

The Bike Project

Annual Report and Financial Statements

31st March 2023

(15-month period due to extension of reporting date)

Company Limited by Guarantee
Registration Number 08359498
(England and Wales)
Charity Registration Number 1152354





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Reference and Administrative information Year to 31st March 2023

Charity Name	The Bike Project
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Trustees	Title	Dates Acting
William Cardy	Director/Trustee	Appointed: 9 January 2018
Doug Krikler	Director/Trustee – Chair	Appointed: 2 August 2021
Jeremy Sandelson	Director/Trustee	Appointed: 16 June 2019
Annie Kurian	Director/Trustee	Appointed: 30 January 2019
Clive Rosen	Director/Trustee – Treasurer	Appointed: 4 October 2019
Victoria Clare Kershaw	Director/Trustee	Appointed: 30 January 2019
Odunayo Comfort Adeyemi	Director/Trustee	Appointed: 14 April 2021
Hala Mkhallalati	Director/Trustee	Appointed: 12 April 2021

Chief Executive	Jem Stein – resigned 17 January 2023 Lizzie Kenyon – appointed 3 January 2023
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Registered office	The Bike Project, 3Space International House, 7th Floor 'The Bike Project', International House, Canterbury Crescent, Brixton. SW9 7QD
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Company registration number	08359498
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Charity registration number	1152354
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Auditor	Menzies LLP, Magna House, 18-32 London Road, Staines-Upon-Thames, TW18 4BP
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Bankers	Unity Trust Bank plc, 9 Brindley Place, Birmingham, B1 2HB
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Chair's Foreword - Period to 31st March 2023

The past fifteen months have represented a period of change and transition for The Bike Project and one in which we both faced challenges and achieved a great deal.

After a decade of visionary leadership, hard work and commitment, Jem Stein, our Founder CEO took the decision to pass the baton to a new Chief Executive. We were delighted to welcome Lizzie Kenyon in January 2023, bringing with her over seventeen years of charity sector leadership experience. Lizzie got straight to work further developing The Bike Project to ensure it can deliver for the next ten years. We are deeply grateful to Jem for his leadership and unwavering efforts to shape and grow The Bike Project into the fantastic organisation we see today.

In early 2023, we faced some significant financial challenges which were the cumulative effect of several factors including the extremely challenging fundraising environment, staggering rises in costs, huge demand for our services and having to manage a number of gaps in our own senior management team over several months. Working together in close partnership, the Board and senior team navigated through the implementation of strict controls, increased governance arrangements, launched an urgent fundraising campaign and completed a full operational review and restructure. We drew enormous strength and encouragement from the hugely generous help we were able to mobilise in a few short weeks from both new and existing supporters, and I am delighted to report that we succeeded in putting the charity back on firm foundations.

In spite of the challenges we faced, over the past fifteen months we have been able to offer support to more people than ever before and I am proud to share our achievements and the stories of some of our bike recipients in this report. We have emerged from a difficult period stronger and heartened by the depth of support and affection we have seen for The Bike Project in our mission to offer the simple but powerful intervention a bike represents to refugees and people seeking asylum.

The Bike Project celebrates its 10th anniversary in 2023. We are deeply grateful for the dedication of our team, our founder CEO Jem, our staff and volunteers, the generosity of our donors, funders and the support of our community partners who have all played a pivotal role in our achievements to date. We look forward to our next ten years with hope for a better future for those coming to the UK fleeing persecution and war."

Trustees' report - Period to 31st March 2023

The Trustees, who are the directors for company law purposes, are pleased to present their report and financial statements of The Bike Project for the period ended 31 March 2023. It should be noted that the financial period end was extended from 31 December 2022 to 31 March 2023, so this period of accounts represents a 15-month reporting period.

The financial statements have been prepared in accordance with the accounting policies set out on pages 27 to 30 and comply with the charity's constitution, applicable law and requirements of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

This report has been prepared in accordance with Part VIII of the Charities Act 2011.

Objectives and Activities

Charitable Objectives

Our charitable objects are (as defined by our Articles of Association):

- *To provide relief for those seeking asylum and those granted refugee status and their dependants who are in conditions of need, hardship or distress;*
- *To develop the capacity and skills of socially disadvantaged communities in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society;*
- *To advance the education of all ages of the public in the safe use, re-use and maintenance of bicycles; and*
- *The protection and preservation of the environment in particular by saving bicycles from landfill and promoting bicycle re-use and recycling*

Activities

Founded in 2013, The Bike Project provides an innovative solution to some of the most pressing and hidden issues facing refugees and people seeking asylum who are new to the UK.

Our mission is simple: Each year we match refugees and people seeking asylum without the means or money to get around with the many thousands of bikes that go abandoned and unwanted, that we have lovingly refurbished. We then support these new bike owners to realise the financial, emotional, practical and physical benefits of cycling.

To date we have refurbished and donated 11,348 bikes and developed a comprehensive programme of support to help overcome the many barriers to cycling that have been identified by refugees and people seeking asylum. Alongside these activities we have created a social enterprise selling second-hand bikes nationwide, the proceeds of which help fund our charitable activities.

Having fled persecution and war, people seeking asylum in the UK are banned from working on arrival and can receive as little as £8.24 per week in cash support whilst waiting for their claim to be processed (UK Gov, 2022). This is a hostile process that can take years to resolve, leaving people destitute and vulnerable. For people who do have the right to work, or receive leave to remain, there are further challenges to establishing a life here.

There are an estimated 231,597 people living in these circumstances in the UK (UNHCR, 2022), whilst at the same time there could be as many as 38 million unused bikes in the UK (Bike Club, 2021) and 27,500 bikes are abandoned each year in London alone (TfL, 2007). We believe that matching the two can provide immediate financial relief and practical benefits.

We also believe that bike ownership is a powerful tool for empowerment, providing refugees and people seeking asylum with the freedom and independence to get to know new areas and communities, improve their mental and physical health and improve their access to support, education and employment.

Our bike donation programme relies on collecting abandoned and unwanted bikes from the generous public through a network of volunteer-led drop-off points. The bikes are then transported to one of our workshops where they can be refurbished. No bike is wasted, if it cannot be repaired, we will break it down for spare parts or get the value of scrap metal.

We offer wide-ranging support. Everyone who receives a bike will benefit from an introduction to safe road cycling, using resources that we have created tailored to the needs of people who are new to the UK. Bikes are collected from our workshop, a space that people know that they can return to for repairs, maintenance or to volunteer in the future. In addition, we provide essential cycle safety gear, tools, assist in journey planning, give preventative maintenance tips and demonstrate how to lock a bike securely before it is taken home.

We have developed tailored programmes that support people on their journey to become confident cyclists. For some people, the single intervention of a bike may be enough, for others it is just the start of their relationship with us:

- **Bike Donations:** Through a referral process people join a waiting list and are invited to a bike fitting appointment and collect accessories from a workshop or roadshow location.
- **Repair or Replace:** Every bike we issue comes with the reassurance of a lifetime guarantee that we will maintain, repair or replace broken bikes to ensure that people can keep cycling for as long needed.
- **Pedal Power:** Cycle training is available for all women, many of whom have never ridden a bike before, step through bikes are fitted with custom saddles and training is delivered in a safe, supportive and empowering women-only environment.
- **Bike Buddies:** We match bike recipients with volunteer cyclists who will meet-up multiple times to help reduce isolation, support social integration, and build up cycle confidence.
- **Volunteering:** We provide the space and create opportunities for people to lend their skills, time and experience whilst feeling part of a community as they help deliver our work.

