



WORLD BICYCLE RELIEF UK
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016



Company Registration Number 07550335
Charity Number 1141613

"Educate a girl and you educate a nation"

Dianah 18 yrs, Kenya



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Trustees: Jeffrey D Bosken (appointed 14 June 2016)
Tchiyiwe T Chihana
Charles J Coustan (resigned 22 April 2016)
Lucy D Lynch
David H Neiswander (appointed 14 June 2016)

Registered Office: 1 St George's Road
London
SW19 4DR

Company Number: 07550335

Charity Number: 1141613

Bankers: HSBC
172 Upper Richmond Road Putney
London
SW15 2SH

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of World Bicycle Relief UK ("WBR UK") for the year ended 31 December 2016.

Structure and Governance

The charity is a company limited by guarantee that is governed by its Memorandum and Articles of Association.

The trustees are recommended by the member by ordinary resolution and approved by current trustees. During the year, Charles Coustan resigned as director and was replaced in due course by Dave Neiswander who moved from Africa where he had held the position of head of Africa Operations to be in the USA as President of World Bicycle Relief. Dave therefore brings a great width and depth of experience having been part of the global organization of World Bicycle Relief for nearly ten years.

Objectives, Activities, Public Benefit and Achievements

Purposes and Aims

WBR UK's purpose, as set out in the objects contained in the company's Memorandum of Association, is to:-

- relieve the needs of people living in impoverished or disaster stricken areas of the world by the provision of bicycles to enable them to access education, employment, healthcare and other essentials of life.

When considering the work being done by WBR UK we give consideration to the Charity Commission's guidance on public benefit.



Achievements in the year and Financial Review

In 2016, World Bicycle Relief UK raised funds from a broad range of sources to fund the vital work of distributing sustainable impact through the power of bicycles.

The World Bicycle Relief Model

World Bicycle Relief UK is part of World Bicycle Relief NFP which mobilises individuals and communities through charitable programmes and social enterprise.

Donations fund the provision of bicycles to children to enable them to get to school through BEEP (Bicycles for Educational Empowerment Programme). Students are selected by a local committee; 70% of those chosen are girls. Results from this philanthropic programme have seen a dramatic increase in attendance and attainment (up to 59%).

The social enterprise arm (Buffalo Bicycles, owned by WBR NFP) sells bicycles to other NGOs and to individuals who require a robust transport solution but are not being served by product that is currently available to purchase locally. By selling bicycles to individuals with an income we avoid creating dependence, it increases the quality of our bicycles through customer feedback, creates a sustainable infrastructure of assembly facilities and spares distribution, does not disrupt the market and creates long term impact across whole communities. A study published in 2016 showed that dairy farmers in Zambia saw an average 23% increase in yields and income after purchasing Buffalo Bicycles

The two parts of the organisation work together. The social enterprise creates scale and infrastructure that lowers the costs of BEEP, which in turn creates local demand for quality bicycles, increasing impact in the field.

Field Impact Report

UK Funds transferred to the field funded World Bicycle Relief's Bicycles for Educational Empowerment Programmes (BEEP). The goal of BEEP is to improve the quality of life for targeted children, households, and communities. We built upon the foundations established in our priority programmes in Kenya and Zimbabwe as well as supporting the partnership with Qhubeka in South Africa. By investing resources and engaging community members, BEEP is developing a sustainable ecosystem for the whole community.

BEEP – South Africa: £24,368

Thanks to funding from the Bicycle Changes Lives campaign spearheaded by Deloitte and Team Dimension Data the BEEP programme continued to provide Bicycles to school children in the Limpopo and Kwazulu Natal regions via our partners Qhubeka and World Vision SA. While the programme saw improvements in attendance as a result of bicycle distribution, there were challenges in regards to implementation. World Bicycle Relief's partnership with Qhubeka was concluded at the end of 2016.



BEEP – Kenya: £579,961

The team in Kenya has produced a number of innovations which has seen an increase in the impact of the bicycles in the field. Expanded training for bicycle recipients builds stronger riding skills and teaches riders about preventative maintenance and repairs. Expanding the training programs and increasing the number of trained WBR Field Mechanics helps support the communities where we work.



Partnering with Plan International, Child Fund, and World Vision allowed us to reach more people within the community to deliver bicycles to students and teachers as part of the BEEP programme. WBR also partnered with Plan International as part of their Wasichana Wote Wasome (Bikes for Students) programme. It seeks to build a strong support system for marginalized or at-risk girls by improving access to education. In 2016, we laid the groundwork for future Bikes for Students program distributions in five coastal counties of Kenya.

