

Company no. 03836786
Charity no. 1077575

Life Cycle

Report and Audited Financial Statements

31 March 2023

Life Cycle

Contents

For the year ended 31 March 2023

	Page
Reference and administrative details	1
Report of the trustees	2 - 10
Auditor's report	11 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 31

Life Cycle

Reference and administrative details

For the year ended 31 March 2023

Company number 03836786

Charity number 1077575

Registered office and operational address The CREATE Centre
Smeaton Road
Bristol
BS1 6XN
Tel: 0117 353 4580

Email: hello@lifecycle.org.uk
Website: www.lifecycleuk.org.uk

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

S Mowl - Chair
H Binley - Treasurer
K Chaterjee
A Dodd (Appointed 12th May 2022)
M Hobson (Appointed 1st August 2023)
C Keble (Resigned 6th August 2023)
N Key (Appointed 12th May 2022)
P McMahon (Appointed 12th May 2022, resigned 21st February 2023)
S McMillan
A Menter (Appointed 12th May 2022)
K Norman (Appointed 12th May 2022)
N Saba (Appointed 10th November 2022)
M Shepherd CBE (Resigned 19th May 2022)
A Webber
E Williams

Chief executive Edward Norton

Company secretary Edward Norton

Bankers Triodos Bank
Deanery Road
Bristol
BS1 5AS

Auditors Godfrey Wilson Limited
Chartered accountants and statutory auditors
5th Floor, Mariner House
62 Prince Street
Bristol
BS1 4QD

Life Cycle

Report of the trustees

For the year ended 31 March 2023

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

Objectives and activities of the charity

In our age of climate emergency, rising inequality and public health crisis, we believe:

- More cycling is vital for better physical, mental and environmental health;
- Cycling can be safe, affordable and practical for most short journeys; and
- With the right support, almost anyone can cycle.

Our Vision

A world with clean air and healthy people where cycling is the chosen mode of transport, for most people, for short daily journeys.

Our Mission

We help more people get cycling, to transform lives and the environment.

What we do

To achieve this, we:

1. Offer people access to working bicycles;
2. Help people gain the skills and confidence to cycle wherever they want, whenever they want;
3. Offer extra support to anyone who faces barriers to unlock the benefits of cycling; and
4. Strengthen the cycling sector: we train bike mechanics (including in prisons), cycle instructors and partner with other charities, Councils and businesses looking to boost cycling levels.

Our Approach

We work with people to offer practical support to help them cycle, in ways that can scale up and be replicated elsewhere. We want to build independence, not dependence, and help people continue to benefit from cycling beyond our direct involvement.

We are passionate about working in a way that maximises social value.

Our Values

- We strive for excellence in everything we do;
- We treat everyone with honesty, decency, openness and respect; and
- We aren't afraid to try new things. We are bold. We are always learning.

Structure, governance and management

Life Cycle (previously "Life Cycle UK") is a registered charity (number 1077575) and company limited by guarantee (registered number 3836786).

Life Cycle's day-to-day operations are managed by the Charity's Chief Executive, supported by a Senior Leadership Team (SLT) and an Operations Group. Activities are delivered by a team of staff members, freelance cycle instructors and mechanics and a growing number of volunteers.

Life Cycle

Report of the trustees

For the year ended 31 March 2023

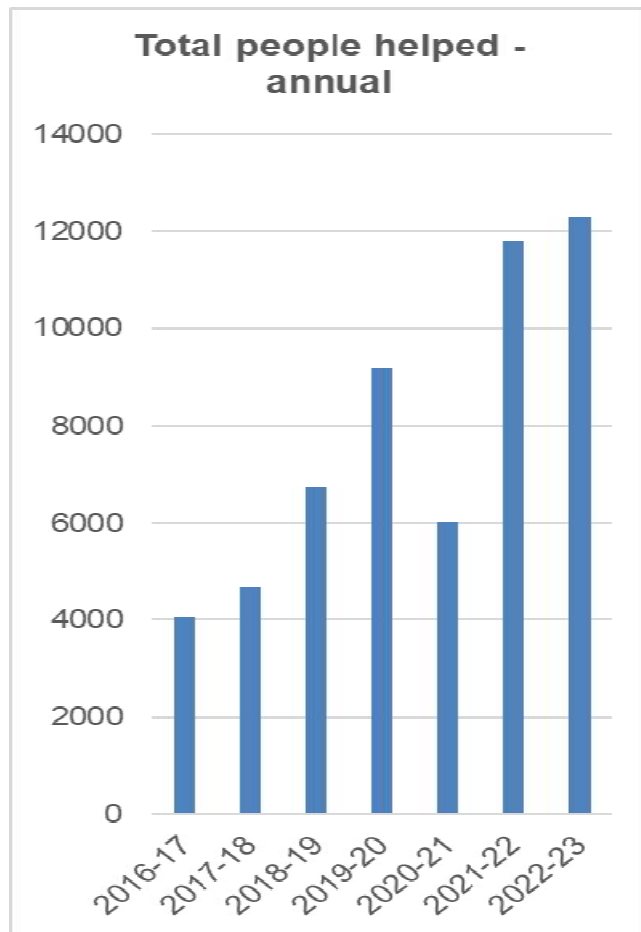
Board of trustees

The directors and trustees of the charitable company during the period are listed on page 1.