This year marks the 10th anniversary of The Bike Project. Throughout the last decade, we have created and refined what we believe is a sustainable model of reuse that achieves positive outcomes for refugees and people seeking asylum, one of the UK's most diverse, disadvantaged and marginalised groups.

Whilst we have pursued growth in scale and impact, we have ensured our core activities meet the changing needs of the communities that we support. We are a close-knit team of 27 staff with unique skills and experience, who are passionate about getting refugees cycling. We operate out of London and Birmingham hubs and from there can support refugees from across the UK.

Statement on public benefit

The objectives and activities, and achievement and performance sections of this report clearly set out the activities, which the charity undertakes for the public benefit. The Directors confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

Achievements and Performance

Summary of our work

The following are some key highlights of our work during the period January 2022 – March 2023:

- Refurbished and donated 2,506 bikes and cycling accessories
- Carried out repairs on 185 bikes and replaced 585 parts
- Refurbished, sold and shipped 1,609 bikes to customers nationwide
- Managed 139 volunteers who contributed to our charitable activity
- Supported 105 Pedal Power participants to learn to cycle
- Matched 39 refugees with a local Bike Buddy
- Hosted 242 events and activities online or in person
- Collected 6,102 bikes from our network of 64 drop off points
- Achieved recognition through The New Statesman Positive Impact in Transport Award
- Secured over £3 million income

Bike donations

Through our bike donation programme we collected a total of 6,102 abandoned or unwanted bikes from the public and refurbished a record 2,506 bikes that were donated to refugees and people seeking asylum along with essential cycle accessories (helmet, locks and lights. After being matched with a suitable bike and accessories we offer people test rides, journey planning, road safety advice, demonstrate bike locking and give preventative maintenance tips. Outside the reach of our hubs, we donated bikes through charity partners in Manchester, Teesside, Cambridge and Oxford as part of our national roadshow activity.

Repair or replace

As the number of people that we have supported has grown, so does the volume of work that it takes to keep their bikes on the road. In the previous fifteen months we answered calls for advice and technical support and arranged appointments for 185 bikes to come in for maintenance or repair. As a result, we fitted 587 replacement parts (such as brake pads, cables and inner tubes) and replaced 172 bikes entirely to ensure that people can keep cycling safely, for as long as needed.

Pedal Power

Women-only cycling lessons ran on a one-to-one basis with a plan to revive group lessons that ceased owing to the Covid-19 pandemic. By the end of 2022, group lessons had been re-instated in London, and we had 105 participants in the programme overall, supporting our aim of reducing inequalities of access to cycling and overcoming some of the unique barriers facing refugee women. Several participants have returned to volunteer with the project, and where suitable we have sponsored

participants to complete their National Standards qualifications or Ride Leader training so that they join the team of instructors.

Bike Buddies

We experience high demand for a Bike Buddy and the role of Bike Buddy volunteer is often over-subscribed. To tackle this, we are developing an online matching portal to speed up the matching process and we were able to host a further two inductions, training 22 more volunteers in Oxford, Cambridge, Coventry, London and Birmingham. Our training was rated excellent by those attending and we had a total of 39 matches that resulted in successful meetups. Many enjoyed it so much that they met more than the suggested three times.

Volunteering

Despite the political and economic climate, we receive continual interest in volunteering and 117 people contributed their time and skills to all sorts of opportunities, ranging from mechanics, to providing support in our shop, our programme delivery and at fundraising events. Over half of the volunteers run our network of 64 drop-off points, collecting abandoned bikes for us to bring into our workshop for repair.

In addition, last year we ran an intensive month-long volunteering pilot, “Changineers” supporting 12 bike recipient volunteers to learn mechanics fixing bikes in our workshop with the aim of empowering people with basic bike maintenance skills. The programme delivered on our commitment to develop refugee talent and provided a welcome space and opportunity for social interaction to reduce isolation.

Two of our current board members are themselves refugees with direct personal experience of our services and they enrich our strategic leadership with their knowledge and skills. Volunteers also play a large part in helping us achieve our strategic goals and deliver impact through supporting our work.

Social Action Heroes

We received continuation funding to deliver a second round of a social action project that was set up in response to demand from young refugees who were inspired by the transformative power of cycling. Over the summer we ran workshops on cycle safety, storytelling, marketing and social media with support from partner organisations and led activities at the local velodrome and outdoor activity centres. The programme had 23 participants and 12 graduates who gained qualifications and went on to take up further volunteering or training opportunities, start work experience placements and join local cycling groups.

Marketing and PR

Our team work hard to share our stories and those of the people that we meet, and in 2022 we partnered with bike recipient and BAFTA award winner Hassan Akkad to produce a campaign film, Tour de Asylum, which asked people to sign a declaration and stand with refugees.

We also ran a nationwide appeal for bike donations in response to the Ukraine refugee emergency. We have reached new audiences through this activity and achieved coverage in over 50 media outlets including the Independent, Evening standard, ITV, BBC and local radio.

Our social pages have grown another 21%, now totalling just over 23,000 combined reach across Facebook, Twitter and Instagram and we have continued to expand our newsletter following, which now has a total of 13,300 subscribers.

In terms of recognition for our work, our CEO, some trustees and several bike recipients had the opportunity to share our work with King Charles who met with them on a visit to one of our drop-off points in London.

Fundraising and Events

Hundreds of incredible supporters undertook various fundraising challenges including RideLondon, London Marathon and their own creative challenges. Our flagship virtual fundraising challenge, Refugee Routes, grew in popularity. With more participants taking part independently and in groups representing their workplaces, they cycled the same number of miles that many people seeking asylum travel to reach safety.

Our Jokes and Spokes Comedy Fundraisers were back in action, with headliners from James Acaster for our sell-out show at The Union Chapel, and Dylan Moran at The Comedy Store. Together, the events raised over £50,000, with the company Weil supporting them. Our Christmas match-funding appeal exceeded its goal whilst promoting the artwork of bike recipients who created personalised e-cards to go alongside the gifts on our website.

We built upon our partnership with SunGod, who have supported The Bike Project for two years, as they turned the painting of Comfort Adeyemi, a former bike recipient and current trustee of The Bike Project, into a limited-edition microfibre to raise donations with the purchase of any sunglasses. We also founded a new corporate partnership with Bolt which turned driver hubs into bike drop off points and featured The Bike Project on an in-app donation function.

To top it off, we were delighted to be hosted at Mercers' Hall in central London for our event "Ukraine - Voices from the Frontline" in early March. The event brought together existing and potential supporters for an evening of discussion about the conflict in Ukraine, its impact and our response to the crisis. Broadcaster Mishal Husain chaired the panel discussion, which included contributions from Paul Adams, the BBC's Diplomatic Correspondent, Orysia Lutsevych, Deputy Director of the Russia and Eurasia Programme and Head of the Ukraine Forum at Chatham House and Olga Parashchuk, Business Support Officer, Homes for Ukraine Team, Bromley Borough Council.

Our Impact

After six months, 90% of bike recipients are using their bike at least once a week for essential journeys. However, there is more to our work than just getting people cycling, and so three months* after a bike collection, we ask bike recipients about the financial, practical, physical and emotional benefits that they have experienced:

Practical and financial benefits

- 97% know their local area better
- 95% say having a bike makes life easier
- 91% are using their bike to visit new places or do new things
- 90% are better able to access support and services
- 85% are doing more social and leisure activities
- 84% are saving money by cycling

Physical and emotional benefits

- 92% felt their physical health has improved
- 89% say their mental health has improved
- 82% feel more confident and independent
- 82% feel less lonely and isolated
- 86% feel more part of the community

**We repeat this process after 6 and 12 months and there is minimal drop off in the outcomes reported.*

We are also able to calculate significant environmental and financial benefits to our work:

- Avoided 395 tonnes of CO² emissions from the refurbishment and reuse of bikes and their parts*
- Provided £2.6 million in costs savings for refugees and people seeking asylum**

**Based on estimate of 96kg CO² per bike manufactured (European Cycling Federation)*

*** Based on estimate of average public transport costs savings from one year of cycling*

Fundraising policy

At The Bike Project, we are committed to treating everyone fairly and with respect. We are committed to the highest standards in data protection and fundraising practice.