"We are now able to keep all of the girls in school and prevent early pregnancies and marriages. Once the students are educated, we will get more doctors, nurses – the whole community will come up." – Monica Mudonidongo, Vice Principal of Bukhaywa Secondary School, Kakamega, Kenya

BEEP – Zimbabwe: £393,954

Funds distributed in Zimbabwe were used as part of The Improving Girls' Access through Transforming Education (IGATE) program. This is an innovative, DFID Girls' Education Challenge project with a multi-layered approach to improving educational outcomes for girls in Zimbabwe. IGATE operates with the involvement of partner organizations including World Vision to make a deep investment that impacts more girls.



"Who would have thought that a bicycle had the power to 'rescue' a girl?" – Saramine Mukete, Senior Philanthropy Executive, World Vision UK

Monitoring and Evaluation has shown that a critical aspect of promoting sustainability for the Buffalo Bicycles and our programmes is facilitating access to quality spare parts. With standardized sizing, we've designed the Buffalo Bicycle for compatibility with locally-available spares however the challenge is that these spares can be of poor quality and degrade the lifespan of the Buffalo Bicycle. There is a demand for genuine, high quality Buffalo brand spare parts but getting these products to the thousands of users is a considerable challenge.

To help solve this issue in 2016, the field pioneered a "Hub & Spoke" model. The "hubs" are Buffalo-branded retail shops in locations with large concentrations of Buffalo Bicycles. The shops provide spares to end users, farmers, families of the school children and healthcare workers – the "spokes." Early results have been promising, but we will continue to monitor and measure the improved access to spares and the return on investment.

UK Fundraising Report

Stephen Cromwell, Development Director led the UK team supported by trustees and volunteers. The focus of fundraising in 2016 was on increasing the number of donors and fundraisers and this was achieved with a significant rise in individual giving and community fundraising compared to 2015. The main sources of fundraising were as follows:

By supporting fundraisers doing their own rides as well as partnering with Moneycorp to launch a signature London to Paris event, the source of income from this channel was £128,894, doubling the revenue year on year.

The inaugural Moneycorp London to Paris ride in July was a success with £14,608 raised. Other significant events were RideLondon and Ride Across Britain with individuals taking part and raising funds through the WBR UK online fundraising platform. The Global Cycling Network raised £16,666 through their unique and engaging challenge to their committed base of viewers.

The majority of the Individual giving came through the year End Appeal which raised £54,222. This was boosted by favourable press coverage in The Observer and the cycling press including Cycling Plus magazine, Singletrack and Total Women's Cycling.

There was an increase in the number of corporate donors with World Bicycle Relief being selected by Thomson Reuters Elite to be their nominated charity. This resulted in a speaking spot by FK Day WBR Founder at their Vantage conference in September.

The Bicycles Change Lives campaign raised £29,486, helped by the promotion of the campaign by Team Dimension Data (formerly MTN Qhubeka) and their presence at the Tour de France.

As part of the Trustees' strategy to broaden income stream and reduce reliance on individual giving, we committed to Trusts and Foundations outreach with the assistance of a contractor who researched and applied to a number of institutions. We received £5,500 in 2016 with further results expected in 2017 as this activity often has a long gestation period.

The trustees of World Bicycle Relief would like to thank the following trusts for their support in 2016:

The Fulmer Charitable Trust
The Hasluck Charitable Trust
The John Beckwith Charitable Trust

Gift Aid continued to rise in parallel with the addition of individual giving with £25,529 claimed directly from HMRC and £951 claimed by Virgin Money Giving on our behalf throughout the year.

All in all, a successful year for WBR 2016, however we do not want to sit still! We aim to further our reach and with the arrival of our new Chief Executive, Allison Dufosse in 2017, we intend to grow our presence and impact. This will ensure that we continue to provide a sustainable solution to the challenge of distance in Sub-Saharan Africa.

We are very grateful to all of our donors.

Reserves Policy

The charity maintained its reserves policy in 2016 in order to keep a minimum of £30,000 in unrestricted reserves to cover payroll and ongoing administration expenses. At 31 December 2016 it had unrestricted reserves of £70,521 of which £8,118 were designated for specific projects (as explained in Note 9).

Risk Statement

The trustees have reviewed the major risks to which WBR UK is exposed and have created a risk management matrix to ensure appropriate processes and procedures are in place to mitigate the governance, operational, financial and compliance risks that have been identified.

