

Charity Registration No. 1115789

Company Registration No. 1766411 (England and Wales)

London Cycling Campaign
(A Company Limited by Guarantee)
Report and Consolidated Financial Statements
For The Year Ending 31 March 2017



LONDON
CYCLING
C A M P A I G N

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London Cycling Campaign

A Charitable Company Limited by Guarantee Number	1766411
Registered Charity Number	1115789
VAT registration number	213 7639 12
Principal & Registered Office	2 Newham's Row London SE1 3UZ
Auditors	Moore Stephens LLP 150 Aldersgate Street London EC1A 4AB
Solicitors	Bates, Wells & Braithwaite 10 Queen Street Place London EC4R 1BE
Bankers	Unity Trust Bank plc Nine Brindleyplace Birmingham B1 2HB
Chief Executive	Ashok Sinha
Company Secretary	Ashok Sinha
Charity Correspondent	Ashok Sinha

Board of Trustees

Trustees serving at 31 March 2017

Trustee	Election Date / Term of Office	Trustee Role
Rachel Aldred	October 2014 – October 2016 Re-elected October 2016 until October 2018	
Mustafa Arif	October 2015 – October 2017	Vice-Chair
Dan Barnes	October 2015 – October 2017	
Amy Foster	October 2016 – October 2018	
Tom Harrison	October 2016 – October 2018	
Tony Levene	October 2015 – October 2017	Treasurer
Terry Patterson	October 2015 – October 2017	
Christian Wolmar	October 2016 – October 2018	

Trustees serving part of the financial year

Trustee	Election Date / Term of Office	
Lucy Carter	October 2016 – October 2018 Resigned January 2017	
George Coulouris	October 2014 – October 2016	
Alex Dillistone	October 2014 – October 2016	
Ann Kenrick	October 2015 – October 2017 Resigned February 2017	Chair
Gareth Redmond	October 2014 – October 2016	
Hannah Roberts	October 2014 – October 2016	

All board members normally serve for a period of two years, elected at the AGM (normally in October or November), in accordance with the charity's Articles of Association.

Finance and Administration Committee

Members serving during the year

Nicholas Davies	
Alex Dillistone	Trustee
Tony Levene	Treasurer and Chair of the Committee
Paul Megson	

Our Vision

London Cycling Campaign's vision for London is a city where everyone who wishes to, whatever their age or ability, can cycle safely and enjoyably as a means of everyday transport as well as for recreation. We wish London to be city in which a mass cycling culture brings better quality of life, reduced environmental impacts, improved health, and increased mobility for its inhabitants.

Our Mission

London Cycling Campaign's mission is to make cycling the principal transport choice (after walking) across Greater London, by:

- Ensuring that the views and interests of people who already cycle in London or wish to do so are persuasively articulated, routinely requested and effective in influencing decision-making.
- Harnessing the power of enthused members, supporters, staff, volunteers, local groups and community organisations to campaign, engage, and work in partnership.
- Delivering high quality promotion of cycling directly at the community level, with businesses, local authorities and other organisations.
- Providing excellent services to our members.
- Ensuring that our members and volunteers are empowered and their efforts to promote cycling are recognised and valued.

Our Values

- We believe in the power of voluntarism, and are inspired by the knowledge, passion, and commitment of our volunteers.
- We believe in a better London - one that that is freed from over-reliance on motor vehicles and whose neighbourhoods and places are safer, greener, healthier and more vibrant as a result.
- We believe in a globally-sustainable London – one that plays its full role in averting climate change and preserving the global environment and the Earth's natural resources for the benefit of future generations.
- We believe in promoting diversity and equality, both within the charity and across our work.
- We believe we should be accountable to those on whose behalf we are working.
- We believe in being open and inviting to all who wish to enjoy our rides and activities, or who wish to participate in our activism.

Our Work

The London Cycling Campaign (LCC) has over 12,000 members spread across all 32 London boroughs and the City of London, and is one of the largest urban cycling organisations in the world. It is the main representative body for cyclists in London and works closely with national, regional and local government, public agencies and authorities, businesses and strategic transport authorities, development and regeneration bodies, and environmental and sustainable transport organisations. LCC also works with a wide range of local and community groups.

LCC pursues a broad range of projects and programmes including:

- Persuading national, regional and local government to increase resources for cycling and to improve its quality of provision.
- Giving a voice to individual LCC members, and the general public, especially by helping them to engage with official decision-making processes.
- Supporting community groups and our local groups regarding cycling promotion, advocacy, networking, policy analysis, engaging the media, and putting on local rides.
- Engaging with London's councils, public authorities and the business sector to build cycling into their business priorities and support them in delivery.
- Working with transport, development, architecture, public realm, regeneration and environmental organisations to link cycling with environmental, social and economic goals.

Structure, Governance and Management

LCC is a charitable company limited by guarantee and was established by the coalescence of a number of local London grass root cycling campaign groups in 1978. All LCC members are members of the company. The governing document of LCC is the Memorandum and Articles of Association passed at an EGM of the members on 4 July 2006 and amended at the AGM on 16 October 2007. (Further amendments were made at the AGMs of 2012 and 2014). LCC became a registered charity on 14 August 2006. The Charity has a wholly owned subsidiary, London Cycling Campaign Trading (a private limited company) whose directors are the appointed by the trustees (the roles are currently held by the charity's Treasurer and CEO).

LCC is governed by a Board of Trustees of 10 members, half of whom are elected on a rotational basis at the Annual General Meeting, each serving a two-year period. (The trustees are also Directors for the purposes of the Companies Act 2006.)

Nominations for Trustee positions are sought through outreach to the LCC membership, targeted advertising and recommendation. The election is conducted via electronic voting in the run up to, and physical voting at, the Annual General Meeting. New Trustees receive appropriate induction materials and, as a general rule, have induction meetings with staff.

The Board establishes the overall strategic aims of the organisation, supported by recommendations from the staff team. It scrutinises the endeavours of the staff team in particular, and the whole organisation in general, to achieve these aims. It is assisted in this by a number of committees to whom it delegates authority for overseeing key areas of activity. This helps the Board ensure that adequate and necessary plans and processes are in place for the organisation to pursue its objectives. The Board is also responsible for ensuring that the Charity meets all its legal obligations, and also for addressing governance matters and overseeing the charity's internal democracy.

As of 31st March 2017 the Board subcommittees referred to above, and their remits, were as follows:

- *Campaigns & Active Membership Committee (C&AM)*: oversees LCC's advocacy, campaigning work
- *Policy Forum* (elected by the membership): oversees policy development.
- *Finance & Administration Committee (FAC)*: monitors risks and oversees the financial administration of the charity.
- *Income Generation Committee (IGC)*: responsible for advising on income generation activities.
- *Human Resources Committee (HRC)*: responsible for setting and reviewing HR policies & procedures; leads on Equality & Diversity, and resolves non-staff HR issues.

Since that date the Board has decided to merge FAC and IGC.

Each of these committees has Board and staff representation. C&AM and the Policy Forum additionally include representatives from LCC's borough groups.

The day-to-day running of the charity is delegated to the Chief Executive under a power of delegation agreed with the Board. The Chief Executive manages a team of around 17 staff (down from 21 in 2015/16), with a full time equivalent of 13.5 over the course of 2016/17 (down from 16.5 in 2015/16), plus a core group of about 10 part time office volunteers. As well as operational management the Chief Executive and staff team are responsible for recommending policy and strategy to the Board and its subcommittees, and are also responsible for the organisation's ongoing relationships with key external bodies, such as elected officials and relevant public authorities.

An important role for the charity is to support groups of members in the London boroughs. These are known as the LCC Groups, currently consisting of Borough-based activist groups. Each Borough Group is legally a part of the charity but operates with delegated authority within its own borough. They are governed by their own committees, organise their own activities, fundraise for their own projects and publish their own newsletters. For this reason, they are shown in the accounts as restricted funds. LCC had around 12,000 members (as of 31st March 2017), 32 Borough Groups, and many hundreds of active volunteers.