In 2021, we registered with the Fundraising Regulators and closely follow the advice and guidance they set out.

We take the necessary steps to ensure that we treat donors fairly to help them to make an informed decision regarding their donation to us.

In addition to this we take relevant precautions not to exploit the trust, lack of knowledge, apparent need for care and support or vulnerable circumstance of any donor. If at any time we had reason to believe that a donor lacks the capacity to make a fully informed decision to donate, we would not proceed or accept the donation offered. Similarly, if a specific vulnerability became apparent after a donation was processed, any monies received would be returned to the donor.

To protect the needs of the refugees and staff we have a safeguarding policy in place available on our website and have appointed safeguarding officers internally.

Since the General Data Protection Regulation became law in May 2018, we have ensured that our consent and privacy policies are fully compliant with the new legislation.

Our fundraising strategy and approaches are periodically reviewed and evaluated to ensure that the money we invest is maximising income whilst remaining true to the values of the organisation. This allows us to raise funds in an ethical way and help as many refugees as possible. All of our fundraising activities are driven by the needs of the refugees we help and are conducted with our generous supporters in mind. We also ensure that we do not engage in practices that are inconsistent with The Bike Project's values.

To maximise the impacts of our investment in fundraising, we do sometimes work with external specialists. Before we work with any external parties, such as creative and marketing organisations, we ensure they comply with our high standards and with all relevant legislation. All of our contracts with these agencies and organisations, as well as any other partners, are General Data Protection Regulation (GDPR) compliant and follow The Bike Project's own supporter and privacy policies. We regularly review all partnerships, monitor their work and provide guidance to their staff.

We take any complaints very seriously and, if received, investigate and respond to them as per our complaints policy, which is available on our website. This year we did not receive any formal complaints regarding our fundraising activity. Any complaints we do receive are carefully reviewed to determine any changes we need to make, and we update our database whenever this is requested.

Bike sales and other retail activity

We continued to sell bikes online and in-store including through a newly opened shop also offering bike servicing and a range of accessories. This is located on a busy cycling route in Camberwell, London and opened in June 2022. Whilst the opening of the shop presented a number of operational challenges in the period, we are immensely proud of the new retail space and the engagement we have been able to have with the public through this new front-facing presence of the charity.

Across 2022 we saw reasonably high levels of bike sales, however this was not sustained into 2023. Traded revenue across the period totalled £0.5m which represented a decline on traded revenue in 2021 of around 25%. We ceased to sell new bikes which accounted for £0.1m of income in the prior year, in order to focus on our core activity of recycling unwanted bikes and also as a result of a drop in demand for new bikes following the Covid peak.

Recent market intelligence indicates a concerning continuing decline in the bike market following the boom that was experienced during and immediately after the Covid lockdowns. A number of large distributors have gone into liquidation which has resulted in a flood into the market of cheaper bikes, whilst in addition the ongoing cost of living crisis has undoubtedly had an impact on our sales.

Whilst promoting bicycle re-use and recycling is a core part of our charitable objectives, it has historically been developed as an income generator to develop our financial sustainability and to support of core work with refugees and asylum seekers. In the year ahead we plan to review how to maximise both profitability and charitable impact of our retail activity and shop space.

Financial Review

As reflected throughout this report, the 15-month period up to the 31st March 2023 has been challenging from a financial point of view. The main contributing factors of this situation have been identified as follows:

- The opening of our new shop in Camberwell, whilst giving us the potential to become more sustainably funded in the future, absorbed a considerable amount of staff time and effort as would be expected with any new venture of that size.
- Under-performance of our key fundraising initiative, Refugee Routes. This can be attributed to a drop-off in participation of virtual challenge events, limited availability of staff resource due to conflicting priorities, and an increasing saturation of such events available to potential participants.
- The challenging external fundraising environment with increased competition for funding pots and the cost-of-living affecting regular giving and other community fundraising efforts.
- Investment in our marketing and fundraising team as a whole through both staff and freelance resource. Whilst the development of such a team will always require up front investment before increased income is realised, the investment alongside under performance in key events has had a significant impact on our bottom line.
- The development of our charitable activities in response to Covid, resulting in a more expensive delivery model of individual bike deliveries to recipients and one to one pedal power sessions. These were not reviewed quickly enough and returned to pre-pandemic delivery models as soon as they could have been.
- Inflation causing increases to the costs of energy and parts and other essentials required to run the charity.
- Following a period of growth, our financial procedures and controls had not developed accordingly, and there was insufficient cost control and budget awareness amongst the wider staff team.

In early 2023 the board worked closely with the senior management team to lead a successful fundraising campaign in March 2023 which resulted in over £280k of unrestricted funding. This enabled the organisation to then proceed with developing and implementing further cost control and income generating plans. We were heartened to receive financial support from many new donors to the organisation who were motivated by the clear impact of our work.

Following the successful appeal, a restructure was completed alongside other measures to reduce our cost base without impacting our charitable output. Partial savings resulting from the restructuring and cost reduction activity will be seen into 2023/24 with the full savings realised in 2024/25.

We also worked closely with our suppliers and existing lenders to carefully manage repayment plans and spread payments in line with future projected cashflows. As our year-end balance sheet shows, we continue to hold a reasonable level of liabilities in terms of loans and other creditors, all of which we have planned into our future cashflow in terms of repaying in line with confirmed payments plans.

The Directors have assessed both the internal and external factors which contributed to our financial challenges and have put in place appropriate measures to address and/or mitigate these.

Income summary

Total income during the year was £3.3m (2021: £2.2m) an increase of 20% on an average monthly basis compared to 2021.

Restricted income was £0.7m (2021: £0.7m) and unrestricted was £2.5m (2021: £1.5m). Unrestricted income was increased in part as a result of the March 2023 fundraising campaign. £0.4m of unrestricted income relates to in-kind donations (2021: £0.3m).

The majority of our income continues to be secured through Trusts and Foundations in the form of grants (£1.1m, 35% of total income) and Major Donors (£0.6m, 18% of total income). In order to reduce our reliance on grant income our strategy includes increased activity around corporate and major donor fundraising.

Expenditure summary

Total group expenditure increased from £2.3m in 2021 to £3.1m which is a marginal increase on a 12-month comparative basis.

£1.3m (42%) of our costs are staffing costs, with mechanics representing 40% of our full-time equivalent headcount.

Review of our reserves

Our Reserves Policy outlines that we will aim to hold two months of operating expenditure in unrestricted reserves. Since income from grants and donations has the potential to be volatile, the general reserve should represent approximately two months' worth of unrestricted expenditure to allow the Bike Project to continue to operate if income should temporarily fall or if unexpected expenditure should occur. The Bike Project is identifying different ways in which to diversify and strengthen other income streams with a particular focus on earned income in order to reduce reliance on philanthropic income. The Directors review the reserve policy on an annual basis.

Based on current expenditure, our targeted free reserves levels is c. £0.26m.

The total group reserves at 31 March 2023 were £0.25m (2021: £0.1m) of which £0.3m (2021: £0) were restricted and a deficit of £0.05m (2021: £0.1m surplus) were unrestricted.

