



Bicycling Empowerment Network (BEN)



ANNUAL REPORT

SEPTEMBER 2019 - AUGUST 2020





Bicycling Empowerment Network

Executive Director Annual Report

2 December 2020

Overview

The 2019/2020 year has been an exceptional period for all of humanity, and also for BEN. Who would have guessed this time last year what was laying in store for us! The year has been tough emotionally and financially, but I am happy to report that we have emerged in relatively intact shape.

From a governance point of view, 2020 was a big year in that our Founder and Chairperson, Louis de Waal formally retired from the Board. Louis' immense contribution to civil society in general and to cycling specifically cannot be overstated. Although he no longer carries formal fiduciary responsibilities, Louis will remain an integral part of the BEN family and will continue to play an active part in the work we do. In honour of Louis' massive contribution to the sector and the organisation, BEN would like to recognize him forthwith as our life-president and patron.

The Covid-19 pandemic has had a major impact on the 2019/2020 financial year. At the beginning of the pandemic, it appeared that we would need to scale back our activities significantly in order to survive and ride-out the impacts of the virus. Indeed, during the initial parts of the lockdown, BEN's activities were significantly constrained. However, as we moved from level 5 to level 4, we started to explore ways in which we could make a positive contribution to the Covid-19 efforts and we began engaging with Central Improvement District structures in Claremont and Tygerberg

with joint initiatives, and momentum started to grow. Similarly, distribution work that we had been doing under the Provincial Sustainable Transport Programme (PSTP) was initially put on hold, but then was adapted to respond to the reconstruction and recovery initiatives that flowed from the pandemic. Within a relatively short time, this distribution work was running at full pace in a very effective and targeted manner. By the end of our financial year, we were operating at full capacity and with real purpose.



The PSTP programme
has distributed 800
bicycles and a further
500 bicycles have
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programme

In terms of partnerships, our key relationships with PPA and Qhubeka remain strong. Both these organisations have experienced issues over the year, with PPA still managing the transition from Rob's departure, and with Qhubeka experiencing supply issues related to the liquidation of the Real Bicycle Company. Despite these issues, the consortium has managed to deliver significantly over the past year. The consortium working under the PSTP programme has distributed 800 bicycles, and a further 500 bicycles have been allocated to the Heroes on Bikes programme funded by Qhubeka and the ASO.

We continue to explore ways of improving our enterprise development activities, and have expanded the network of community cycling initiatives that we support well beyond our historically core grouping of BECs. This has involved developing specific tools to understand the specific needs of these organisations so we can tailor our support envelope more effectively.

Our working partnership with the Provincial Department of Transport and Public Works continues to evolve with our programming contribution to the PSTP steadily growing. Similarly, this year has been a good one in terms of working with the City. BEN is an active member on a number of key City working groups and forums. Ironically, the shift towards virtual meetings under the pandemic has resulted in way more effective communication with the City.



By leveraging
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with less





Human Resources

From a Human Resources point of view, BEN saw a number of changes through the year. Our fundraiser, Nicky Jacobs, was dismissed in the course of the year leaving a gap in our fundraising capacity. Due to a range of performance, trust and health related issues, the portfolio never really gained momentum prior to her exit. Fortunately, we have been able to benefit from Ian Mill's expertise as he has been contracted on a part-time basis to assist in this key function.

Solly Jones, our workshop manager, was due to retire during the course of the year, but after some discussion and negotiation he has pushed out his retirement plans until the end of the 2020 calendar year. The organisation has really benefited from his mechanic and training expertise and we wish him well with his future plans. Solly will continue to support us in an ad hoc way under contract where required.

Governance

As indicated earlier in this report, the major change from a governance point of view at BEN, has been the retirement of Louis de Waal from the Chairmanship and from the Board. This brings a long and productive chapter to a close. Over the past 18 years, Louis has been the bedrock on which BEN has developed. He has played many key roles in BEN's evolution – from visionary and creator, to motivator and leader, to supporter and benefactor, to operational implementor, Louis has done it all. Although his formal fiduciary responsibilities at BEN are behind him, Louis will always remain a key part of the organisation, and we look forward to continue working with him on key events and distributions in his capacity of life president and patron.

Financial Position

2020 has been a devastating year for all sectors including the NPO environment. Despite this, BEN has been fortunate to have had a relatively productive and successful year.

The year has seen significant pressure on donors, and this is reflected in a drop of revenue from this income stream. However, we have been successful in generating more income from our own operational activities. By leveraging partnerships, we continue to be able to achieve more with less – and we have been able to reduce our operational expenditure over the previous year. The net effect of this has been the generation of a surplus of R564k, which has been reassuring under the difficult circumstances, although we have not been able to further build on our contingency reserve as planned. In terms of key indicators including the Current Ratio, Acid Test and Reserve Fund Indicator, the organisation is in a relatively healthy state. The key challenge looking forward is our ability to secure ongoing donor funding in an increasingly resource constrained economic environment.