A governance structure to support senior staff in light of Life Cycle's continued growth was implemented in 2019. There are three sub-committees covering Finance, Governance and Remuneration. Each committee meets up to four-times a year and is represented by three or more trustees. There is a limit to how long a trustee can serve on the Board in line with best practice, of three terms of three years each, except in exceptional circumstances. There is no AGM, which is not legally required because Trustees are both members and directors and can voice opinions and receive information throughout the year.

Achievements and performance (Public Benefit)

12,306 people accessed the charity's services in the 12-months to 31st March 2023 – a 4% increase on the previous year. This continues our general trend of growth in recent years, despite contending with strong headwinds due to high inflation and the cost-of-living crisis.



Life Cycle

Report of the trustees

For the year ended 31 March 2023

Public benefit was achieved in the West of England, Swindon, Hereford, Derby and Aylesbury in the following ways:

1. Offer access to working bicycles

Our bike recycling project, run in partnership with HM Prison Service, helped 117 men inside prison to train as a City & Guilds accredited cycle mechanic. We also offered community placements to ex-offenders to improve pathways to further training and employment. Feedback from learners is great:

It's been incredible for me. I had an eagerness to learn, and it's been so great coming here. I have gained so much knowledge – I was using a bike that had 24 gears but only using 3 of them! Now I know how it all works, what they're all for, and even how to strip the bike down and rebuild it.” – “Mo”

“I thought I'd try and get some relevant experience before I'm released, I think having this qualification gives me potential for employment. It's been about bettering myself. I've learnt loads, the proper way to do things, and why.” – “Ryan”

Prisoners, with our mechanics, refurbished 800 bikes (all donated by the public) otherwise destined for scrap. These bikes are now in use by grateful members of the public in need of cheap, reliable transport. One buyer of a subsidised bike told us:

“Best place for a quality bike at a fair price! Very helpful, friendly and knowledgeable team, thank you for all your help...fitting on my lights, lock & other bits as well as telling me about the Wheels to Work [discount] scheme which helped me out massively.” – Clara

Mechanics at our public workshops serviced 1,459 bikes in 2022-23, keeping them running smoothly and safe for regular use. This is up from <250 bikes/year pre-pandemic.

In addition, our mechanics made free repairs to 1,910 bikes at 'pop-up' Dr Bike events this year – up 11% on 2021-22. Due to the cost-of-living crisis, there was a real sense that more people wheeled a previously disused bike out the shed but needed help to get it running again.

2. Helping people gain the skills and confidence to cycle wherever they want, whenever they want

Our Bikeability cycle training programme taught 5,269 school children to cycle in 2022-23 (+4%) – despite disruption from teachers strikes, heatwaves and cold snaps.

Training volumes are now 16% above pre-pandemic levels. We expect further year-on-year rises as the Department for Transport marches towards its 2024 goal of providing cycle training for every schoolchild. Feedback received:

- 98% of schools said our cycle training as “excellent” or “very good”;
- 89% of parents feel more confident allowing their children to cycle on roads; and
- 72% of children we have helped now cycle for at least 30 minutes each week.

“Instructors are well-trained. Children come back enthused with improved skills for both cycling and road safety in general. Very pleased with the excellent service.” -
Ashton Gate Primary

Life Cycle

Report of the trustees

For the year ended 31 March 2023

We also helped 476 adults to learn or refresh their cycling skills. Countering the typical cyclist profile, 72% of adult trainees were women. Feedback received:

- 97% rated training as “very good” or “excellent;”
- 97% said their skills and confidence had increased; and
- 80% of trainees now cycle at least 30 minutes each week.

“[Instructor] was superb. Patient and clear. My time with her has improved my confidence with road cycling.”

“I don't have to use the car anything like as much as I did. This helps me financially, whilst also helping to reduce carbon emissions and traffic congestion.”

And we taught 102 people basic bike mechanic skills at Beginners Bike Maintenance courses. 100% of participants rated the course as either “Excellent” (88%) or “Good” (12%):

“I learnt so much! I didn't know anything about looking after our family's bikes and now I'm much more confident I could spot issues and fix them.”