In reviewing our reserves position, it should be noted that our restricted reserves are related to grant funding of our core activities, rather than very specific satellite projects. They are therefore a positive indication of grant funding commitments for the 2023/24 operating costs of our core programmes.

The Directors have acknowledged, however, that although we hold a reasonable restricted reserve balance, the fact that our unrestricted reserves were in a negative position at year end is something that needs to be addressed. This position has arisen as a result of the issues noted above including around community fundraising performance and difficult trading conditions during the 2022/23 period. Action has been taken to reduce our cost-base, primarily in facilities and staffing costs, resulting in a financial forecast that projects a rebuilding of our unrestricted reserves over the next two financial years to reach the target level.

Principal risks and uncertainties

The Directors have reviewed the major risks that impact on the work of the charity, utilising a risk register which ranks risks by likelihood and impact. These are summarised on a dashboard that is monitored and updated by both the senior leadership team and the Directors in line with the bi-monthly board meetings.

Key risk areas currently being managed are:

- **Quality of governance** – like all charities, the quality of governance is vital for the continued success of the charity.
- **Safeguarding** – we work with vulnerable individuals, so need to ensure staff are fully trained and able to deal with safeguarding issues effectively.
- **Funding/Financial risks** – this requires particular close attention whilst our unrestricted reserves are limited and the bike market remains in decline, however as a relatively small charity this is likely to always remain a significant area of risk.
- **Health and Safety** – bike workshops and our retail space are higher risks environments which need to be well managed and supported with appropriate external advice.
- **GDPR** – like any organisation managing data (specifically our staff, funders and bike recipients) we must ensure compliance with regulation and regular staff training.

Plans for future periods

Following the review of 2022/23, it was evident that a structured business plan setting our key objectives was vital to ensure staff priorities and the overall strategic direction was clear for the year ahead.

A full business plan for 2023/24 was developed in Quarter 1. The business plan will form the basis of organisational reporting and monitoring and the setting of personal objectives for each team member, giving everyone a clear line of sight between their own work and the overarching organisational objectives. During the year we will develop new reporting mechanisms which will capture progress against the objectives outlined in this plan and increase accountability internally and externally.

In future years our planning for the next financial year will begin in the autumn with a business plan and budget prepared for sign-off by trustees in the last quarter ready for implementation from April.

An abridged version of the Business Plan is summarised below:

Bike Refurbishment and Donations

Aim: To provide free, refurbished bicycles and essential cycle safety equipment from our workshops in London and Birmingham, and in cities via a national programme of activity so that refugees and people seeking asylum can realise the social, emotional, physical and financial benefits of cycling. **We will:**

- Donate a minimum of 2000 bikes.
- Transition to new, streamlined ways of working, implementing new systems and processes.
- Review how we work with Referral Partners and pilot a new self-referral system.
- Reduce the number of bikes we receive which are of poor quality, need extensive work or need to be scrapped.
- Further embed our re-use of parts practice and conduct an environmental assessment of our activities.

Repair or Replace

Aim: Building upon our programme of bike donations, to provide ongoing bicycle maintenance, repairs, replacements, and information (both remotely and in person) so that bike recipients can keep cycling for as long as required. **We will:**

- Clearly define what Repair or Replace aims to achieve including developing an approach to monitoring its effectiveness.
- Develop the way in which we deliver this support to make it more accessible to our bike recipients including assessing a self-booking system.
- Review the materials and support we have in place currently which could be utilised to enable bike recipients to make their own small repairs where appropriate.

Pedal Power

Aim: Equality of access to cycling and its financial, social, health and wellbeing benefits, for refugee women and women seeking asylum. **We will:**

- Support a minimum of 100 women who receive a bike from The Bike Project's bike donation programme to access further support through our tailored programme of cycle training.
- Offer 1-1 training outside of the reach of our London and Birmingham group lessons and in areas where establishing a group lesson is not viable.
- Identify graduates with potential to further contribute to the programme by offering experience through volunteering or cycling qualifications.
- Celebrate achievements via graduation events, document success stories and lessons learned for future development and impact reporting.

Bike Buddies

Aim: To provide bike recipients with one-to-one support that will enable them to improve their cycle confidence, socialise and know their local area better. **We will:**

- Support 100 bike recipients through matching them with a Bike Buddy volunteer who will then meet up with them for local bike rides in the area that they live.
- Complete recruitment, onboarding and ongoing engagement of Bike Buddy volunteers
- Provide ongoing stewardship and monitoring of Bike Buddy matches.
- Host events and other activities that connect participants, celebrate achievements and facilitate the ongoing retention of Bike Buddy volunteers.

Volunteering

Aim: To provide the space and create opportunities so that people to lend their skills, time and experience to the organisation so that we can maximise the impact of our work. We will:

- Enhance our effectiveness through the better utilisation of volunteer time, skills and experience across the organisation.
- Improve our services by involving refugees and people seeking asylum directly in the delivery of our work.
- Improve opportunities for people to gain experience of a UK workplace (particularly for those with lived experience) through volunteering.
- Develop a volunteer management pack that better supports managers to utilise volunteers.
- Ensure that our volunteering opportunities are varied, inclusive and accessible to those with lived experience.

Retail

Aim: To sell refurbished second-hand bikes to the general public in our shop and online, maximising profitability for the charity. We will:

- Review our retail work to ensure that we maximise the opportunity to generate income for our charity.
- Recruit a new trustee with retail experience.
- Review how we offer servicing, seek to drive in-store sales and move key process in house to reduce administration costs.
- Recruit additional capacity to support weekend opening in the shop. We will also continue to trial use of volunteers in the shop to support our retail activities.

Fundraising & Marketing

Aim: To develop and deliver an integrated Fundraising and Marketing Plan which delivers on income targets for Trusts and Foundations, community fundraising, corporate partnerships and major donors and raises the profile of the charity with a view to increasing income and charitable impact. We will:

- Bring in-house key areas of fundraising and take a more joined-up approach to fundraising across all elements.
- Create new and more streamlined approaches to supporter stewardship across all funders.
- Develop a plan to cultivate new potential donors throughout the year.
- Develop our community fundraising activity recognising the benefits that this derives in respect of income, profile and supporter engagement.
- Raise the profile of the charity through social, websites and proactive PR and communications in line the other objectives outlined in this plan.

Organisational Development

Aim: To develop The Bike Project to ensure we are a robust and sustainable organisation with improved compliance, accountability, staff involvement, internal communications and staff satisfaction. We will:

- Undertake a full review of risk management across the organisation to ensure that risks are identified and managed on an ongoing basis with appropriate mechanisms in place to do this.
- Work together to look at new approaches to staff engagement and representation.
- Ensure that all staff and trustees are aware of our organisational values and what these mean in our day-to-day work.

- Establish specific working groups to carry out work identified as key to developing our organisation such as our EDI Working Group.

Finance, HR and Resources

Aim: To develop our policies, procedures and controls to ensure we are a fit-for-the-future organisation and that our resources are appropriately managed. We will:

- Review and strengthen our organisational policies and procedures to ensure we have the appropriate controls in place for an organisation of our size and complexity.
- Build staff understanding and awareness of the policies and procedures.
- We will review our premises throughout the organisation and seek opportunities to rationalise and reduce costs where possible.

Investment policy

There are no restrictions on the charity's power to invest and the current policy is to invest in short term funds with the charity's bankers.

Structure Governance and Management

Structure

The Bike Project is a registered charity and a company limited by guarantee, registered in England and governed by a Memorandum and Articles of Association (as amended by special resolution passed on 7 December 2014). The liability of each member in the event of winding up is limited to a maximum of £1.