Public Benefit Statement

As set out in our Memorandum and Articles of Association, LCC's Charitable Objects are:

to promote cycling for the public benefit in the United Kingdom as a means of furthering the following charitable purposes:

- (i) the promotion of public health,*
- (ii) the promotion of healthy recreation in the interests of social welfare,*
- (iii) the promotion of public safety, particularly on the highways,*
- (iv) the relief of the needs of people with mental and physical disabilities,*
- (v) the promotion of the conservation and protection of the environment, and*
- (vi) the advancement of education*

by whatever means the Board think fit, including the provision of cycling facilities, services, training, educational activities, and lobbying and campaigning in matters relating to cycling and other forms of transport.

The entirety of LCC's work is in pursuit of these aims. Direct benefits accrue not just to LCC members but to the public as a whole as a result of LCC's advocacy on behalf of cyclists and cycling. In addition LCC's services are free at the point of delivery to the public.

Membership of LCC is open to everyone who supports our aims, with varying membership subscription rates depending on individual circumstances (including a concessionary rate for the retired, unemployed, etc.). Membership affords access to specific additional benefits (e.g. LCC's quarterly magazine, London Cyclist) as well as participation in LCC's democratic decision-making processes.

Trustees' Report 2016/17

i. The Year in Summary

The financial year 2016/17 saw a mixture of successes and drawbacks for the charity. These are described in more detail in subsequent sections but the key points are as follows.

On the positive front LCC ran a very successful Mayoral Election campaign: entitled *Sign for Cycling* this campaign secured a public commitment from all the main candidates to implement the three point agenda for the current mayoralty that we set out:

1. Treble the total length of protected space for cycling on London's streets (as compared to the total length expected to be installed under the Vision for Cycling by, or soon after the current Mayor leaves office).
2. Initiate a programme to extend Mini-Holland style schemes to every London borough.
3. Use the Safer Lorries Scheme - plus all mayoral powers in relation to procurement, planning and regulation – to move as quickly as possible to a situation where “direct vision” lorries are the norm on London's streets.

The elected Mayor, Sadiq Khan, went on to publicly reaffirm his promise to pursue and meet this agenda in a number of announcements, and doing so is a key objective for the new Walking & Cycling Commissioner, Will Norman, who was appointed in February 2017.

Whilst we remain alert to any potential drop in the pace of progress – concrete programmes are only just emerging after a year in which the Mayor has been organising Transport for London (TfL) and preparing his new strategies across a range of subjects - these developments provide a platform for acceleration and delivery during the remaining three years of the mayoral term. In particular the Mayor and TfL's new Healthy Streets initiative and Liveable Neighbourhoods programme are expected to provide the main vehicles for change on the ground - as well as the launch of the Direct Vision Lorry standard, which is a major success for the charity.

LCC remains well-equipped to provide constructive, practical support to the authorities and hold them to account for commitments made. These and other campaigning developments are described further below.

Less encouragingly the year saw the organisation having to contract due to reductions in income. We missed the planned window for our membership relaunch due to the extra effort required to successfully pursue the *Sign for Cycling* campaign and the consequent, knock-on effects. As a result membership and membership-related income was stagnant for the first six to nine months of the financial year. We also suffered from a downturn in the funding available for consultancy and service delivery as TfL reorganised and boroughs awaited a clearer picture of the resources they would have available for investing in walking and cycling. As a consequence we had to make a number of redundancies and restructure the Cycling Projects (i.e. consultancy and services) team; we also had to ask LCC Borough Groups with sizeable, uncommitted reserves (i.e. where those reserves were far in excess of normal yearly expenditure) to voluntarily transfer some of their funds to the centre to protect the main reserve. Our thanks once again go out to those who did so.

As a result of taking considered and timely measures the charity was able to weather the difficulties faced and finish the financial year with only a small deficit. Further, at the time of writing there are grounds for optimism regarding the charity's financial position: the first quarter of the year has seen the Projects team effectively break-even against full year targets; plus, moderate growth has been

seen in both membership retention and recruitment following the soft launch of the new membership model (which is based on no longer claiming Gift Aid and instead winning and marketing a broad range of high value member benefits). During the present financial year (2016/17) the Board will again follow the contingency planning process the charity has in place to make sure we adapt as needed to any possible further setback, but with guarded optimism.

Further details are given in the sections below. Note that this Trustees' Report covers the activities of both the charity and its wholly owned trading subsidiary.

ii. Progress Achieved During 2016-2017

1. Implementing LCC's Campaigning Strategic Objectives (2016-2020)

During the course of the financial year we developed and finalised a new set of Campaigning Strategic Objectives. These are summarised below with a brief description of progress towards achieving each.

1. Achieving a London-Wide Cycling Network

- a. *We will create a comprehensive description of what London's street network should look like as a cyclised city and campaign for its achievement.*

At the 2016 AGM LCC took a decision to create a comprehensive description of the kind of cycling network and provision that would be needed to ensure everyone in the capital can make door-to-door (or mixed mode) journeys safely by cycle. As we began our work it became apparent the TfL was planning to create a "Strategic Cycling Analysis" (SCA) which could become the starting point for our work.

The SCA was published in June 2017, and showcases the priority corridors, connections and areas that form the basis of a bare-bones cycling network in London. At the time of writing an LCC working group is being set up to propose extensions to the SCA beyond just a coarse mesh cycling network and create a toolkit for campaigners to engage with TfL and their boroughs on how to do so.

- b. *Sign for Cycling: we will campaign to ensure the Mayor delivers on the infrastructure commitments made to LCC, as outlined in our 2016 three-point agenda (action on lorry danger is covered in objective 2).*

Prior to election, the Mayor agreed to LCC's call that if elected he would triple the mileage of protected space for cycling, finish the Better Junctions programme and provide funding for a mini-Holland style scheme in every London borough. Since the election we have been campaigning for this promise to be expedited, including monitoring and critiquing current Mayoral plans on a regular basis. The concerns we have publicly aired have not been about the Mayor's reiterations to pursue the Sign for Cycling three-point agenda or the programmes proposed, but rather about the pace of delivery thus far.

In the near term, campaigning work is likely to focus on ensuring new cycling schemes come forward more rapidly, although the scale and type of campaigning that will be required remains to be seen. At the time of writing (i.e. following the post-General Election hiatus) new road schemes are now coming forward, and it is likely that we will begin to provide tracking metrics of how far the Mayor has progressed each pledge.

- c. *Space for Cycling: we will press for implementation of 2014 Space for Cycling ward asks with a borough-level strategy that includes: (a) flexibility for Borough Groups to start developing local “visions” for the local cycling network and mini Holland treatment for town centres and high streets, (b) focussed action on priority ward-asks or boroughs and c) to have a programme to carry out this work with milestones.*

The political situation in respect of cycling has in most boroughs changed significantly. This is partly because asks have been fulfilled or alternative schemes and/or priorities have emerged rendering some asks irrelevant to our current (local) campaigning positions.

LCC is currently working with another active travel organisation with the aim of creating a joint 2018 local election campaign focussed around “Liveable Neighbourhoods” – TfL’s successor to the mini-Holland programme. The location of the Liveable Neighbourhood in each borough is likely to be largely set by TfL, using its Strategic Cycling Analysis (see above), and the boroughs. Therefore, borough campaigns in 2018 are likely to focus on what the Liveable Neighbourhoods will look like and how they are delivered in each borough, rather than where they will be.

- d. *We will continue to respond to and influence London-wide and Borough consultations in line with LCC policy and the vision for a cycling network, and develop more efficient procedures for producing consultation responses and mobilising support around them.*

We have overhauled the way we respond to public consultations and campaign around them, including our use of online technology to facilitate detailed input by members. This overhaul has improved the quality and accountability of our responses to consultations and spread knowledge and capacity amongst members; it should also enable LCC to respond to a greater proportion of consultations, to better inform public responses to consultations and improve campaigning results.

- e. *We will ensure the cycling policies we promote are truly inclusive, by consulting fully and widely with relevant stakeholders, developing better procedures and applying them effectively*

Following a resolution on this subject at the AGM, a women and cycling working group within LCC has been formed. On top of this, work is ongoing to ensure inclusivity is written into all consultation responses and filtered through the work of the entire organisation.