3. Offer extra support to anyone who faces barriers to unlock the benefits of cycling

This year, we supported 473 people via our “Inclusive Cycling” projects. These included:

“Beginner” and “Returner” cyclists courses:

“My asthma has definitely improved dramatically since I moved to Bristol and I put it down to the fact that I am now cycling on a regular basis which I never used to do before. I am 72.”

“Cycle Buddies” to support socially isolated people 1:1:

“They always came to where was convenient for me. It was at my own pace...helping me ease out my comfort zone. It gave me the push to try new things. It was really good for my self-esteem to tackle something I had been nervous about.”

“Group Leisure Rides” targeting areas/groups less likely to cycle:

“My mental and physical health have greatly improved. People I haven't seen for a while can't believe the change in me.”

“Two's Company” tandem rides for the visually impaired and disabled:

“It can be hard sometimes to get back to your life once you get off the tandem – because cycling with Life Cycle feels like pure joy and freedom.”

“Silver Cyclists” rides for the Over 55s

“I think Life Cycle are amazing. I am cycling more than I have done for 50 years!”

In addition, our Youth project ran free weekly activities in 3 deprived communities that helped 409 kids start engaging with cycling through a mix of activities, trips and mechanics sessions.

Life Cycle

Report of the trustees

For the year ended 31 March 2023

We also helped 597 children improve their cycling skills via structured cycle training activities funded by a “Widening Participation” grant from The Bikeability Trust, piloting ways to reach children at our ‘open access’ community sessions – many of whom miss cycle training at school.

4. Strengthen the cycling sector:

Whilst the number of people Life Cycle directly supports has grown considerably in recent years, we recognise that the impact we alone can have on overall cycling levels is modest. A key part of our strategy is to upskill individuals at other cycling initiatives – or founding new schemes – to create a “ripple effect” of benefits beyond our involvement. This year the charity:

- Trained 84 people as 1st4Sport accredited cycle instructors; and
- Trained 146 members of the public as City & Guilds accredited cycle mechanics.

We continue our approach of blending fee-paying customers with bursary-funded learners on these courses, often as part of partnerships, to build capacity at other smaller cycling projects. Partners we supported this year included:

- Warmley Wheelers: a group in South Gloucestershire that gives people with health conditions and support needs the chance to get into cycling on adapted bicycles;
- Active Lincolnshire: who are establishing 7 community bike recycling schemes in their county, with refurbished bikes given away for free; and
- On Your Bike, a bike recycling scheme in Bridgwater, to train mechanics as part of our capacity building “Get Somerset Cycling” partnership.

This year we also installed 149 cycle stands at small local venues – free of charge – to improve access to secure cycle parking:

“Thank you for making it so easy for us to be able to provide this service to our community, we could not have afforded to provide [cycle] stands ourselves. It has increased the number of adults and children coming by bike, as we now have a secure place to lock the bikes up.”
– St Michaels Church, Hamworthy

Finally, we are providing access to electric bikes and cycle training for a research study run by the University of Bristol and local Hospitals looking into how e-bike use can improve health outcomes for cancer patients

Risk Statement

The Trustees continue to consider and manage risks to the charity. These risks include:

Risk: High inflation increases our costs faster than our income

Mitigation: We have worked closely with funders and commissioners, where possible, to re-negotiate terms of key grants and contracts to reflect the true (rising) costs of delivery. Some revised terms kicked in during the year, others will do from 1st April 2023. Our fees are regularly reviewed. Expenditure is closely monitored. When supplier prices rise, we review suppliers or Pro Bono alternatives. As people are our largest expenditure area, Trustees continue to invest in improved digital systems which should increase staff productivity when they go live in 2023-24.

Risk: Ineffective or inconsistent systems result in staff frustration, inefficient delivery, higher costs and loss of business.

Life Cycle

Report of the trustees

For the year ended 31 March 2023

Mitigation: Trustees recognise the need to invest in improvements to digital infrastructure as the charity grows. Under our Digital Strategy, significant investment was approved for a Digital Transformation programme in November 2021. Phase 1 of this work – a comprehensive upgrade of the charity's IT systems and a brand refresh – is almost complete and launches before March 2024.

Risk: Board of Trustees and Senior Leadership lacks relevant skills or commitment to lead the charity effectively.

Mitigation: This year, the Board skills matrix was updated and 6 new Trustees with a broad range of professional expertise recruited as part of succession planning ahead of the retirement of 4 longstanding Trustees in 2023. To allow a period of overlap and knowledge transfer, 2 x Vice-Chairs were appointed as well as successors to the key positions of Chair of Trustees and Chair of Governance Committee. Two new members were appointed to the Senior Leadership Team of the staff, both of whom are being supported with leadership development training.