Governance and management

In accordance with the governing document, there shall be not less than three Directors at any time. Directors, who are trustees for Charities Act purposes, are appointed by Directors' resolution.

The charity currently has a trading company (The Bike Project Trading Ltd) but it is dormant for the purposes of the March 23 accounts.

Directors are appointed on the basis of specific skills and knowledge to enable them to make a contribution to the management of the charity. New trustees are given a full induction to the charity and support to understand their roles and responsibilities, including opportunities to access external networking and training sessions. Best practice in charity governance is shared on a regular basis with all trustees.

The key management personnel of The Bike Project are the Directors (who are also the trustees) and the Chief Executive. The trustees receive no remuneration for their role on the Board. The Chief Executive's pay is reviewed annually following their performance appraisal and is agreed by the trustees.

Decision-making is made by decision of majority of trustees present and voting at trustees' meetings. Participation in decision making takes into account potential conflicts of interest, and in the case of equal numbers for and against, the Chair holds the casting vote. The Trustees' meetings include relevant members of the management team, who will update in relation to activities and present items for discussion. In between meetings, the Board are in regular contact, including oversight of timely (monthly) management accounts and any other relevant updates on activity.

Following our challenging experience in 2022/23, we have reviewed our governance arrangements to ensure that The Bike Project Board has sufficient information and oversight to take decisions about the charity. As a result, in 2023/24 we have built a governance calendar that has a full board meeting every two months with a briefer finance update meeting held in the months in-between. The frequency of board meetings will be reviewed in December 2023.

In addition, it has been identified that it would be helpful to increase the quality and quantity of information shared with trustees ahead of and in between board meetings. Work has been undertaken to improve board packs; all information is sent out a week in advance and the opportunity given to ask questions or request clarifications ahead of meetings. Regular updates are sent to trustees in-between meetings on an ad-hoc basis to ensure they are kept fully abreast of good news, challenges and other issues as they arise.

In 2023/24, the Board will undertake a Governance Review using the Directory of Social Change's Governance App. This requires individual board members to answer a series of questions about the governance of the charity, giving scores. This will identify areas of agreement and divergence in views on of strength and areas for development. The findings will be discussed and debated by the board and act as a starting point for what work needs to be done to improve governance. An action plan will be developed and put into place.

Our staff survey in January identified that there is work to do in improving communications between the Board and the wider staff team and to build these relationships beyond the senior management team. We will identify opportunities for better information sharing between trustees and the team, for trustees to meet team members and to give the trustees a better understanding of the work on the ground. The Board delegates the day-to-day management of the charity to the Chief Executive and/or other managers who implement the policies and strategy adopted by and within a budget approved by the Trustees. The Delegation of Authority document sets out which decisions must be made by the Board, and which can be delegated to the management team. This document was fully revised and extended in April 2023 to cover all aspects of decision making including for example expenditure controls, budget approvals, leases, loans and contracts.

Trustees Responsibilities Statement

The trustees (who are also directors of The Bike Project for the purposes of company law) are responsible for preparing the trustees' annual 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 group and the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the group 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 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that:

- so far as the Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

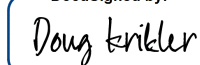
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

Approved by the Directors and signed on their behalf by:

Doug Krikler

DocuSigned by:



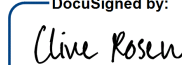
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Chair

Date of Approval: 20-Nov-2023

Clive Rosen

DocuSigned by:



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Treasurer

Date of Approval: 20-Nov-2023

Independent auditor's report for the period ended 31st March 2023

Independent auditor's report to the members of The Bike Project

Opinion

We have audited the financial statements of The Bike Project (the 'parent charitable company') and its subsidiaries (the group) for the period ended 31 December 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, the Company Balance Sheet, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 group's and of the parent charitable company's affairs as at 31 March 2023, and of group's incoming resources and application of resources for the period 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 charitable company 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 director's 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 charitable company'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 period 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 charitable company 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the trustees' responsibilities statement set out on page 18, 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 the trustees 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 charitable company'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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- The charitable company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Companies Act 2006, Charities Act 2011, taxation and employment law and the UK Code of Fundraising Practice. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the charitable company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas; misappropriation of stock, posting of fraudulent journal entries, authorisation, processing and payment of fraudulent expenses and timing of revenue recognition.
- Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;

- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations

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. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

Use of our report

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. 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.

DocuSigned by:

Janice Matthews

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Janice Matthews FCA, Senior Statutory Auditor

For and on behalf of Menzies LLP, Statutory Auditor
Chartered Accountants
Statutory Auditor
Magna house,
18 – 32 London Road,
Staines-Upon-Thames
TW18 4BP

Dated: 22-Nov-2023

Consolidated statement of financial activities (including income and expenditure account) Period to 31st March 2023

31/03/2023 (15 months)

31/12/2021 (12 months) *Restated*

	Notes	Unrestricted	Restricted	Total Funds 2023	Unrestricted	Restricted	Total Funds 2021
		£	£	£	£	£	£
Income							
Donations and Legacies	3	1,969,970	746,162	2,716,132	1,050,134	669,964	1,720,098
Charitable Activities							
Bike Sales and Accessories		471,809	-	471,809	392,636	-	392,636
Other Trading Activities							
New Bike Sales		3,868	-	3,868	60,574	-	60,574
Other Sales		67,281	-	67,281	58,798	-	58,798
Investments		-	-	-	-	-	-
Total Income		2,512,928	746,162	3,259,090	1,562,141	669,964	2,232,105
Expenditures							
Raising Funds							
Expenditure on raising donations		523,936	-	523,936	375,114	-	375,114
Expenditure on other trading activities		79,579	-	79,579	89,240	-	89,240
Charitable Activities				-			
Bike Refurbishment & Donation		1,967,495	272,141	2,239,636	1,194,231	487,146	1,681,377
Pedal Power		82,356	61,469	143,825	-	85,819	85,819
Bike Buddies		10,888	7,161	18,049	-	17,504	17,504
Other Charitable Activities		2,272	105,875	108,147	-	79,496	79,496
Total Expenditure	4-6	2,666,526	446,646	3,113,172	1,658,586	669,964	2,328,551
Net Income/(Expenditure)		(153,598)	299,516	145,918	(96,445)	-	(96,445)
Reconciliation of Funds Brought Forward							
Total Funds Brought forward as at 1 January 2022		102,988	-	102,988	199,433	-	199,433
Total Funds Carried Forward as at 31 March 2023		(50,610)	299,516	248,906	102,988	-	102,988

All of the charity's activities derived from continuing operations during the above two financial years.

The charity has no recognised gains and losses other than those shown above.

The notes on pages 27 – 41 form part of these financial statements.

