u>	<u><b>4,768</b></u>
Average number of employees	<u>1</u>	<u>1</u>

The Trustees did not receive any remuneration during the year (2010: £nil).

## 8. 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.

## 9. 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.