As acknowledged last year, a key risk has been having only one employee. The trustees agreed in 2016 that it was appropriate to address this by seeking to appoint a Chief Executive with appropriate experience. We understood that this would be a significant investment for WBR UK but it represents our commitment to grow the donor base and increase the funds raised. Recruitment took place in the last quarter of 2016 and we were delighted to announce the appointment of Allison Dufosse as Chief Executive in January 2017.

Trustees

The trustees who served the charitable company during the period are detailed on page 1.

Trustees Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period. In doing so the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

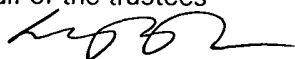
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small Company Charity Provisions

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS102) (effective 1 January 2016) and in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the trustees

Lucy D Lynch



Independent Examiner's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of World Bicycle Relief UK

Year Ended 31 December 2016

I report on the accounts of the company for the year ended 31 December 2016, which are set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW.

Having satisfied myself that the charity is not subject to audit under Part 16 of the Companies Act 2006 and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the General Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and the seeking of explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that, in any material respect, the requirements
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of Section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS102) have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Christopher Lewis Hicks BA FCA DChA
FRANCIS CLARK LLP
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF



18 May 2017

World Bicycle Relief UK

Statement of Financial Activities
(Incorporating Income and Expenditure Account)

Year Ended 31 December 2016



	Notes	Total Unrestricted Funds Year Ended 31 December 2016 £	Total Unrestricted Funds Year Ended 31 December 2015 £
Income from:			
Donations, grants and sponsorship	9	293,505	943,040
Total		293,505	943,040
Expenditure on:			
Charitable activities	2	1,003,011	102,224
Raising funds	3	78,313	63,627
Total		1,081,324	165,851
Net (expenditure)/income and net movement in funds		(787,819)	777,189
Reconciliation of funds:			
Total funds brought forward		808,340	31,151
Total funds carried forward		20,521	808,340
Represented by:			
Current assets		94,782	825,554
Current Liabilities		(74,261)	(17,214)
Total		20,521	808,340

All of the above amounts relate to continuing activities.

The notes on pages 11 to 15 form part of these financial statements.



	Note	31 December 2016 £	31 December 2015 £
Current assets			
Debtors	6	8,191	143,295
Cash at bank and in hand		86,591	682,259
		<u>94,782</u>	<u>825,554</u>
Liabilities:			
Creditors: Amounts falling due within one year	7	74,261	17,214
Net current assets		<u>20,521</u>	<u>808,340</u>
Total net assets		<u>20,521</u>	<u>808,340</u>
The funds of the charity:	9		
Unrestricted funds		62,403	73,227
Designated funds		8,118	735,113
		<u>20,521</u>	<u>808,340</u>

The trustees are satisfied that the charity is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the period by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The trustees acknowledge their responsibilities for:

- (i) ensuring that the charity keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the charity as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charity.

These financial statements were approved by the trustees on 10 May 2017 and are signed on their behalf by:

Lucy D Lynch
Trustee

Company Registration Number: 07550335

The notes on pages 11 to 15 form part of these financial statements.

	31 December 2016 £	31 December 2015 £
Cash flows from operating activities:		
Net cash (used in) provided by operating activities (below)	<u>(595,668)</u>	<u>639,010</u>
Change in cash and cash equivalents in the year	(595,668)	639,010
Cash and cash equivalents at the beginning of the year	682,259	43,249
Cash and cash equivalents at the end of the year	<u>86,591</u>	<u>682,259</u>
Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/income for the year (as per the statement of financial activities)	(787,819)	777,189
Decrease /(increase) in debtors	135,104	(143,051)
Increase/(decrease) in creditors	57,047	4,872
Net cash (used in) provided by operating activities	<u>(595,668)</u>	<u>630,010</u>

The notes on pages 11 to 15 form part of these financial statements.

1. Accounting policies

(a) Basic of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP(FRS102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

(b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date.

Income from sponsored events is recognised according to the date that the event was held or, if later, the date that the funds were committed.

(c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measure reliably.

All expenditure is accounted for on an accruals basis and includes irrecoverable VAT.

Expenditure has been allocated directly to charitable activities and costs of raising funds. Support costs, in the form of governance costs relating to the preparation of accounts and their independent examination, have been allocated in full to charitable activities.

(d) Fund Accounting

Designated funds – the Trustees have designated certain funds for particular purposes and these funds are explained further in Note 9. There is no legal force for the designation.

Unrestricted general funds - these are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

(e) Foreign Currency

Funds remitted to overseas operations are translated at the rate of exchange on the date of the transfer.