Consolidated balance sheet as at 31st March 2023

	Notes	Group Mar 2023		Company Mar 2023		Group Dec 2021		Company Dec 2021	
		£	£	£	£			£	£
Tangible Fixed Assets	10		120,422		120,422		67,004		67,004
Intangible Fixed Assets	11		56		56		56		56
Investments	12				1		-		1
			<u>120,478</u>		<u>120,479</u>		<u>67,060</u>		<u>67,061</u>
Current assets									
Stock			123,500		123,500		175,253		172,197
Debtors	13		227,486		227,486		89,012		89,012
Cash at bank and in hand			<u>283,757</u>		<u>283,757</u>		<u>156,805</u>		<u>156,805</u>
			634,743		634,743		421,070		418,014
Creditors: amounts falling due within one year	14		<u>(331,716)</u>		<u>(331,716)</u>		<u>(335,142)</u>		<u>(332,086)</u>
Net current assets/(liabilities)			303,027		303,027		85,928		85,928
Creditors: Amounts falling due after more than one year	16		(174,599)		(174,599)		(50,000)		(50,000)
Net Assets	17		<u><u>248,906</u></u>		<u><u>248,907</u></u>		<u><u>102,988</u></u>		<u><u>102,989</u></u>
Represented by Funds of the Charity:	18								
Unrestricted funds			(50,610)		(50,610)		102,988		102,989
Restricted income funds			299,516		299,516		-		-
Total funds	18		<u><u>248,906</u></u>		<u><u>248,907</u></u>		<u><u>102,988</u></u>		<u><u>102,989</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Doug Krikler
Chair

DocuSigned by:

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Clive Rosen
Treasurer

DocuSigned by:

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Date of Approval: 20-Nov-2023

Date of Approval: 20-Nov-2023

The notes on pages 27 – 41 form part of these financial statements.

Consolidated statement of cash flows Period to 31st March 2023

Cash flows from operating activities		2023 (15m)	2021 (12m)
		£	£
Net cash provided by / (used in) operating activities	A	<u>173,092</u>	<u>(45,268)</u>
Cash flows from investing activities:		2023	2021
		£	£
Purchase of tangible fixed assets		<u>(102,806)</u>	<u>(56,940)</u>
Net cash provided by / (used in) investing activities		(102,806)	(56,940)
Cash flows from financing activities:			
Cash inflows from new borrowing		100,000	50,000
Cash outflows from repayment of borrowing		<u>(43,333)</u>	<u>-</u>
Net cash provided by (used in) financing activities		56,667	50,000
Change in cash and cash equivalents in the year		126,952	(52,208)
Cash and cash equivalents at the beginning of the year	B	<u>156,805</u>	<u>209,013</u>
Cash and cash equivalents at the end of the year	B	<u>283,757</u>	<u>156,805</u>

A. Reconciliation of net income (expenditure) to net cashflow from operating activities to 31st March 2023

Reconciliation of net income (expenditure) to net cash flow from operating activities	2023 (15m)	2021 (12m)
	£	£
Net income/(expenditure) for the period	145,918	(96,444)
Depreciation charges	49,388	17,148
(Increase)/decrease in stocks	51,753	(12,351)
(Increase)/decrease in debtors	(138,473)	29,037
Increase/(decrease) in creditors	<u>64,506</u>	<u>17,342</u>
	<u>173,092</u>	<u>(45,268)</u>

B. Analysis of cash and cash equivalents to 31st March 2023

Analysis of cash and cash equivalents		2023 (15m)	2021 (12m)
		£	£
Cash at bank and in hand	A	<u>283,757</u>	<u>156,805</u>
Total cash and cash equivalents		<u>283,757</u>	<u>156,805</u>

C. Analysis of net debt year to 31st March 2023

Category	01/01/2022	Cash-flows	Other non-cash changes	31/03/2023
	£	£	£	£
Cash and Cash Equivalents	156,805	126,952	-	283,757
Loans Falling Due within one year	(100,001)	(6,667)	60,000	(46,668)
Loans Falling Due after more than one year	(50,000)	(50,000)	(60,000)	(160,000)
Total	6,804	70,285	-	77,089

Notes to the Accounts

Note 1. Company limited by guarantee

The Bike Project is a Private Charitable Company Limited by Guarantee that is registered in England and Wales with registration number 08359498 and accordingly has no share capital. Its registered address is. 3space International House 7th Floor (The Bike Project), International House, Canterbury Crescent, Brixton, London, England, SW9 7QD.

The accounts are presented in GBP rounded to £1. The liability guaranteed by each member is £1. At 31 March 2023 the membership was 8.

Note 2. Principle accounting policies year to 31st March 2023

a. Basis of preparation

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

b. Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- Estimating the fair value of stock held at year end, for bikes held for donation to beneficiaries, and bikes held for resale;
- Estimating the valuation of donated goods and services (gifts-in-kind); and

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

c. Going concern

As outlined in our trustee's report, the charity has faced a number of challenges in the last 15 months including regarding our financial position and cashflow. To address this, between April and June 23 we have completed a staff restructure and realised a number of savings in our overhead costs, both of which have significantly reduced our cost base. We have also made good progress in diversifying our income streams and have connected with a large number of new donors following an additional fundraising campaign. The trustees therefore consider that there are no material uncertainties about the charitable company's ability to continue as a going concern for at least twelve months from the date of approval of these accounts. The charity is forecast to make a surplus in the current

financial year and the trustees believe that funding for the year to 31 March 2025 will be sufficient to cover the anticipated costs. The accounts are accordingly prepared on a going concern basis.

d. Income

Income is recognised in the period in which the charity has entitlement to the income and the amount can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Donations are included in full in the statement of financial activities in the period in which the charity has entitlement to the income and the amount of income can be measured reliably and it is probable the income will be received.

Donations of bikes which are held for resale or will be subsequently donated to beneficiaries, are recognised at fair value on receipt. For bikes which are subsequently sold, the value of the stock is debited against expenditure and the proceeds are credited to income.

Bike donations received under the UK Retail Gift Aid Scheme are recognised as income at their fair value on receipt, on the basis that the substance of the transaction is equivalent to all other bike donations received.

Donations in-kind are recognised in the period in which the donation was received and measured on the basis of the value to the charity.

Income from selling donated bikes and other items is shown net of VAT and trade discounts at the point of sale.

Grants are recognised in full in the statement of financial activities in the year in which they are receivable, and conditions for receipt have been met. Income is deferred only when the charity has to fulfil certain conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period.

Other income is recognised to the extent that it is probable that the economic benefits will flow to the charity and the revenue can be reliably measured.

e. Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds – comprise the direct and indirect costs of generating voluntary income and non-charitable trading activities.
- Charitable activities – comprise the direct and indirect costs of the activities undertaken to further the purposes of the charitable company.

Bikes donated to beneficiaries are recognised as expenditure in the period in which they are donated.

f. Allocation of support costs

Support costs are those functions that assist the work of the charitable company but do not directly undertake fundraising or charitable activities. Support costs include general overheads and

governance costs (those costs incurred in the governance of the charitable company and its assets and are primarily associated with constitutional and statutory requirements) and are allocated on the basis of staff time devoted to each activity.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Following a review of allocation methodology, this has been revised in 2023 to ensure an accurate allocation of staff and overhead costs across Charitable Activities and Marketing and Fundraising. As a result of the revised approach, the 2021 figures have been restated using the same methodology. Marketing and Fundraising costs are now shown as £375k compared to £248k last year and Charitable Activities (namely Bike Refurbishment and Donations) £1,681k compared to £1,808k last year, consisting of: £123k of staff time and £47k of overhead costs being allocated from Charitable Activities to Marketing and Fundraising, offset by £43k of charitable activity marketing costs being allocated from Marketing and Fundraising to Charitable Activities. In addition, it should be noted that freelance fundraisers, previously reported as a support cost to Marketing and Fundraising, has been restated as a direct cost to Marketing and Fundraising.

g. Value Added Tax

The charitable company is registered for VAT and accordingly, where applicable, all expenditure incurred is exclusive of VAT.

h. Fixed assets

All assets costing over £500 are capitalised. Fixed assets are stated at cost less depreciation and amortisation.