2. Reducing Road Danger

- a. *Sign for Cycling: we will campaign to ensure the Mayor delivers on his commitment to ensure only the smartest, safest lorries are used in London by using all mayoral powers in relation to procurement, planning and regulation to do so.*

The Mayor has defined a “Direct Vision” scale for lorries (HGVs) ranging from 0 to 5 stars, and has published proposals for a staged process to exclude unsafe lorries and promote vehicles with good Direct Vision ratings. Zero-graded HGVs will be banned from London from 2020 and vehicles below 3 stars will be banned from 2024. LCC responded positively to the initial consultation on the proposals, and the fact the latter came forward at all is substantially due to our campaigning, especially winning an explicit commitment from the Mayor to make Direct Vision lorries the norm on London’s Streets (see Sign for Cycling above).

LCC anticipates further formal consultation later this year on this issue.

- b. *We will promote driver training and pursue changes to the operations of HGVs and buses to reduce the incidents of collisions with people cycling and walking.*

Driver training for the HGV sector has been made available in all boroughs and more than 25,000 drivers had completed the Safer Urban Driving module by the middle of 2016. Most major operators in London have joined either FORS or CLOCS – standards schemes that require SUD (Safer Urban Driving) training for drivers. The Mayor has recently also embarked on a safety programme for buses and we are anticipating that this will adopt a scheme similar to SUD for bus drivers. The Mayor's draft Transport Strategy, currently out for public consultation, also proposes specific targets for reduction of numbers of those killed or seriously injured by HGVs and buses. We are continuing to support such approaches - via our public-facing campaigning and other methods - to reduce collisions, particularly involving lorries.

- c. *We will campaign for 20mph to be applied and enforced as the default speed limit on all London's streets where people live, work and shop.*

TfL has stated that it will be introducing 20 mph limits on a further six major routes, having piloted routes in Southwark and the City of London. It estimated that 25% of all London roads now have 20 mph limits. In the aftermath of the London Bridge and Westminster attacks LCC recommended that all London bridges have 20 mph limits.

We continue to recommend 20 mph limits in all relevant consultation responses and work with other organisations (such as 20's Plenty) on 20 mph zones, and on improving the enforcement of 20 mph limits by the authorities.

- d. *We will press the authorities for stronger enforcement against unlawful behaviour that puts people at risk of death or serious injury.*

LCC gave verbal evidence at the London Assembly inquiry on police enforcement and submitted a detailed written response in conjunction with Living Streets, Roadpeace, Cycling UK, Sustrans, 20's plenty, and the Road Danger Reduction Forum.

We continue to support and assist with forthcoming Metropolitan Police initiatives to tackle dangerous driving. We also continue to campaign on road justice and enforcement issues alongside other organisations such as RoadPeace.

3. Local Groups and Activist Networks

- a. *We will ensure that we have properly constituted groups in the majority of boroughs. These groups should be healthy and diverse (in relation to factors such as size, governance, campaigning ability and event management) to ensure they have strong and effective campaigning ability.*

Most LCC borough groups (21 out of 33) have held general meetings to agree new constitutions based on the standard LCC model; the remaining ones have been contacted and progress is being made. The agreeing of acceptable constitutions has helped create clarity on the rights and responsibilities of LCC's groups as part of the parent charity.

Towards the end of the financial year we established a process whereby groups are being "health checked" to assess their ability to create political change in their area, to work constructively with councils and to cope with major cycling/road schemes arriving. Their mentoring and support requirements are being identified so as to support and grow those borough groups most in need and/or in locations of particular topical relevance. This approach has already delivered good results in a number of groups.

- b. *We will provide additional support and capacity building to those local groups in boroughs receiving Mini Holland funding to ensure they are able to engage effectively in this process.*

All three LCC groups in mini-Holland boroughs have received significant amounts of additional central support to ensure they have been able to grow in numbers and expertise. The result has been visibly improved campaigning and results.

Waltham Forest and Enfield groups are now class-leading in terms of campaigning capacity, skills, diversity, and council relations. Mentoring and staff resources are continuing to be offered to these boroughs on a needs basis.

- c. *We will broaden our activist base by providing ways to engage with LCC outside of the traditional local group structure, including through better use of digital media; e.g. student groups, workplace groups, and online networks or communities of common interests.*

We have relaunched our membership package (see below). Alongside this, the creation of an affiliate's scheme is now being investigated to enable groups working alongside or just supportive of LCC's aims and vision to become an official affiliate of the charity. This will allow help staff to identify and nurture groups of people with common interests e.g. student groups and health professionals, to create non-geographically based activist groups (including virtual groups). It will also help strengthen our local groups and their campaigns and increase individual membership numbers. We will also be taking a proactive approach by working to create a health professionals network as a priority.

2. Marketing & Membership

Membership Relaunch

LCC's new membership product was presented at the 2016 AGM and received positive feedback. The new package incorporates a substantial price increase but in return we are now able to offer a large pool of good value benefits to members. The corollary of this is that we will not generally claim Gift Aid on memberships in future. Renewing members were moved onto the new package from October 2016; overall we feel optimistic that existing members have received the new package well despite the price increase.

We are now ramping up our marketing so as to publicise LCC and the new product more widely to people cycling in London. A comprehensive new membership website is now live and will be further populated with content over the coming months – we expect it to be the basis of our promotion over the years ahead. We aim to continue to add benefits to the package throughout 2017. Achieving membership growth remains the top priority - to grow income, further strengthen our advocacy, and provide a platform for other income generating activity.

Member Recruitment

While retention numbers are holding up well, new member recruitment remains LCC's greatest membership challenge. The 1,176 new members recruited in 2016/17 was an improvement on the 1,109 recruited the previous year but significantly more will be required to meet our 2017/18 targets. Budgeted membership income for 2017/18 is £452,000, a £29,000 increase on the £423,025 won in the past financial year. This equates to approximate growth of 7% (or 600 single/full members). If retention rates remain stable this will mean recruiting approximately 2,300 new members over the course of the year.

We are confident the new membership package will provide the platform needed to generate the required uplift in membership and will be promoting it through a series of events, partnerships, a reinvigorated bike shop network, improved digital marketing, and closer working with LCC's local groups and active members.

Challenge Events

Fifty-eight riders rode for LCC in Ride London 2016 raising more than £28,000. This was up from £16,351 in 2015 and £4,633 in 2014.

We have an income budget of £30,000 for challenge events in 2017/18. Fifty-three riders are registered for Ride London; the per-rider fundraising target has increased from £450 to £500. We also have ten rider places available in L'Etape London.

Advertising

LCC continues to generate income through advertising to members and supporters. 2016/17 proved a challenging financial year with advertising income falling from £63,670 to £48,479. This was likely due to a number of factors, such as our clients continuing to move greater proportions of media spend into digital and the market (for cycles and accessories) performing less well than projected by the cycling trade.

However, we also think that the London Cyclist magazine and digital counterparts could benefit from some new impetus and we are in the process of moving media sales to a new agency. Longer term, a new main website and an improved approach to content generation is likely to be required to catalyse significant growth.

Fundraising Appeals

The 'Fighting Fund For Cycling' appeal raised a total of £15,653 (including Gift Aid) making it one of LCC's most successful fundraising appeals in recent years.

In the financial year ahead we need to raise at least £10,000 from appeals to ensure LCC is properly equipped to campaign across the whole of London in the 2018 local government elections, and we will run two major public appeals during the course of the 2017/18.

London Cycling Awards

LCC's 2016 *London Cycling Awards* took place as part of Spin London and were hosted by Michael Smiley – they were once again a great success with much positive feedback from nominees, winners and attendees. The winners were:

<i>Best Cycling Project:</i>	CLOCS
<i>Pro-cycling Business of the Year:</i>	Mercedes-Benz Trucks
<i>Best Cycle Innovation:</i>	LiteLok
<i>Best Product:</i>	Mason x Hunt 4season Disc Wheelset
<i>Best Urban Cycle Clothing Range:</i>	Howies
<i>Community Project of the Year:</i>	Brothers on Bikes
<i>Best Borough Infrastructure Scheme:</i>	Tavistock Place, Camden
<i>Best Large-Scale Infrastructure Scheme:</i>	East-West Cycle Superhighway
<i>Cycling Champion of the Year:</i>	Councillor Clyde Loakes
<i>Best Cycling Event:</i>	Cycle Revolution at the Design Museum
<i>Best Bike Shop:</i>	Brixton Cycles

The awards serve to raise LCC's profile; generate positive media coverage; and build connections with cycling trade and London's cycling community. Providing all costs can be offset by sponsorship they will go ahead again in 2017.