Fundraising

We continue to secure grants and donations from a range of local, regional, and national funders, using in-house fundraisers employed directly by the charity. Like all charities, we notice that competition for grants in the current funding landscape is increasing. To diversify our income, the charity plans to explore raising funds from Individual Giving in future. To protect vulnerable people, we do not – and do not plan to – solicit donations from the public via face-to-face fundraising “chuggers” or via lotteries. All our fundraising activities adhere to our Safeguarding Policy, and we have not used the services of external professional fundraisers during the year.

Life Cycle is registered with the Fundraising Regulator and follows their code of conduct. No complaints have been received regarding our fundraising activities.

Income from contracts and fees continues to grow and makes up an increasing share of our funding, reflecting our long-term strategy to reduce reliance on grant funding. Income from the sale of refurbished bikes and servicing now represents a core foundation stone of our overall income mix. We are extremely grateful to the thousands of people who have donated us an unwanted bicycle for refurbishment.

Future Plans

Despite short-term economic headwinds, Trustees believe demand for the charity's services will grow throughout the 2020s as cycling remains a key factor in national and local government strategies to reduce transport emissions, improve air quality and enhance public health. We anticipate developments in the following areas:

- 1) **Access to bikes:** we have signed a contract to open a new bike recycling workshop in a prison in the Midlands in the 23/24 financial year. We continue to explore other partnerships with potential to expand the reach of our bike recycling and bike repair activities;
- 2) **Cycle Training:** the government's pledge to fund Bikeability training for every school child in England by 2024 suggests that demand for our cycle training services will keep growing;
- 3) **Extra support:** we continue to refine our offers to meet the needs of the post-covid and cost-of-living era. We hope to be able to grow activities in the medium term; and
- 4) **Strengthening the sector:** we aim to pursue further partnerships with other cycling groups to build the sector's capacity and keep offering industry standard accredited training for new cycle instructors and bike mechanics.

Life Cycle

Report of the trustees

For the year ended 31 March 2023

Thank you

Trustees wish to thank the 100+ amazing volunteers who between them gave up 5,288 hours (+20% on 2021-22) to help transform lives through cycling, via the above programmes. This includes everyone from volunteer bike mechanics, cycle 'buddies' or tandem pilots, to inspiring fundraisers – including Trustee Elizabeth Williams, who raised over £4,000 (including Gift Aid) via a sponsored Land's End to John O'Groats ride!

The Board wishes to formally record its thanks to the four longstanding Trustees who retire in 2023: Andrew Webber, Clive Keble, Elizabeth Williams and outgoing Chair Sarah Mowl. The charity has benefited hugely from their scrutiny, positive challenge, encouragement and energy. Thanks to them, Life Cycle is in a strong position and looks ahead with real optimism.

Financial review

The income of the charity has grown by 6% (£65k) this year to £1.111M, (2022: £1.046M).

The overall in-year deficit is £82k. £32k relates to the timing of restricted income, £30k is the planned IT development funded from designated reserves and £20k is from general reserves. A budget deficit was approved by the trustees before the start of the year to enable the charity to expand. This enabled the charity to implement IT and staffing changes.

Grant funding has become increasingly competitive, we have been fortunate to have the continued support of many funders. There has been a significant drop in multi year grants. We are actively exploring diversifying fundraising to help reduce this risk.

Our restricted reserves are sufficient to keep grant funded projects operating for the agreed period.

Investments

The trustees Investment Policy seeks to improve the return on surplus cash balances to protect the value of reserves against inflation and earn unrestricted income which can help fund our work, whilst allowing quick access to a proportion of reserves to ease any temporary cash flow disruptions. Due to the war in Ukraine, high inflation and political changes it has been a highly volatile year for the markets. At the year we have a loss of £23k on investments. Trustees review our investments regularly, which are held for medium to long term and for investment income. Trustees have taken the decision to sell the investments and reinvest in funds that are more diversified and in line with Life Cycle's environmental and social standing.

Going Concern

The trustees have considered the charity's current and future financial position. The charity holds unrestricted general reserves of £258k and in addition designated funds of £12k. The trustees consider that the charity has sufficient unrestricted reserves and cash flow to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved. For this reason, the accounts have been prepared on the going concern basis.

Life Cycle

Report of the trustees

For the year ended 31 March 2023

Reserves policy

The trustees have determined that the target level of general unrestricted reserves of the charity should be between 3 and 6 months of current operating costs. In the opinion of the trustees this makes prudent provision of unrestricted funds to cover management, administration, and support costs in the event of an unexpected reduction in funding. The unrestricted reserves need to be in line with growth of the charity's expenditure. The general unrestricted reserves are £258k representing approximately 2 months of next year's budgeted operating expenditure. The charity plans to build up general reserves from 2024/25 onwards; when it is expected that Life Cycle will fully benefit from the impact of IT development and staff restructure. Life Cycle are undertaking a detailed costed risk review to check if the level of reserves are sufficient. The initial review of the charity's highest risks shows that they are sufficient.