Depreciation and amortisation are provided at rates calculated to write off the cost of valuation of fixed assets, less their estimated residual value, over their expected useful lives as follows:

Asset Class	Yearly Proportion	Amortisation Basis
Bike servicing equipment	25%	Straight Line
Fixtures and Fittings	25%	Straight Line
Office equipment	25%	Straight Line
Stock management	25%	Straight Line
Website development	25%	Straight Line

i. Stocks

Purchased stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs.

Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

Donated items of stock, held for distribution or resale, are recognised at fair value. For donated stock held for sale, fair value is the expected proceeds from sale less expected costs of sale. For donated stock held for distribution, fair value is the amount the charity would have been willing to pay on the open market for the items.

j. Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability.

Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

k. Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Deposits for more than three months but less than one year have been disclosed as short-term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

l. Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

m. Fund Accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

n. Pensions

Contributions to defined contribution pension schemes are charged to the statement of financial activities when they are payable to the plan or scheme.

The charity's contributions are restricted to the contributions disclosed in note 8. The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Note 3. Grants and Donations

	Unrestricted	Restricted	Total 2023 (15m)	Unrestricted	Restricted	Total 2021 (12m)
	£	£	£	£	£	£
Grants	397,358	746,162	1,143,520	216,556	669,964	886,520
Individual Donors	1,052,386	-	1,052,386	434,581	-	434,581
Donated Bikes*	123,700	-	123,700	78,400	-	78,400
Donations in-Kind	396,526	-	396,526	313,447	-	313,447
Furlough Grants	-	-	-	7,149	-	7,149
	1,969,970	746,162	2,716,132	1,050,133	669,964	1,720,097

*Donated Bikes is the value attributed to donated bikes from 1st January 2022 – 31st March 2023

Note 4. Expenditure

	Staff Costs	Other Direct Costs	Support Costs	Total 2023 (15m)	Restated Staff Cost	Restated Other Direct Costs	Restated Support Costs	Restated Total 2021 (12m)
	£	£	£	£	£	£	£	£
Raising Funds								
Expenditure on raising donations	159,464	303,814	60,658	523,936	122,990	205,341	46,784	375,114
Expenditure on other trading activities	42,853	25,275	11,451	79,579	-	46,208	43,032	89,240
Charitable Activities								
Bike Refurbishment & Donations	990,727	597,708	651,201	2,239,636	866,183	508,712	306,482	1,681,377
Pedal Power	56,602	54,683	32,541	143,826	31,901	33,450	20,468	85,819
Bike Buddies	11,571	865	5,613	18,049	8,738	8,076	689	17,503
Other Charitable Activities	42,745	7,644	57,758	108,147	20,903	1,092	57,501	79,496
	1,303,962	989,989	819,222	3,113,172	1,050,715	802,879	474,955	2,328,550

Note 5. Other direct costs

	2023 (15m)	Restated 2021 (12m)
	£	£
Bank & Merchant Charges	17,062	15,070
Freelance Cycle Instructors	50,958	23,622
Freelance Mechanics	79,176	81,247
Freelance Fundraisers	101,433	52,809
Fundraising and Marketing	202,381	152,532
Materials	101,433	368,125
Postage & Delivery	108,770	102,534
Volunteer Expenses	24,146	6,941
Other	6,504	-
	989,988	802,879

Note 6. Support costs

	2023 (15m)	Restated 2021 (12m)
	£	£
Administrative Expenses	1,128	4,342
Bank & Merchant Charges	3,176	1,688
Accountancy Services	1,233	1,736
Audit fees	26,721	13,671
Depreciation	49,388	17,148
Insurance	11,416	7,253
IT	92,882	73,254
Marketing of charitable activities	53,105	42,484
Monitoring & Evaluation	408	408
Other	41,426	30,056
Postage & Delivery	502	2,657
Professional Fees	226,093	61,812
Rates	36,871	14,615
Recruitment	13,360	5,222
Rent	194,670	152,164
Repairs & Maintenance	10,991	10,082
Telephone	13,688	11,222
Training & Development	11,078	9,779
Travel	6,109	5,027
Utilities	24,977	10,336
	819,222	474,955

NB: Included support costs there is £26,721 (2021: £13,671) of governance costs that were incurred during the year ending 31st March 2023.

Note 7. Net income (expenditure) and net movement in funds

	Total 2023 (15m)	Total 2021 (12m)
	£	£
Audit Fee	26,721	13,671
Depreciation	49,388	16,218
Amortisation	0	930
	76,109	30,819

Note 8. Staff costs

	2023 (15m)	2021 (12m)
	£	£
Gross wages, salaries and benefits in-kind	1,173,498	931,755
Employer's National Insurance costs	86,474	82,191
Defined contribution pension costs	43,990	36,789
	1,303,962	1,050,735

The Average monthly number of employees in the year was

	2023	2021
	Number	Number
Full Time	24	29
Part Time	9	6
	33	35

Additional analysis of how 2023 staffing was deployed (in full time equivalents) is provided as follows:

	2023
	FTE
Mechanics	11.7
Retail	2.6
Programmes	5.3
Administration	5.4
Marketing and Fundraising	5.1
	30.1

No employee earned in excess of £60,000 per annum during the 15-month period.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the charitable company, directly or indirectly, including any director (whether executive or otherwise) of the charitable company.

The key management personnel of The Bike Project are the directors (who are also the trustees) and the Chief Executive. Aggregate compensation paid to key management personnel in the 15-month period amounted to £80,750 (2021: £59,280 for 12-month period, note this is restated as previous reported figure did not include employer's pension contribution).

Using pay date for March 2023, the CEO/median pay ratio is 2.8:1. That is to say that the CEO earned 2.8 times the rate of the median paid employee on a full time equivalent basis.

Note 8a. Pension contributions costs

All staff are enrolled on The Bike Project's Pension Plan unless they specifically request to opt out of the scheme. Contributions to the defined benefit pension scheme are charged to the statement of financial activities when they are payable to the plan or scheme.

The charity's contributions are restricted to the contributions disclosed in above (note 8).

The charity has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

Note 9. Related party transactions

The trustees and other related parties donated £65,805 (2021: £24,450) of income during the year. Gifts in-kind donations from related parties amounted to £4,685 (2021: £6,280). None of these donations had attached conditions which would or might require The Bike Project to alter significantly the nature of its existing activities if it were to accept the donation.

There were no other related party transactions during the year.

None of the Trustees received remuneration or reimbursed expenses during the year (2021: none). There were no further related party transactions.

Note 10. Tangible fixed assets

Group and Company

	Bike Servicing Equipment £	Fixtures and Fittings £	Office Equipment £	Total £
COST				
As at 1st January 2022	72,187	-	40,859	113,046
Additions	-	99,532	3,274	102,806
Transfers between class	-	-	-	-
As at 31st March 2023	72,187	99,532	44,133	215,852
DEPRECIATION				
As at 1st January 2022	24,653	-	21,389	46,042
Dep'n Charge 2023	18,993	21,279	9,116	49,388
Transfers between class	-	-	-	-
As at 31st March 2023	43,646	21,279	30,505	95,430
NET BOOK VALUE				
As at 31st March 2023	28,540	78,254	13,628	120,422
NET BOOK VALUE				
As at 31st December 2021	47,534	-	19,470	67,004

Note 11. Intangible fixed assets

Group and Company

	Stock Management Functionality £	Website Development £	Total £
COST			
As at 1st January 2022	720	12,612	13,332
As at 31st March 2023	720	12,612	13,332
AMORTISATION			
As at 1st January 2022	720	12,558	13,278
Amortisation Charge 2023	-	-	-
As at 31st March 2023	720	12,558	13,278
NET BOOK VALUE			
As at 31st March 2023	-	54	54
NET BOOK VALUE			
As at 31st December 2021	-	54	54

Note 12. Investments

Company	Mar 2023	Dec 2021
	£	£
Investments in subsidiary company	1	1
	1	1

On 9 October 2020 The Charity formed a new subsidiary The Bike Project Trading Limited. The Charity owns 100% of the £1 ordinary share capital of The Bike Project Trading Limited, a company incorporated in England and Wales, company number 12941780. The activity of the company is selling new bicycles and accessories.