(f) Creditors

Creditors 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.

(g) 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.

2. Costs of charitable activities

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
BEEP SA (Bicycles Change Lives)	24,368	28,000
BEEP Bicycle grants/donations:		
Kenya	579,961	70,216
Zimbabwe	393,954	-
Amounts payable to independent examiner:		
Independent examination	1,200	1,200
Accountancy fees	3,528	2,808
	1,003,011	102,224

BEEP = Bicycle for Education Empowerment Program

3. Raising funds

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Staff costs	42,317	42,310
Staffing and recruitment	-	2,911
Professional services	9,438	-
Supplies	2,437	3,708
Printing	3,291	1,104
Staff travel	5,285	4,084
Insurance	706	727
Advertising	7,006	1,596
Bank charges	4,159	3,088
Meeting and event management	2,525	62
Shipping	357	2,041
Registration and licence fees	3,036	1,440
Exchange (gain) or loss	(2,254)	102
Other fees	10	454
	78,313	63,627

4. Staff costs/Key management personnel

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Gross salaries	40,000	40,000
Employers NI	2,317	2,310
	<u>42,317</u>	<u>42,310</u>
	=====	=====
Number	1	1
	=====	=====

5. Trustees

No trustees have received any remuneration or reimbursed expenses or received any other benefits.

6. Debtors

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Gift Aid	8,191	4,691
Balance due from parent company	-	138,604
	<u>8,191</u>	<u>143,295</u>
	=====	=====

7. Creditors: Amounts falling due within one year

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Taxation and social security	3,055	4,087
Accruals	8,652	13,127
Balance due to parent company	12,554	-
Balance due to group companies	50,000	-
	<u>74,261</u>	<u>17,214</u>
	=====	=====

8. Company Limited by Guarantee

The company is limited by guarantee, having no share capital. It is incorporated in England and Wales.

The company has one member. In the event of the company being wound up the liability of the member is limited to £10.

9. Funds

Current Year:	Balance at 1 January 2016	Income	Expenditure	Balance at 31 December 2016
	£	£	£	£
General fund	73,227	264,019	324,843	12,403
Designated Funds				
BEEP Kenya and Zimbabwe	732,113	-	732,113	-
BEEP SA (Bicycles Change Lives)	3,000	29,486	24,368	8,118
	735,113	29,486	756,481	8,118
	<u>808,340</u>	<u>293,505</u>	<u>1,081,324</u>	<u>20,521</u>

Previous Year:	Balance at 1 January 2015	Income	Expenditure	Balance at 31 December 2015
	£	£	£	£
General fund	31,151	178,927	(136,851)	73,227
Designated Funds				
BEEP Kenya and Zimbabwe	-	732,113	-	732,113
Bicycles Change Lives	-	32,000	(29,000)	3,000
	-	764,113	(29,000)	735,113
	<u>31,151</u>	<u>943,040</u>	<u>(165,851)</u>	<u>808,340</u>

BEEP Kenya and Zimbabwe

This represents a major gift from a private donor designated to fund 3,000 bicycles in Kenya and 2,000 bicycles in Zimbabwe in 2016 as well as a corporate gift of £25,000 designated to fund BEEP Kenya.

Bicycles Change Lives

This represents funds designated to the BEEP South Africa programme.

10. Parent Charity, Control and Related Party Transactions

The charity is a wholly owned subsidiary and is under the control of World Bicycle Relief, NFP, a charity registered in the state of Illinois, United States. Its registration number is 01049974. It has very similar principal purposes and activities to those of World Bicycle Relief UK. The parent charity has the power by ordinary resolution to appoint WBR UK's trustees. The consolidated accounts of the group can be obtained at <https://worldbicyclerelief.org/en/story/financials/>

During the year the charity made payments for the BEEP of £24,368 (2015: £28,000) to World Bicycle Relief – Qhubeka, a non-profit organisation that is World Bicycle Relief NFP's philanthropic program in South Africa.

The charity made payments and supplied bicycles for the BEEP of £579,961 (2015: £70,216) to World Bicycle Relief – Kenya, a branch of World Bicycle Relief, NFP.

The charity also made payments for the BEEP programme in Zimbabwe of £393,954 to Buffalo Bicycle Limited, a wholly owned subsidiary of World Bicycle Relief, NFP. At 31 December 2016 a balance of £50,000 was owed to Buffalo Bicycle Limited.

Further details of the programme are contained in the Trustees' Report.

The total amount of donations paid to the charity during the year without conditions by charity trustees amount to £1,140 (2015: £6,140).