3. Consultancy & Services

The remit of the Cycling Projects Team is to provide services that significantly contribute to the charity's aim of seeing more people cycling in London. This is done by selling the charity's expertise and knowledge, and by creating and running behaviour change programmes. This trading not only helps thousands of people to start cycling, or cycle more, but in the process creates income that can be reinvested in scaling up these projects and in the charity's advocacy work.

The Cycling Projects Team was restructured during this financial year with a refocus on smaller scale consultancy activities, especially those with higher profit margins. This restructuring was in a large part due to the delay in availability of funding from the Mayor of London / TfL both directly and indirectly via local authorities (itself caused by the restructuring and new budget setting process that TfL undertook during the year after the new Mayor took office).

The Cycling Projects Team delivered £145k against a target of £249k profit (gross).

Whilst we have in recent years moved away from our previous over-reliance on dwindling sources of grant funding income we would like to see some new types of grant funding return as part of the funding mix and are actively looking for support from some of the new "active lifestyles" programmes being run by national government and others. Beyond that a grant of £25,000 was awarded to LCC to help promote the CLOCS standard in 2016/17 (see below).

Partnerships

We continue to work with both the public and private sector, advising them on cycling strategies and delivering services. Some of our key projects are:

Urban Cycle Loan

LCC's Urban Cycle Loan currently operates in four boroughs (Lewisham, Lambeth, Enfield and Westminster) with an e-bike variation based in the Low Emission Neighbourhood in the Royal Borough of Greenwich. This model has seen over 80% of participants subsequently take up regular cycling and we would like to see it expand to other boroughs.

Cycling Services & Events

LCC's Broadgate Bike Station continues on the Broadgate estate in the City and continues to be popular alongside smaller mechanic events at Wellcome Trust's offices and on the Kings Cross Estate. Our London By Cycle events are currently focused on students in FE and HE colleges in West London and are a popular way of encouraging active travel. We are seeking to expand both services to key developments and offices across London.

West London Student Champion

A successful pilot was started in West London funded by WestTrans (with top up funding from some of the constituent boroughs) and Transport for London. The main areas of activity have been at Brunel University London and University of West London. We have won funding to extend the pilot for another year in West London and are preparing a toolkit for use at other institutions.

Ride London Freecycle Led Rides

2016 was the fourth year we delivered rides with over 3,000 riders from 32 London Boroughs plus three community rides. At the time of writing we are planning for the 2017 Ride London Freecycle looking to replicate the success of 2016.

CLOCS / Work with the Construction & Logistics industry

A grant of £25,000 was awarded to LCC by TfL to promote the CLOCS standard to the construction industry and to Vulnerable Road Users (VRU) by sharing best practice and case studies. This enabled us to work with other sectors of the construction and logistics industry to look at what can be done to create VRU champions. At the time of writing this work is progressing well and we have been working on other safety measures to keep cycle paths open during construction works.

iii. Summary of Key Priorities for the Next Financial Year (2017-2018)

LCC's key priorities for the next financial year as follows:

- Prepare and deliver a major campaign around the 2018 London Local Elections to achieve the objectives we will set for each borough; use that as a means of holding the Mayor and TfL to account for progress against their overarching commitments (at what will be the mid-point of the present mayoralty).
- Achieve the target for growth in membership-related income that we have set following the relaunch of LCC's membership benefits package.
- Achieve the targets set for net income from LCC's consultancy and services arm following the team's restructuring.
- Increase LCC's reserve: this will be the first priority for deployment of any budget surplus.
- Move to a new office after the expiry of the lease on LCC's current premises in November 2017.

v. Funding & Finance

The charity's main sources of unrestricted funding are membership income, consultancy & services and charitable donations. We have been grateful to receive one-off donations as well as regular donations from members in support of our campaigning work. Following the relaunch of LCC's membership package as a more commercial offering the charity is unlikely to claim Gift Aid on membership subscriptions in future.

Income from charitable activities fell from £1,148,857 to £934,371. The fall was largely down to the reduction in consultancy and service delivery income from £536k to £356k (-£180k) for reasons explained under "Consultancy and Services" (above). Information services income also dropped by £16k due to a fall in advertising income from the magazine and e-publications. LCC generates sponsorship for its campaigns around elections (every two years); the fact that income from other trading activities also fell from £65,039 to £34,960 essentially reflects the fact that in the previous year LCC (2015-16) ran a mayoral election campaign and in 2016-17 there were no London elections. Expenditure on charitable activities fell from £1,193k to £1,011k: most of this was due to the drop in consultancy and service delivery expenditure (due to fewer contracts being won).

vi. Fundraising

At £95,631, fundraising was the third main source of the charity's income during the financial year (after membership-related income and donations, and consultancy and services). This reflected the fact that the charity invested more in its fundraising efforts during the year, with a view to growing this source of income (and its share of LCC's overall income) on an ongoing basis.

In terms of the actual approaches adopted it was felt that a more focused approach to LCC's major donors was needed: hence a new Patron's network was launched to improve our dialogue with major donors, and we aim to grow this network during 2017/18 with the support of the existing Patrons.

We also created new sponsorship, notably around led rides, our new London Boulevard Campaign, LCC's London Cycling Awards and the Lorry Safety Project (shortly to go live at the time of writing), successfully acquiring income across all of these projects. This builds on the sponsorship we have successfully raised in the past – and will continue to raise – to allow us to run headline political campaigns at election times.

The trustees and staff are aware of the new regulations around fundraising by charities, and staff monitor all fundraising activities to ensure compliance with them.

vii. Reserves Policy

LCC's expenditure is derived from unrestricted funds (e.g. membership fees, donations, sponsorship and trading income) and restricted funds*. To ensure that the charity is able to meet all future and known liabilities the trustees review the level of Free Reserves (unrestricted reserves, less fixed assets, plus deferred membership income) at regular intervals.

The Trustees' ongoing reserves policy is based on: (a) an assessment of cash flow during the upcoming financial year (updated on a regular basis), including risks of delays or defaults from debtors, (b) a "safety margin" to cope with poor income generation over the financial year and/or unexpected loss of income streams and (c) past experience of managing difficulties.

As a result the new reserves policy requires that the charity should aim for Free Reserves of £115k. At 31 March 2017 Free Reserves were £89k; they are projected to be £86.5k at 31 March 2018 on the basis of the 2017/18 Budget authorised by the Trustees. The Trustees have accepted a reserve projection for 2017/18 that is lower than target on the basis that the current budget has been set with comparatively conservative parameters and that any surplus will be first used to replenish the reserve.

** Restricted funds are grants and other income received which are ring-fenced for expenditure on specific projects or purposes. Where they relate to projects, they will be available to bring a project to a reasonable conclusion within a given period of organisational wind-up.*

xiii. Statement of Risk Policy and Internal Controls

The Trustees and subcommittees of the Board, as part of the budget setting process in the final quarter of each year, review the major risks to the viability of the organisation and its ability to meet its objectives. Significant risks (risks identified as having a high impact on the organisation's ability to deliver its objectives) identified during the year are normally raised with the Finance and Administration Committee (FAC) and the Chair of the charity when they arise. The Senior

Management Team reviews major risks on a monthly basis, and provides assurance to FAC that the risks identified are controlled.

This year recruitment problems meant that the charity was not able to constitute FAC effectively. Close monitoring of the charity's finances was accordingly performed by the Treasurer and CEO. The Board conducted a full review in the final quarter and will perform quarterly reviews ongoing until the merger of the FAC and IGC committees (see above) occurs.

The Trustees remain satisfied sufficient controls are in place to mitigate the major risks. The risk management approach taken by the organisation is that all staff should be aware of the risks in their area and bring any risk likely to have a significant impact on the charity to the notice of senior managers. Senior managers assess the risks to the organisation during the annual budgeting and planning process and include mitigation strategies within the operational plans, ensuring the allocation of sufficient resources as necessary.