Designated Reserves: Any legacies received, because of their unpredictable nature, are recognised as designated income for development opportunities. This year we received a £5k legacy. Last year the trustees agreed to spend the balance of the designated reserves on the initial stage of the IT development programme. The balance of the designated reserves at year end includes £7k of this expenditure which was delayed, it has been spent in early 2023/24.

Statement of responsibilities of the trustees

The trustees (who are also directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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 charitable company's auditors are 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 auditors are aware of that information.

Life Cycle

Report of the trustees

For the year ended 31 March 2023

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditors

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and has expressed their willingness to continue in that capacity.

Approved by the trustees on 14 November 2023 and signed on their behalf by

Sarah Mowl

Sarah Mowl - Chair

Independent auditors' report

To the members of

Life Cycle

Opinion

We have audited the financial statements of Life Cycle (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditors' report

To the members of

Life Cycle

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report

To the members of

Life Cycle

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Independent auditors' report

To the members of

Life Cycle

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Godfrey

Date: 14 November 2023

Alison Godfrey FCA
(Senior Statutory Auditor)

For and on behalf of:

GODFREY WILSON LIMITED

Chartered accountants and statutory auditors
5th Floor Mariner House
62 Prince Street
Bristol
BS1 4QD

Life Cycle

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2023

	Note	Restricted £	Designated £	General £	2023 Total £	2022 Total £
Income from:						
Donations and legacies	3	-	5,000	23,278	28,278	19,745
Charitable activities	4	271,949	-	584,665	856,614	827,366
Other trading activities	6	-	-	215,777	215,777	188,395
Investments		-	-	10,444	10,444	10,119
Total income		<u>271,949</u>	<u>5,000</u>	<u>834,164</u>	<u>1,111,113</u>	<u>1,045,625</u>
Expenditure on:						
Raising funds		35,869	-	13,801	49,670	30,337
Charitable activities		<u>267,753</u>	<u>35,265</u>	<u>840,545</u>	<u>1,143,563</u>	<u>1,005,902</u>
Total expenditure	7	<u>303,622</u>	<u>35,265</u>	<u>854,346</u>	<u>1,193,233</u>	<u>1,036,239</u>
Net income / (expenditure) before gains		(31,673)	(30,265)	(20,182)	(82,120)	9,386
Net gains / (losses) on investments	12	<u>-</u>	<u>-</u>	<u>(22,778)</u>	<u>(22,778)</u>	<u>9,848</u>
Net income / (expenditure) & net movement in funds	8	(31,673)	(30,265)	(42,960)	(104,898)	19,234
Reconciliation of funds:						
Total funds brought forward		<u>145,904</u>	<u>42,463</u>	<u>301,233</u>	<u>489,600</u>	<u>470,366</u>
Total funds carried forward		<u>114,231</u>	<u>12,198</u>	<u>258,273</u>	<u>384,702</u>	<u>489,600</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 18 to the accounts.

Life Cycle

Balance sheet

As at 31 March 2023

	Note	£	2023 £	2022 £
Fixed assets				
Tangible assets	11		-	-
Investments	12		<u>224,879</u>	<u>247,657</u>
			224,879	247,657
Current assets				
Stock	13	28,316		28,886
Debtors	14	103,054		108,543
Cash at bank and in hand		<u>159,916</u>		<u>217,951</u>
		291,286		355,380
Liabilities				
Creditors: amounts falling due within 1 year	15	<u>131,463</u>		<u>113,437</u>
Net current assets			<u>159,823</u>	<u>241,943</u>
Net assets	17		<u><u>384,702</u></u>	<u><u>489,600</u></u>
Funds	18			
Restricted income funds			114,231	145,904
Designated funds			12,198	42,463
General funds			<u>258,273</u>	<u>301,233</u>
Total charity funds			<u><u>384,702</u></u>	<u><u>489,600</u></u>

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

Approved by the trustees on 14 November 2023 and signed on their behalf by

Sarah Mowl

Sarah Mowl - Chair

Life Cycle

Statement of cash flows

As at 31 March 2023

	2023 £	2022 £
Cash used in operating activities		
Net movement in funds	(104,898)	19,234
Adjustments for:		
Depreciation charges	-	294
(Gains) / losses on investments	22,778	(9,848)
Dividends and interest from investments	(10,444)	(10,119)
Decrease / (increase) in stock	570	(8,552)
Decrease / (increase) in debtors	5,489	(66,664)
Increase / (decrease) in creditors	18,026	12,288
Net cash provided by / (used in) operating activities	(68,479)	(63,367)
Cash flows from investing activities:		
Dividends and interest from investments	10,444	10,119
Net cash provided by / (used in) investing activities	10,444	10,119
Increase / (decrease) in cash and cash equivalents in the year	(58,035)	(53,248)
Cash and cash equivalents at the beginning of the year	217,951	271,199
Cash and cash equivalents at the end of the year	159,916	217,951

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Life Cycle meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b) Going concern basis of accounting

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

c) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants are deferred where preconditions exist relating to programmes to be delivered in future accounting periods.