At 31 March 2023 the aggregate of the share capital and reserves of The Bike Project Trading Ltd was £1.

The results of The Bike Project Trading Limited consolidated in these accounts is as set out below:

	2023 (15m)	2021 (12m)
	£	£
Turnover	-	89,240
Cost of sales	-	(46,208)
Gross profit	-	43,032
Other operating expenses	-	(43,032)
Profit before donation	-	-
Donation	-	-
Retained profit/ (loss)	-	-

Note 13. Debtors

	Group & Company Mar 2023	Group Dec 2021	Company Dec 2021
	£	£	£
Other Debtors	33,161	38,735	38,735
Prepayments	52,296	50,277	50,277
Accrued Income	142,029	-	-
	227,486	89,012	89,012

Note 14. Creditors: payable in less than one year

	Group & Company Mar 2023	Group Dec 2021	Company Dec 2021
	£	£	£
Trade Creditors	141,962	91,058	91,058
Other Taxes & Social Security	93,383	42,776	42,776
Accruals & Deferred Income	35,119	76,065	76,065
Other Creditors	61,253	125,243	125,243
	331,717	335,142	335,142

Note 15. Deferred income

Group and Charity

	Mar 2023	Dec 2021
	£	£
Deferred income at 1 January 2022	58,508	130,751
Resources deferred during the year	-	58,508
Amounts released from previous years	(58,508)	(130,751)
Deferred Income as at 31 March 2023	-	58,508

Note 16. Creditors: Payable in more than one year

	Mar 2023	Dec 2021
	£	£
Trade Creditors	14,598	-
Loan	160,000	50,000
	174,598	50,000

Note 17. Analysis of net assets

a. Mar 2023

	Unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	120,422	-	120,422
Intangible fixed assets	56	-	56
Net current assets	3,510	299,516	303,026
Long Term Creditors	(174,598)	-	(174,598)
Net assets at the end of the year	(50,610)	299,516	248,906

b. Dec 2021

	Unrestricted	Restricted	Total funds
	£	£	£
Tangible fixed assets	67,004	-	67,004
Intangible fixed assets	56	-	56
Net current assets	85,928	-	85,928
Long Term Creditors	(50,000)	-	(50,000)
Net assets at the end of the year	102,988	-	102,988

Note 18. Movement in restricted funds

Period Ended 31st March 2023

	01-Jan-22	Income	Expenditure	31-Mar-23
	£	£	£	£
Bike Donations	-	551,723	(272,141)	279,582
Pedal Power	-	63,469	(61,469)	2,000
Bike Buddies	-	7,161	(7,161)	-
Other Charitable Activities	-	123,809	(105,875)	17,934
Totals	-	746,162	(446,646)	299,516

Year Ended 31st December 2021

	01-Jan-22	Income	Expenditure	31-Mar-23
	£	£	£	£
Bike Donations	-	487,146	(487,146)	-
Pedal Power	-	85,819	(85,819)	-
Bike Buddies	-	17,504	(17,504)	-
Other Charitable Activities	-	79,496	(79,496)	-
Totals	-	669,964	(669,964)	299,516

Main Activities

Bike Refurbishment and Donations	Refurbishing, selling, and donating bikes including delivery of our Roadshow programme
Pedal Power	Refugee Women cycling Programme
Bike Buddies	Matching Volunteers to Refugees enabling them to cycle together aimed at building confidence and knowledge of road cycling
Other Charitable Activities	One off project based charitable activities, which in the period including Social Action Heroes, and database/software development work to support primarily the Bike Buddies matching programme

Note 18a. Movement in restricted funds (continued)

Funder	Grant Purpose	Grant Expenditure
Big Lottery Fund - Awards for All, Big Lottery Fund - Reaching Communities, City Bridge Trust, Clore Duffield, Comic Relief, Henry Smith, Islamic Relief, London Community Foundation, The National Lottery Fund-RC England Wide, Rayne Foundation, The Evan Cornish Foundation	Bike Donations Programme	Funds were used to purchase beneficiary accessories, Freelance & Full-Time Mechanic costs. The grants also contributed to IT, Marketing, professional fees, programmes specific salaries, small tools and equipment, bike parts, beneficiary travel, van hire as well as a proportion of overhead costs.
Dulverton Trust	Birmingham Operations	Whilst this funding has been provided to support our core bike donation work, it has been specifically provided to support our West Midlands workshop costs.
City Bridge Trust, Southwark Common Purpose Fund, The Mercers' Company	London Operations	Whilst this funding has been provided to support our core bike donation work, it has been specifically provided to support our London operational costs.
Comic Relief - London Together, Matrix	Bike Buddies Programme	Funding contributed towards the costs of Freelance Cycle Instructors, IT, Marketing, Mechanic Salaries, Project specific staff, tools and equipment, spare parts, van hire and a contribution to overheads and business support staff.
Birmingham City Council/BVSC, Blackrock, Comic Relief - London Together, Groundwork London, Newton Europe Limited, TEXEL Foundation	Pedal Power (Women's Project) Programme	Grant income was used to partially fund the cost of beneficiary accessories, freelance cycle instructors, freelance mechanics, marketing, mechanic salaries, professional fees, programme specific staff salaries, tools & equipment, spare parts, beneficiary travel, van hire, volunteer expenses and overheads
Churchill Fellowship, Clarion Housing Group, Comic Relief - Tech for Good, Greater London Authority Sport Unites, Network for Social Change, Twilio, Winston Churchill Memorial Trust	Other Charitable activities	Grants from these funders were used to further develop a technical solution to match Bike Buddies with beneficiaries, database development work and to deliver the Social Action Heroes project.
AD Charitable Trust, EQ Foundation, Goldberg Family Charitable Trust, Goldman Sachs, Gravis Capital Management Ltd, Harbour Foundation, Heathside Charitable Trust, M&G Prudential, Michael and Betty Little Trust, Pears Foundation, Reta Lila Howard Foundation, Robert Holman Memorial Trust, Rubin Family Foundation, SC and ME Morlands Charitable Trust, The Apex Foundation, The Barratt Foundation, The Cyril Shack Trust, The Dorfman Foundation, The Levy Rifkind Foundation, The Vitol Foundation, Waterloo Foundation, The Regatta Foundation	Unrestricted Grants	Any unrestricted funding was used to contribute to all programmes and costs across the whole of the organisation

Note 19. Provisions and Financial Commitments

The total of future minimum lease payments under non-cancellable operating leases are as follows:

	Land & Buildings		Other Operating Leases	
	2023	2021	2023	2021
	£	£	£	£
Within One Year	68,727	77,042	1,521	2,281
Between One and Five Years	252,189	143,588	190	1,521
	<u>320,916</u>	<u>220,630</u>	<u>1,711</u>	<u>3,802</u>

Lease Payments of £142,254 (2021: £90,515) were recognised as an expense during 2023.

Note 20. Contingent Liability

A possible liability has been identified relating to historic amounts potentially overclaimed from HMRC. It is not practicable to estimate the financial effect or the timing of any outflow, that may arise. There is no possibility of reimbursement should a liability arise.

Note 21. Taxation

The Bike Project is a registered charity and is exempt from taxation in respect of income and capital gains received within the categories covered by Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.