The Board is aware that independent assurance of the risks and their mitigation is a legal responsibility, and to provide additional assurance used a variety of data during the year, including:

- Monthly management accounts
- Extensive bi-monthly Staff Reports
- Bi-monthly reports from the Chief Executive
- Minutes of committees
- Reports from managers to committees on operational activities
- External audit

The main risk to the organisation during 2016-2017 arose from the loss of about £188k in income (for reasons described above). This created a deficit of only £11.4k, following the previous year's deficit of £43.1k, following the decisive action the charity took to reduce costs and reallocate surplus group reserves to the centre (for which the trustees thank the charity's borough groups - see above). The Trustees have determined that no deficit will be run in the present financial year (2017/18) with contingencies in place to cut costs further in the case the current positive financial situation reverses.

ix. Staff Remuneration

LCC has a formal and transparent pay scale. The grade and pay for each vacancy is set by the senior manager responsible for that recruitment (in conjunction with the Chief Executive) according to the Job Description; it is advertised openly. Movement along the pay scale of existing staff is determined according to changes in their Job Descriptions (LCC does not operate performance-related pay).

x. Going Concern

Although the charity's membership fell during 2016-17, the success of our *Sign for Cycling* 2016 Mayoral Election campaign and subsequent wins arising from our advocacy shows that our work remains relevant to the public and support for the charity and its work is strong. We have also relaunched our membership package (which has arrested the drop in membership and is showing early signs of growth) and restructured our consultancy and services arm (which during the first quarter of the present financial year was able to win sufficient contract renewals and new business to almost ensure it will break even at minimum).

The trustees have considered the financial forecasts for the coming year and concluded that the charity can meet its financial obligations as and when they fall due. They have also agreed a new budget with clear contingencies in advance should financial difficulties arise, so that there is no further reduction in the charity's reserve. On this basis, the Trustees have prepared these financial statements on a going concern basis.

xi. Trustees' Responsibilities

The trustees (who are also directors for the purposes of company law) are responsible for preparing the Trustees' Report 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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 charitable company'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.

xii. Appointment of Auditors

The charity's auditors are appointed annually by a Resolution of the charity's Annual General Meeting.

xiii. Small Company Provisions Statement

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. This report was approved by the Trustees at their meeting on 12th July 2017.

Signed by **Tony Levene**, Trustee and Treasurer, on behalf of the Board.

Independent Auditor's Report to the Members and Trustees of the London Cycling Campaign

We have audited the financial statements of London Cycling Campaign for the year ended 31 March 2017 which are set out on pages 17 to 35. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company'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

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or 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 group's and the parent charitable company's affairs as at 31 March 2017 and of the groups 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 and the Charities Act 2011.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Signed by **Philip Clark**, Senior Statutory Auditor, on 7th September 2017

For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

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

Consolidated Statement of Financial Activities (including an Income and Expenditure Account)

For the year ended 31 March 2017

	Unrestricted Funds	Restricted Funds	Branch Funds	Year Ended 31 March 2017	Year Ended 31 March 2016
Notes	£	£	£	£	£
<u>Income</u>					
	2, 3				
Donations and Legacies	95,631	-	-	95,631	82,235
Income from Charitable Activities	890,631	17,500	26,240	934,371	1,148,856
Income from Other Trading Activities	34,960	-	-	34,960	65,039
Investment income	195	-	-	195	297
Total Incoming Resources	1,021,417	17,500	26,240	1,065,157	1,296,427
<u>Expenditure</u>					
Costs of raising funds	4, 5				
Costs of raising donations	47,146	-	-	47,146	25,950
Costs of other trading activities	54,715	-	-	54,715	59,706
Expenditure on charitable activities	964,305	17,946	29,711	1,011,962	1,236,419
Total resources expended	1,066,166	17,946	29,711	1,113,823	1,322,075
Net outgoing resources before transfers	(44,749)	(446)	(3,471)	(48,666)	(25,648)
Transfers between funds	6	-	(33,312)	-	-
Net movement in funds	(11,437)	(446)	(36,783)	(48,666)	(25,648)
Fund balances at 1 April 2016	92,611	446	107,726	200,783	226,431
Fund balances at 31 March 2017	81,174	-	70,943	152,117	200,783

The consolidated statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The consolidated statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 21 to 35 form part of these financial statements

Consolidated Balance Sheet

As at 31 March 2017

		31 March 2017		31 March 2016	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	10		4,554		6,135
Tangible assets	11		<u>4,588</u>		<u>6,677</u>
			9,142		12,812
Current assets					
Stock	12	1,293		1,210	
Debtors	13	148,831		139,208	
Cash at bank and in hand	14	<u>254,136</u>		<u>392,430</u>	
		404,260		532,848	
Creditors - amounts falling due within one year	15	<u>(261,285)</u>		<u>(344,877)</u>	
Net current assets			142,975		187,971
Total assets less current liabilities			<u>152,117</u>		<u>200,783</u>
Income funds					
Unrestricted Funds	22		81,174		92,611
Restricted Funds	16, 22		-		446
Branch Funds	16, 22		70,943		107,726
			<u>152,117</u>		<u>200,783</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 21 to 35 form part of these financial statements.

The accounts were approved by the Board on 12th July 2017.

Signed by **Tony Levene (Trustee and Treasurer)** and **Mustafa Arif (Trustee and Chair of the Board of Trustees)**

Charity Balance Sheet

As at 31 March 2017

	Notes	Year ended 31 March 2017		Year ended 31 March 2016	
		£	£	£	£
Fixed Assets					
Intangible assets	10		4,554		6,135
Tangible assets	11		<u>4,588</u>		<u>6,677</u>
			9,142		12,812
Investment in Trading Company	25		2		2
Current assets					
Stock	12	1,293		1,210	
Debtors	13	174,294		203,227	
Cash at bank and in hand	14	<u>223,909</u>		<u>306,166</u>	
		399,496		510,603	
Creditors - amounts falling due within one year	15	<u>(256,523)</u>		<u>(322,634)</u>	
Net current assets			142,973		187,969
Total assets less current liabilities			<u><u>152,117</u></u>		<u><u>200,783</u></u>
Income funds					
Unrestricted Funds	22		81,174		92,611
Restricted Funds	16, 22		-		446
Branch Funds	16, 22		70,943		107,726
			<u><u>152,117</u></u>		<u><u>200,783</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 21 to 35 form part of these financial statements.

The accounts were approved by the Board on 12th July 2017.

Signed by **Tony Levene (Trustee and Treasurer)** and **Mustafa Arif (Trustee and Chair of the Board of Trustees)**

Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Cash flows used in operating activities:			
Net cash used in operating activities	(a)	(132,328)	127,130
Cash flows from investing activities:			
Purchase of intangible fixed assets	10	(3,900)	-
Purchase of tangible fixed assets	11	(2,342)	(1,514)
Interest receivable		195	297
Net cash used in investing activities		(6,047)	(1,217)
Cash flows from financing activities:			
Issue of credit facility		38,665	38,503
Credit facility repaid during the year		(38,584)	(37,923)
Net cash flow from financing activities		81	580
Change in cash and cash equivalents in the year		(138,294)	126,493
Cash and cash equivalents at the beginning of the year		392,430	265,937
Cash and cash equivalents at the end of the year	(b)	254,136	392,430
(a) Reconciliation of net expenditure to net cash flows from operating activities			
		Year ended 31 March 2017	Year ended 31 March 2016
Net expenditure for the reporting period		(48,666)	(25,648)
Adjustments for:			
Interest receivable		(195)	(297)
Amortisation charged in the year	10	5,481	10,142
Depreciation charged in the year	11	4,431	5,987
Movement in stock		(83)	1,606
Movement in debtors		(9,623)	65,367
Movement in creditors (excluding credit facility)		(83,673)	69,973
Net cash flow from operating activities		(132,328)	127,130
(b) Analysis of cash and cash equivalents			
Cash held centrally		164,076	266,393
Cash held by branches		90,060	126,037
		254,136	392,430

Notes Forming Part of the Financial Statements

1. Accounting Policies

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and the Companies Act 2006.

London Cycling Campaign meets the definition of a public benefit entity under FRS 102.

The financial statements have been prepared on the basis that the charity is a going concern.

The preparation of the financial statements requires the Trustees to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on the Trustees' best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. The Trustees consider that there are no key sources of estimation uncertainty.

Basis of consolidation

The financial statements consolidate the results of the charity and its wholly owned subsidiary, London Cycling Campaign Trading Limited, on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because advantage has been taken of the exemption afforded by section 408 of the Companies Act 2006.