Contract and fee income is recognised when the services are delivered. Income received in advance of provision of service is deferred until criteria for income recognition are met.

d) Volunteers

The charity benefits from the services of volunteers. During the year 115 volunteers gave 5,228 hours of their time to support the charity. In accordance with the Charities SORP (FRS 102), general volunteer time is not given a value in the accounts.

e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

f) Funds accounting

Unrestricted funds (referred to in these accounts as general funds) are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g) Expenditure and irrecoverable VAT

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 measured reliably.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities as follows:

	2023	2022
Raising funds	4%	4%
Charitable activities	96%	96%

i) Tangible fixed assets

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Plant and equipment	3-5 years straight line
---------------------	-------------------------

Items of equipment are capitalised where the purchase price exceeds £2,500.

j) Investments

Investments held as fixed assets are carried at their fair value, and are revalued at market value at the balance sheet date. The gain or loss for the period is taken to the statement of financial activities.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

1. Accounting policies (continued)

k) Stock

Stock is included at the lower of cost or net realisable value.

Donated items of stock are recognised at fair value, which is deemed to be the average expected sale proceeds less the expected costs of sale. Donated stock represents second hand bicycles which are refurbished by the charity and then put up for sales. Donated stock is only recognised once the bicycle has been fully refurbished and is fit for sale.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. We aim to pay within 28 days.

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

p) Pension costs

The charitable company pays into various defined contribution pension schemes on behalf of staff. The cost of providing pension and related benefits is charged to staff costs within the statement of financial activities.

q) Accounting estimates and key judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation uncertainty.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

2. Prior period comparatives

The following note is required under the SORP FRS 102 to explain the breakdown of income and expenditure between restricted and unrestricted funds in the prior period.

	Restricted £	Designated £	General £	2022 Total £
Income from:				
Donations	-	2,500	17,245	19,745
Charitable activities	247,333	-	580,033	827,366
Other trading activities	-	-	188,395	188,395
Investments	-	-	10,119	10,119
Total income	247,333	2,500	795,792	1,045,625
Expenditure on:				
Raising funds	21,560	-	8,777	30,337
Charitable activities	247,883	13,386	744,633	1,005,902
Total expenditure	269,443	13,386	753,410	1,036,239
Net income / (expenditure) before gains / (losses)	(22,110)	(10,886)	42,382	9,386
Net gains / (losses) on investments	-	-	9,848	9,848
Net income / (expenditure) & net movement in funds	(22,110)	(10,886)	52,230	19,234

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

3. Donations

	Restricted £	Designated £	General £	2023 Total £
General donations	-	-	23,278	23,278
Legacies	-	5,000	-	5,000
Total donations	-	5,000	23,278	28,278

Prior period comparatives

	Restricted £	Designated £	General £	2022 Total £
Furlough scheme	-	-	1,696	1,696
Legacies	-	2,500	-	2,500
General donations	-	-	11,849	11,849
Bristol City Council Small Business Discretionary Grant	-	-	3,700	3,700
Total donations	-	2,500	17,245	19,745

4. Income from charitable activities

	Restricted £	Designated £	General £	2023 Total £
Grants of £15,000 or more:				
The Bikeability Trust	18,247	-	-	18,247
The Garfield Weston Foundation	25,000	-	-	25,000
HPC Community Fund / Somerset Community Foundation	46,063	-	-	46,063
The National Lottery Community Fund	30,951	-	-	30,951
Grants of less than £15,000	151,688	-	10,500	162,188
Fees for services	-	-	574,165	574,165
Total charitable activities	271,949	-	584,665	856,614

In addition to the funders listed, Life Cycle would like to thank the following funders for their support: Sports Foundation for the Disabled, Quartet Community Foundation, National Grid, John James Bristol Foundation, The James Tudor Foundation, The 29th May 1961 Charity, Barbara Ward Children's Foundation, Sport England, and Wesport.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

4. Income from charitable activities

Prior period comparatives

	Restricted £	Designated £	General £	2022 Total £
Grants of £15,000 or more:				
The Bikeability Trust	24,501	-	10,000	34,501
The Garfield Weston Foundation	25,000	-	-	25,000
Hinkley Point C Community Fund / Somerset Community Foundation	19,535	-	-	19,535
The National Lottery Community Fund	39,867	-	-	39,867
NHS Combined (NHS Bristol, North Somerset & South Gloucestershire CCG)	15,000	-	-	15,000
The Quartet Community Fund	15,000	-	-	15,000
Grants of less than £15,000	108,430	-	8,000	116,430
Fees for services	-	-	562,033	562,033
Total charitable activities	247,333	-	580,033	827,366

5. Government grants

The charity receives government assistance, in the form of grants from Bristol City Council to fund a variety of the charity's projects. The total amount of such grants in the year ended 31 March 2023 was £10,000. In the prior year, the total of such grants received was £5,396 (which also includes government support via the Coronavirus Job Retention Scheme). There were no unfulfilled conditions or contingencies attaching to these grants. In addition the charity receives fees for services from various different local authorities.