The results of the charity have been presented in note 24 of these financial statements. Exemption from the requirement to disclose transactions between London Cycling Campaign and its subsidiary company has been taken under section 33.1A of FRS102, as transactions occur between wholly owned members.

Accounting for Separate Funds

The financial statements of a charity must differentiate between restricted and unrestricted funds and the fund types used in the Statement of Financial Activities are explained below:

Restricted Funds are funds subject to specific conditions imposed by the donor or by the specific terms of the charity appeal.

Designated Funds are unrestricted funds that have been put aside by the Trustees for a specific purpose and are thus treated as not available for the general activities of the charity.

Unrestricted Funds are the funds of the charity available for the general activities of the charity.

Branch Funds are the funds of the 32 local groups in the London Boroughs. As these groups operate independently at a local level, the financial activities are identified separately as restricted funds of the charity, but separate in the SOFA and balance sheets from the other restricted funds of the charity.

Branches

Income and expenditure in respect of the charity's local (borough) groups has been included in the Consolidated Statement of Financial Activities as branch funds. The cash balances and liabilities of the branches at the end of the accounting period are shown separately in the Balance Sheet. The amounts have been incorporated on the basis of returns received at LCC's office at 2 Newhams Row by 5 June 2017.

Unrestricted Income

Unrestricted grants (grants given for the general work of LCC but not restricted by the grantor), donations, bank and other interest receivable and other sundry income are recognised as income in the accounts when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, and it is probable that the income will be received and the amount can be reliably measured.

Notes Forming Part of the Financial Statements (continued)

1. Accounting Policies (continued)

Membership income is treated on the basis that membership subscriptions received comprise two main elements: one element is treated as a payment for the member benefit of public liability insurance, the remainder of the subscription is treated as a donation to the charity. The part of the membership income which is treated as being a payment for a member benefit is recognised on a straight line basis over the 12 months following renewal of the annual membership, unearned income being accounted for as membership income deferred at the end of the accounting period. The part of the membership income which is treated as a donation is recognised in full when received.

Gift Aid is recognised in the Statement of Financial Activities when it is due from HMRC.

Invoiced income for services provided is recognised in the Statement of Financial Activities when the service has been provided. In the case of contracts which are partially complete these are valued taking into account expected income, anticipated costs and the proportion of the work required which has been carried out.

Sponsorship income is recognised in the Statement of Financial Activities when invoiced, subject to adjustment if the sponsored activity is not substantially complete at the year end.

Restricted Income

Restricted grant income (grant income specifically restricted in its application by the grantor) is recognised in the Statement of Financial Activities in accordance with the grant agreement. Normally these grants relate to a period of time and the grant income is recognised on this basis. Grants due for the period but not received are shown in the balance sheet as grants receivable and recognised in the Consolidated Statement of Financial Activities. Where part of a grant which has been received relates to a future period the grant is included in the balance sheet as deferred income and is not included as income in the Consolidated Statement of Financial Activities.

Investment Income

The charity has a policy of only investing in cash holdings in a bank account at this time, although powers exist to invest in a range of investments should the Trustees so decide.

Resources Expended

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be reliably measured. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Expenditure is classified under the following headings:

Costs of raising donations and costs of other trading activities

Direct costs of raising donations are the costs of producing publicity in relation to particular fundraising appeals, the cost of branded clothing provided to participants in fundraising events and sundry processing and other costs. Direct costs of other trading activities are the cost of purchasing merchandise, the costs of putting on various sponsored events and sundry other costs. Where costs have not been directly attributed to particular activities they have been allocated to activities on a basis consistent with the use of the resources.

Charitable Activities

Direct Consultancy and Service delivery costs are the costs directly associated with doing this work or providing these services. Direct Campaigning expenditure comprises some costs incurred at the start of the financial year at end of the 'Sign for Cycling' 2016 Mayoral Election Campaign and the costs of ongoing campaigning activity during the year. Direct Information services expenditure is the cost of producing London Cyclist (LCC's quarterly magazine), the cost associated with e-newsletters and the website and other sundry communication costs. Membership services costs are made up of the costs of providing public liability insurance to members, the cost of processing memberships and membership marketing costs. Community Cycling costs comprise the cost of annual grants to local branches.

Notes Forming Part of the Financial Statements (continued)

1. Accounting Policies (continued)

Where costs have not been directly attributed to particular activities they have been allocated to activities on a basis consistent with the use of the resources.

Support Costs and Governance Costs

Support costs are those functions that assist the work of the charity but do not directly involve the undertaking of charitable activities. Support costs include premises, IT, finance, personnel and governance costs which support the work of the charity. These costs have been allocated between costs of raising funds, costs of other trading activities and expenditure on charitable activities. Refer to Note 20 for details of how these costs have been allocated.

Governance costs are the costs of governing the charity and include such items as statutory compliance, the audit, formulation of LCC strategy, trustee training and other activities of the Board of Trustees.

Support services costs have been allocated to each restricted fund on the basis of the appropriate grant funding agreement for that fund, and the remainder of these costs have been allocated to the charity's activities funded by unrestricted funds on the basis of staff input for these activities.

Taxation

As a registered charity, London Cycling Campaign is not liable to Corporation tax on its investment income and gains, income and gains arising from trading in furtherance of its charitable objectives and charitable donations.

Gift Aid is claimed on donations. Gift Aid was also claimed on membership subscriptions received up to the end of October 2016. From the start of November 2016 a new membership model was implemented which provided more member benefits such that the membership subscriptions were no longer eligible for Gift Aid. No Gift Aid has been claimed on any membership subscriptions paid under the new model. For all Gift Aid which has been claimed, the donor or member has signed a gift aid declaration and the particular donation or membership subscription complies with the requirements for Gift Aid.

VAT deemed to be irrecoverable is written off to the Consolidated Statement of Financial Activities in the period to which it relates.

Intangible Fixed Assets and Amortisation

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of these fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

IT Development and website costs	33% Straight Line
----------------------------------	-------------------

Tangible Fixed Assets and Depreciation

Restricted funds may, on occasion, be used for the purchase of tangible fixed assets, in accordance with the terms of the grant. On acquiring the asset it is deemed to be an unrestricted asset of the Charity as the restriction has been met in full by the acquisition of the asset. As such, the amount of income used to purchase any fixed assets from restricted funds is transferred to unrestricted funds, along with the related expenditure.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture & Fixtures:	20% Straight Line
Tenants Improvements:	Life of the Lease (from purchase to November 2017)
Office Equipment:	25% Straight Line
IT Equipment:	33% Straight Line

Notes Forming Part of the Financial Statements (continued)

1. Accounting Policies (continued)

Impairments

Assets are reviewed for indications of impairment at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised in the statement of financial activities.

Stock

Merchandise stock is stated at the lower of cost and net realisable value.

Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other debtors are recognised at the amount due on the day that they arise. Prepayments are amounts paid in advance and are stated at the actual amount that has been prepaid.

Cash and Cash Equivalents

Cash and cash equivalents represent amounts held within current or deposit bank accounts.

Creditors

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Creditors and accruals are recognised when the Charity has an obligation to make a payment to a third party.

Operating Leases

Rents payable under operating leases are charged to the statement of financial activities as incurred over the lease term.

Pensions

The charity operates a non-contributory Group Pension Scheme with Aegon. This scheme is a defined contribution scheme and contributions by the charity are charged to the Consolidated Statement of Financial Activities in the month to which the contributions relate. The charity contributes 6% of salary for employees. All assets of the pension fund are held separately from LCC and do not form part of these financial statements.

Irrecoverable VAT

Amounts of irrecoverable VAT that arise in the year are included within creditors as an accrual until such a time as payment is made to HMRC.

Notes Forming Part of the Financial Statements (continued)

2. Unrestricted Income

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
<u>Donations and Legacies</u>		
Donations	<u>95,631</u>	<u>64,697</u>
<u>Income from Charitable Activities</u>		
Consultancy & Service Delivery	356,294	535,979
Campaigning	-	-
Information Services	62,804	78,452
Membership Services	471,533	479,445
	<u>890,631</u>	<u>1,093,876</u>
<u>Income from other trading activities</u>		
Non-Charitable Trading	9,793	3,706
Sponsorship	25,167	34,333
	<u>34,960</u>	<u>38,039</u>
<u>Investment Income</u>		
Interest receivable	<u>195</u>	<u>297</u>

3. Restricted Income

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
<u>Donations and Legacies</u>		
Donations	<u>-</u>	<u>17,538</u>
<u>Income from Charitable Activities</u>		
Consultancy & Service Delivery	12,500	-
Campaigning	5,000	-
	<u>17,500</u>	<u>-</u>
<u>Income from other trading activities</u>		
Sponsorship	<u>-</u>	<u>27,000</u>
<u>Branch Funds (Local Groups)</u>		
Income from Charitable Activities	<u>26,240</u>	<u>54,980</u>

Notes Forming Part of the Financial Statements (continued)

4. Unrestricted Expenditure

	Staff Costs	Direct Costs	Other Costs (see note 20)	Year Ended 31 March 2017	Year Ended 31 March 2016
	£	£	£	£	£
Cost of Raising Donations	26,656	7,538	12,952	47,146	25,950
Costs of Other Trading Activities					
Non-charitable trading	2,700	6,115	1,535	10,350	11,906
Sponsorship	22,042	12,502	9,821	44,365	47,800
	24,742	18,617	11,356	54,715	59,706
Costs of Charitable Activities					
Consultancy & Service Delivery	164,462	199,254	81,475	445,191	597,493
Campaigning	104,560	7,535	47,592	159,687	186,561
Information Services	16,098	97,506	7,980	121,584	144,875
Membership Services	93,517	88,630	50,641	232,788	215,516
Community Cycling	2,177	1,589	1,289	5,055	9,865
	380,814	394,514	188,977	964,305	1,154,310

Staff Costs shown above are direct staff costs. Staff costs relating to support services and governance are included in Other Costs (see note 20).

5. Restricted Expenditure

	Staff Costs	Direct Costs	Other Costs (see note 20)	Year Ended 31 March 2017	Year Ended 31 March 2016
	£	£	£	£	£
Charitable Activities					
Community Cycling	-	-	-	-	264
Campaigning	5,000	446	-	5,446	44,092
Consultancy & Service Delivery	12,500	-	-	12,500	-
	17,500	446	-	17,946	44,356
Branch Funds					
Community Cycling	-	29,711	-	29,711	37,753

Notes Forming Part of the Financial Statements (continued)

6. Transfer between funds

A total of £33,312 was given by borough groups to the central organisation of London Cycling Campaign as a donation to support its activities. Donations were made by 21 of the borough groups. This total amount of £33,312 is shown in the Statement of Financial Activities as a transfer from branch funds to unrestricted funds.

7. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	Year to 31 March 2017 £	Year to 31 March 2016 £
Wages and salaries	478,626	559,671
Social security costs	46,765	48,358
Other pension costs	27,961	25,049
	<u>553,352</u>	<u>633,078</u>

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds. At the year end, employer pension contributions totalling £2,725 (2016: £859) are included within other creditors.

There was one employee who had benefits in the range £60,000 to £70,000 (2015/16: nil). There were no employees who had benefits over £70,000 (2015/16: nil). Pension contributions in respect of employees paid over £60,000 amounted to £3,631.

The charity trustees were not paid and did not receive any other benefits from employment with the charity or its subsidiary in the year (2015/16: nil). Neither were they reimbursed expenses during the year (2015/16: nil). No charity trustee received payment for professional or other services supplied to the charity or its subsidiary (2015/16: nil).

The key management personnel of the parent charity comprise the trustees, the Chief Executive, the Cycling Projects Manager and the Marketing Manager. The total employee benefits of the key management personnel of the parent charity were £139,715 (2015/16: £138,684). The wholly owned subsidiary, London Cycling Campaign Trading, employs no staff. Therefore the employee benefits of the key management personnel of the group are as stated above for the charity alone.

8. Staff numbers

The average monthly head count was 18 staff (2015/16: 21 staff).

9. Redundancy costs

Redundancy payments totalling £5,241 were paid out during the year (2015/16: nil). These have been treated as staff costs under 'Other Costs' (note 20).

Notes Forming Part of the Financial Statements (continued)

10. Intangible Fixed Assets – Group and Charity

	IT Development costs £	Website costs £	Total £
Cost			
At 1 April 2016	8,000	30,926	38,926
Additions	-	3,900	3,900
Disposals	(8,000)	-	(8,000)
At 31 March 2017	-	34,826	34,826
Amortisation			
At 1 April 2016	8,000	24,791	32,791
Charge for year	-	5,481	5,481
Eliminated on disposal	(8,000)	-	(8,000)
At 31 March 2017	-	30,272	30,272
Net Book Value			
At 31 March 2017	-	4,554	4,554
At 31 March 2016	-	6,135	6,135

11. Tangible Fixed Assets – Group & Charity

	Furniture & Fixtures £	Tenants Improvements £	IT Equipment £	Office Equipment £	Total £
Cost					
At 1 April 2016	7,377	15,605	33,177	10,336	66,495
Additions	217	-	1,419	706	2,342
Disposals	-	-	-	-	-
At 31 March 2017	7,594	15,605	34,596	11,042	68,837
Depreciation					
At 1 April 2016	5,746	13,517	30,816	9,739	59,818
Charge for year	651	1,392	2,009	379	4,431
Eliminated on disposal	-	-	-	-	-
At 31 March 2017	6,397	14,909	32,825	10,118	64,249
Net Book Value					
At 31 March 2017	1,197	696	1,771	924	4,588
At 31 March 2016	1,631	2,088	2,361	597	6,677

Notes Forming Part of the Financial Statements (continued)

12. Stock – Group and Charity

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Merchandise stock	193	1,210
Membership collateral stock	<u>1,100</u>	<u>-</u>
	<u><u>1,293</u></u>	<u><u>1,210</u></u>

13. Debtors

	<u>Group</u>		<u>Charity</u>	
	Year ended 31 March 2017 £	Year ended 31 March 2016 £	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Trade debtors	98,357	73,482	84,959	34,904
Other debtors	14,394	18,724	53,255	121,321
Prepayments	<u>36,080</u>	<u>47,002</u>	<u>36,080</u>	<u>47,002</u>
	<u><u>148,831</u></u>	<u><u>139,208</u></u>	<u><u>174,294</u></u>	<u><u>203,227</u></u>

14. Cash

	<u>Group</u>		<u>Charity</u>	
	Year ended 31 March 2017 £	Year ended 31 March 2016 £	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Cash held centrally	164,076	266,393	133,849	180,129
Cash held by branches	<u>90,060</u>	<u>126,037</u>	<u>90,060</u>	<u>126,037</u>
	<u><u>254,136</u></u>	<u><u>392,430</u></u>	<u><u>223,909</u></u>	<u><u>306,166</u></u>

Notes Forming Part of the Financial Statements (continued)

15. Creditors

	Group		Charity	
	Year ended 31 March 2017 £	Year ended 31 March 2016 £	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Trade creditors	19,267	22,077	19,267	22,077
Taxes and social security costs	25,270	53,905	20,508	42,329
Accruals and deferred income	155,165	211,993	155,165	201,326
Membership income deferred (see note 21)	16,864	15,473	16,864	15,473
Credit facility	19,333	19,252	19,333	19,252
Other creditors	6,269	3,866	6,269	3,866
Branch creditors	19,117	18,311	19,117	18,311
	261,285	344,877	256,523	322,634

The amount of £19,333 (2015/16: £19,252) shown as owing in relation to a credit facility has interest payable at the rate of 15.3%. The balance on this credit facility will be repaid within 12 months.