6. Other trading activities

	Restricted £	Designated £	General £	2023 Total £	2022 Total £
Sale of goods and services:					
Bike sales and servicing	-	-	215,777	215,777	188,395

All income from other trading activities in the prior year related to unrestricted general funds.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

7. Total expenditure

	Raising funds £	Charitable activities £	Support and governance costs £	2023 Total £
Staff costs (note 9)	45,889	679,478	50,490	775,857
Projects and services	-	328,681	-	328,681
Publicity and marketing	-	12,148	-	12,148
IT costs	407	35,160	-	35,567
Insurances	-	8,855	-	8,855
Professional fees	-	953	-	953
Governance	-	-	6,250	6,250
Office rent	-	-	6,963	6,963
Computers	-	-	6,530	6,530
General office	-	-	11,429	11,429
Sub-total	46,296	1,065,275	81,662	1,193,233
Allocation of support and governance costs	3,374	78,288	(81,662)	-
Total expenditure	49,670	1,143,563	-	1,193,233

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

7. Total expenditure

Prior period comparative

	Raising funds £	Charitable activities £	Support and governance costs £	2022 Total £
Staff costs (note 9)	27,380	591,641	40,085	659,106
Projects and services	-	312,452	-	312,452
Publicity and marketing	-	9,475	-	9,475
IT costs	298	14,183	-	14,481
Depreciation	-	294	-	294
Insurances	-	9,075	-	9,075
Professional fees	-	264	-	264
Governance	-	-	5,496	5,496
Office rent	-	-	6,808	6,808
Accountancy	-	-	2,551	2,551
Home working	-	-	1,175	1,175
Computers	-	-	4,368	4,368
General office	-	-	10,694	10,694
Sub-total	27,678	937,384	71,177	1,036,239
Allocation of support and governance costs	2,659	68,518	(71,177)	-
Total expenditure	30,337	1,005,902	-	1,036,239

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

8. Net movement in funds

This is stated after charging:

	2023	2022
	£	£
Depreciation	-	294
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	Nil	Nil
Audit fees (excluding VAT)	5,700	4,500

No trustee received reimbursed expenses for travel to trustee meetings/business (2022: Nil).

9. Staff costs and numbers

Staff costs were as follows:

	2023	2022
	£	£
Salaries and wages	694,800	598,548
Social security costs	49,245	33,676
Pension costs	31,812	26,882
	775,857	659,106

	2023	2022
	No.	No.
Average staff head count	34	31
Full time equivalent staff	26	24

No employee earned more than £60,000 during the year (2022: none).

The key management personnel of the charitable company comprise the senior management team 2023: 5 (2022:4). Total employee benefits (salaries, national insurance and pension contributions) paid to key management personnel were £165,339 (2022: £125,949).

10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

11. Tangible fixed assets

	Plant and equipment £
Cost	
At 1 April 2022 and 31 March 2023	<u>25,086</u>
Depreciation	
At 1 April 2022 and 31 March 2023	<u>25,086</u>
Net book value	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>-</u>

12. Investments

	2023 £	2022 £
Market value at 1 April 2022	247,657	237,809
Unrealised gains / (losses)	<u>(22,778)</u>	<u>9,848</u>
Market value at 31 March 2023	<u>224,879</u>	<u>247,657</u>
Historical cost:		
At 31 March	<u>241,000</u>	<u>241,000</u>

Investments comprising more than 5% of the total investment valuation are as follows:

COIF Fixed Interest Fund	29%	28%
COIF Property Fund	30%	32%
M&G Charifund	<u>41%</u>	<u>40%</u>

13. Stock

	2023 £	2022 £
Refurbished bicycles	12,200	8,210
Parts and accessories	<u>16,116</u>	<u>20,676</u>
	<u>28,316</u>	<u>28,886</u>

The charity received donated stock in the form of second hand bicycles which are refurbished by the charity and subsequently sold. Bicycles are included as stock at the point when they have passed a final safe for sale check.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

14. Debtors

	2023 £	2022 £
Trade debtors	63,119	81,553
Prepayments	12,954	13,566
Other debtors	26,981	13,424
	<u>103,054</u>	<u>108,543</u>