16. Restricted Funds (including Branch Funds)

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Analysis of Restricted Funds 1 April 2016 to 31 March 2017						
	Mayoral Campaign 2016	CLOCS grant from TFL	London Boulevard grant from Foundation for Integrated Transport	Total Excluding Branch Funds	Branch Funds (Local Groups)	Overall Total
	£	£	£	£	£	£
Balance B/fwd 1/4/16	446	-	-	446	107,726	108,172
Receivable for year	-	12,500	5,000	17,500	26,240	43,740
Total Income	-	12,500	5,000	17,500	26,240	43,740
Expenditure in period						
Staff Costs	-	12,500	5,000	17,500	-	17,500
Direct Costs	446	-	-	446	29,711	30,157
Support Costs	-	-	-	-	-	-
Returned to funder	-	-	-	-	-	-
Total Expenditure	446	12,500	5,000	17,946	29,711	47,657
Transfers	-	-	-	-	(33,312)	(33,312)
Net (Deficit)/Surplus	(446)	-	-	(446)	(36,783)	(37,229)
Balance C/fwd 31/3/17	-	-	-	-	70,943	70,943

At the start of the year there was an unspent balance of £446 on the Mayoral Campaign 2016 Fund. These unspent funds were spent in the first two months of the year.

Notes Forming Part of the Financial Statements (continued)

16. Restricted Funds (continued)

A grant of £12,500 was received during the financial year from Transport for London (TfL) for a project to embed, promote and expand CLOCS (Construction Logistics and Community Safety), and ensure the construction industry takes ownership of road risk. All of these funds were spent during the financial year. The project and funding from TfL continues into the next financial year, 2017/18.

A grant of £5000 was received during the financial year from the Foundation for Integrated Transport to develop a 'Healthy Street' audit system, using emerging TfL methodology, for LCC's London Boulevard Project. The project and funding from the Foundation for Integrated Transport continues into the next financial year, 2017/18.

The total Local Group income for the year ended 31 March 2017 was £26,240 (2015/16: £54,980). This includes £1,589 transferred to branch funds from unrestricted funds for the annual payment of grant funding from LCC central to local groups.

17. Commitments under Operating Leases

At 31 March 2017 London Cycling Campaign had minimum lease payments under non-cancellable operating leases as follows:

	Land & Buildings		Other	
	At 31 March 2017	At 31 March 2016	At 31 March 2017	At 31 March 2016
Total lease payments				
Within 1 year	23,438	37,500	1,186	1,186
In 2 to 5 years	-	23,438	2,668	3,854
In over 5 years	-	-	-	-
	<u>23,438</u>	<u>60,938</u>	<u>3,854</u>	<u>5,040</u>

18. Related Party Transactions

London Cycling Campaign is a member of Cyclenation, a UK federation of local cycle campaign groups. Ashok Sinha, Chief Executive, is a member of the board of Cyclenation. At 31 March 2017, London Cycling Campaign had accrued its annual affiliation fee for Cyclenation for 2016/17 of £1,000. (In 2015/16 LCC paid an affiliation fee to Cyclenation of £1000.)

19. Legal Status of the Charity

The company is limited by guarantee and does not have share capital. Each member gives a guarantee of a sum not exceeding £1 to the company, should the company be wound up. No one individual member has control.

Notes Forming Part of the Financial Statements (continued)

20. Other Costs

The 'Other Costs' for 2016/17 shown in note 4, totalling £213,284 (under costs of: Raising Donations, Other Trading Activities and Charitable Activities) are support costs and governance costs made up as follows:

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Staff costs	105,882	106,617
Incidental HR costs	2,752	3,519
Premises	52,995	53,194
Office services	6,570	8,864
Liability insurance	9,643	9,456
IT costs	16,066	16,374
Finance costs	4,861	13,804
Direct governance costs	14,516	16,204
	<u>213,285</u>	<u>228,032</u>

Direct governance costs include external audit fees of £9,000 (2015/16: £9,450). Staff costs of £105,882 above include £24,895 (2015/16: £24,327) of staff costs relating to governance.

The 'Other Costs' above are first of all allocated to restricted funds in accordance with funding agreements. The remaining 'Other Costs' are then apportioned between the eight different unrestricted cost headings shown in Note 4, the unrestricted expenditure note, on the basis of the amount of full time equivalent staff time spent on each of these areas. The basis of this allocation as follows:

Full-time equivalent staff time in operational areas

	2016/17		2015/16	
	No of staff	%	No of staff	%
Fundraising	0.6	6.1%	0.4	2.9%
Non-Charitable Trading	0.1	0.7%	0.2	1.4%
Sponsorship	0.5	4.6%	0.4	2.9%
Consultancy & Service delivery	4.0	38.2%	6.1	43.6%
Campaigning	2.3	22.3%	3.1	22.1%
Membership Services	2.5	23.7%	2.9	20.7%
Information Services	0.4	3.7%	0.8	5.7%
Community Cycling	0.1	0.6%	0.1	0.7%
	<u>10.5</u>	<u>100.0%</u>	<u>14.0</u>	<u>100.0%</u>

Notes Forming Part of the Financial Statements (continued)

21. Membership Income Deferred

The increase in membership income deferred of £1,391 was debited to the income and expenditure account in the year.

	£
Membership income deferred at 1 April 2016	15,473
Increase in membership income deferred	<u>1,391</u>
Membership income deferred at 31 March 2017	<u>16,864</u>

22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Branch Funds £	Total £
Intangible Fixed Assets	4,554	-	-	4,554
Tangible Fixed Assets	4,588	-	-	4,588
Current Assets	314,200	-	90,060	404,260
Current Liabilities	<u>(242,168)</u>	<u>-</u>	<u>(19,117)</u>	<u>(261,285)</u>
	<u>81,174</u>	<u>-</u>	<u>70,943</u>	<u>152,117</u>

23. Income/(Expenditure) for the year

This is stated after charging:

	<u>2016/17</u>	<u>2015/16</u>
Auditors remuneration	9,000	9,450
Amortisation	5,481	10,142
Depreciation	4,431	5,987
Operating leases: Land and Buildings	37,500	37,500
Other	<u>1,194</u>	<u>1,270</u>

Notes Forming Part of the Financial Statements (continued)

24. Financial Performance of the Charity

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary which earns sponsorship income, advertising income and sundry other income.

The summary financial performance of the charity alone is:

	2016/17	2015/16
	£	£
Income	1,014,888	1,210,831
Gift Aid from subsidiary company	<u>38,861</u>	<u>85,596</u>
Total income	1,053,749	1,296,427
Cost of raising donations	47,146	25,950
Costs of other trading activities	54,715	59,706
Expenditure on charitable activities	<u>1,000,554</u>	<u>1,236,419</u>
Total expenditure	1,102,415	1,322,075
Net income	(48,666)	(25,648)
Total funds brought forward	<u>200,783</u>	<u>226,431</u>
Total funds carried forward	<u>152,117</u>	<u>200,783</u>
Represented by:		
Unrestricted funds	81,174	92,611
Restricted funds	-	446
Branch funds	<u>70,943</u>	<u>107,726</u>
	<u>152,117</u>	<u>200,783</u>

25. Investment in the subsidiary

The charity, London Cycling Campaign, owns two £1 shares in the wholly owned trading subsidiary, London Cycling Campaign Trading.

Notes Forming Part of the Financial Statements (continued)

26. Financial Performance of the Trading Subsidiary

The wholly owned trading subsidiary, London Cycling Campaign Trading Limited is incorporated in the United Kingdom (company number 09515524) and pays all its profit to the charity under the gift aid scheme. London Cycling Campaign Trading Limited earns its income from advertising revenue, sponsorship income and sundry other income.

The summary financial performance of the trading subsidiary alone is:

	2016/17	2015/16
	£	£
Turnover	136,194	178,017
Cost of sales and administration costs	(97,408)	(92,482)
Interest receivable	75	61
Net profit	38,861	85,596
Amount gift aided to charity	(38,861)	(85,596)
Retained in subsidiary	-	-

The assets and liabilities of the subsidiary were:

Current Assets	43,625	124,842
Current Liabilities	(43,623)	(124,840)
Total net assets	2	2
Aggregate share capital and reserves	2	2

27. Volunteers

Volunteers, who include our trustees, make an important and significant contribution to London Cycling Campaign. All participants in LCC's local groups – which are the main face of the organisation with borough councillors and officers – are volunteers. Non-trustee volunteers are appointed to serve alongside trustees on Board subcommittees and a number of volunteers also get involved in detailed campaign work through bodies such our elected Policy Forum. Volunteers also make a substantial contribution to the charity's London-wide campaigns, particularly at election time and when local issues of London-wide significance arise (such as infrastructure improvements at major locations that can be replicated across London). In addition, a number of volunteers contribute to LCC by helping out with work in LCC's office at Newham's Row, often on a regular basis.