15. Creditors : amounts due within 1 year

	2023 £	2022 £
Trade creditors	25,675	31,007
Other taxation and social security	17,676	16,229
VAT	11,652	9,315
Other creditors and accruals	36,400	18,926
Deferred income (note 16)	40,060	37,960
	<u>131,463</u>	<u>113,437</u>

16. Deferred income

	2023 £	2022 £
Balance brought forward	37,960	56,012
Amount released to income	(33,848)	(55,636)
Amount deferred in year	35,948	37,584
	<u>40,060</u>	<u>37,960</u>

Deferred income comprises contract income and fees received which are for specific future work.
This is comprised of the following:

	2023 £	2022 £
Take a Stand	12,305	8,234
Maintenance Courses	9,195	9,853
CRANK	9,000	-
1st 4 Sport	7,063	1,050
Cycle Lessons	980	3,752
Bikes and Accessories	950	11,472
Other	567	3,599
Total	<u>40,060</u>	<u>37,960</u>

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

17. Analysis of net assets between funds

	Restricted funds £	Designated funds £	General funds £	Total funds £
Investments	-	-	224,879	224,879
Current assets	117,915	12,198	161,173	291,286
Current liabilities	<u>(3,684)</u>	<u>-</u>	<u>(127,779)</u>	<u>(131,463)</u>
Net assets at 31 March 2023	<u>114,231</u>	<u>12,198</u>	<u>258,273</u>	<u>384,702</u>

Prior period comparatives

	Restricted funds £	Designated funds £	General funds £	Total funds £
Investments	-	-	247,657	247,657
Current assets	148,550	42,463	164,367	355,380
Current liabilities	<u>(2,646)</u>	<u>-</u>	<u>(110,791)</u>	<u>(113,437)</u>
Net assets at 31 March 2022	<u>145,904</u>	<u>42,463</u>	<u>301,233</u>	<u>489,600</u>

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

18. Movements in funds

	At 1 April 2022 £	Income £	Expenditure £	Gains / (losses) on investments £	At 31 March 2023 £
Restricted funds					
Inclusive Cycling	25,625	102,807	(99,940)	-	28,492
Bike Back Bristol	37,009	31,895	(66,222)	-	2,682
Bike Back Derby	19,984	39,003	(41,574)	-	17,413
Somerset Cycling	25,632	56,063	(53,499)	-	28,196
Course delivery	12,654	11,181	(17,387)	-	6,448
Expansion of prison services	25,000	31,000	(25,000)	-	31,000
Total restricted funds	145,904	271,949	(303,622)	-	114,231
Designated funds					
Development	42,463	5,000	(35,265)	-	12,198
General funds	301,233	834,164	(854,346)	(22,778)	258,273
Total funds	489,600	1,111,113	(1,193,233)	(22,778)	384,702

Purposes of restricted funds

Inclusive Cycling - project to support everyone to cycle including:

- tandem rides for people who are blind, sight-impaired or have other disabilities.
- after school and holiday activities for young people.
- cycle projects for people with mental health problems.
- cycle project for older riders.
- beginners and get back to cycling courses.
- cycle buddies.

Bike Back Bristol – bike recycling project in Bristol.

Bike Back Derby - bike recycling and maintenance training projects in Derby.

Somerset Cycling - for cycling initiatives in Somerset.

Course Delivery – Restricted funds for City and Guild and 1st4Sport courses.

Expansion of prison services – Exploring the setup of recycling projects at other prisons.

Purpose of designated fund - development

Funds earmarked for the development of projects and services.

Life Cycle

Notes to the financial statements

For the year ended 31 March 2023

18. Movements in funds (continued)

Prior period comparatives

	At 1 April 2021 £	Income £	Expenditure £	Gains / (losses) on investments £	At 31 March 2022 £
Restricted funds					
Inclusive Cycling	33,036	96,217	(103,628)	-	25,625
Bike Back Bristol	26,000	45,850	(34,841)	-	37,009
Bike Back Derby	33,288	33,967	(47,271)	-	19,984
Youth Project BBC CiN	6,444	-	(6,444)	-	-
Core Funding	10,418	-	(10,418)	-	-
Somerset Cycling	39,535	19,535	(33,438)	-	25,632
Other	19,293	-	(19,293)	-	-
Dr Bike	-	3,860	(3,860)	-	-
Course delivery	-	12,904	(250)	-	12,654
EPOS	-	10,000	(10,000)	-	-
Expansion of prison services	-	25,000	-	-	25,000
Total restricted funds	168,014	247,333	(269,443)	-	145,904
Designated funds					
Development	53,349	2,500	(13,386)	-	42,463
Total designated funds	53,349	2,500	(13,386)	-	42,463
General funds	249,003	795,792	(753,410)	9,848	301,233
Total funds	470,366	1,045,625	(1,036,239)	9,848	489,600

19. Related party transactions

There were no related party transactions during the year (2022: none).