Once again, our primary strategic partner has been PPA, and the Bike4All collaboration



BICYCLING EMPOWERMENT NETWORK
STATEMENT OF COMPREHENSIVE INCOME
1 SEPTEMBER 2019 - 31 AUGUST 2020

Figures in R	2020	2019
Gross revenue		
Sales	451 706	357 707
Grants and donations	2 094 932	3 077 209
Project income	1 213 234	1 513 820
	3 759 872	4 948 736
Cost of sales	296 815	256 314
Gross income	3 463 057	4 692 422
Other income		
Interest received	1113 493	76 668
Profit on sale of property, plant and equipment	1 497	-
Recoveries	22 658	6 370
	137 648	183 038
	3 600 705	4 875 460
Operating expenditure	864 040	1 003 881
Net operating income before project expenditure	2 736 665	3 871 579
Project expenditure	2 172 303	2 609 857
Surplus before contingency reserve	564 632	1 261 722
Less contingency reserve	-	800 000
Surplus for the year	564 362	461 722

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

Figures in R	2020	2019
Assets		
Non-current assets		
Property, plant and equipment	16 587	25 264
Current assets		
Inventories	55 037	150 607
Trade & other receivables	214 718	23 949
Cash	3 273 458	2 277 918
	3 543 213	2 452 474
Total assets	3 559 800	2 477 738
Equity & liabilities		
Equity		
Other components of equity	800 000	800 000
Retained earnings	1 176 064	611 702
	1 976 064	1 411 702
Current liabilities		
Income received in advance	1 354 674	815 000
Trade and other payables	229 062	251 036
	1 583 736	1 066 036
Total equity and liabilities	3 559 800	2 477 738

income statement

balance sheet

Financial Health of BEN	Take Action									
	Monitor									
	Celebrate									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
1 Current ratio										
Current assets to current liabilities										
Indicates liquidity of Organisation										
Evaluates the organisations ability to pay its short-term debt obligations (creditors, taxes, wages)										
Current assets	3 543 209	2 452 473	3 148 830	1 042 516	249 613	413 771	551 400	248 401	439 732	408 951
Current liabilities	1 580 136	1 066 035	3 020 353	1 036 425	278 735	124 123	164 220	217 575	316 518	328 020
Standard 2:1	2,2	2,3	1,0	1,0	0,90	3,33	3,36	1,14	1,39	1,25
2 Acid Test										
Current assets less inventory to current liabilities										
Similar to current ratio, but removes inventory from equation as inventory is more difficult to turn into cash										
Inventory is less liquid than other current assets										
Current assets	3 543 209	2 452 473	3 148 830	1 042 516	249 613	413 771	551 400	248 401	439 732	408 951
Less inventory	- 55 036	-150 607	-9 473	-92 115	-43 580	-236 306	-55 441	-176 138	-101 241	-350 607
	3 488 173	2 301 866	3 139 357	950 401	206 033	177 465	495 959	72 263	338 491	58 344
Current liabilities	1 580 136	1 066 035	3 020 353	1 036 425	278 735	124 123	164 220	217 575	316 518	328 020
Standard 1:1	2,2	2,2	1,0	0,92	0,74	1,43	3,02	0,33	1,07	0,18
3 Reserve Fund Indicator										
Net assets to monthly expenses										
If all assets were cashed, months of reserve available										
Indicates if all the assets were sold and all debts paid, how many months reserve would be available to continue operating										
Net assets	1 979 660	611 703	149 979	51 555	40 251	316 469	413 268	60 963	134 136	82 699
Monthly expenses	244 942	223 070	206 968	178 643	176 556	178 935	124 298	111 511	89 461	62 625
Standard 2:1	8,1	2,7	0,7	0,29	0,23	1,77	3,32	0,55	1,50	1,32

Partnerships and Collaboration

Over the past few years, it has become increasingly clear that partnerships and strategic collaborations are important in terms of maximizing the impacts that BEN, as a small organisation, can make. This year is no exception and a number of key relationships has ensured the successful delivery of our core projects and programmes.

Once again, our primary strategic partner has been PPA, and the Bike4All collaboration in particular. This programme is coming into its own, particularly with the provincially funded PSTP Bicycle Distribution Programme now firmly in its implementation phase. Jannis Jagger from PPA has proven to be an important ally and resource in terms of this collaboration. This partnership,

however, is not without risks. Almost a year after Robert Vogel left PPA as CEO, the governance structure of the organisation is still struggling to manage the transition to new leadership and to forge a clear strategic direction. PPA has also struggled under COVID and most of their activities have been severely curtailed. This has brought some frustration in terms of taking our partnership further and the nature of future joint initiatives is not entirely clear at this stage.

Similarly, our relationship with Qhubeka Charity has been strong this year, despite significant problems with their supply chain model. The Real Bicycle Company, which manufactures and supplies the Qhubeka bicycles, is currently under liquidation. This has had a big impact on Qhubeka's ability to supply bicycles to service

their distribution initiatives. From our point of view, the impact was felt most in terms of supplying bicycles to the PSTP programme. Fortunately, we have been able to fill the gap and the programme this year has used Bike4All bicycles supplied by BEN and PPA. BEN has also been able to supply Qhubeka with Bike4All bicycles for their Hero's on Bike initiative, of which BEN is an implementation partner. In short, our strong collaborative approach has enabled us to assist Qhubeka manage this difficult time in a way that draws us into their distribution initiatives and at the same time, strengthens our Bike4All programme. At this stage, it is unclear how the liquidation process will unfold and we need to be alert to the impacts that this may have on our own activities and programmes going forward.

The COVID pandemic has had a silver lining in that it has forced us to rethink some of the big distribution projects we have been working on jointly. The beneficiary targeting has been sharpened over this time, with a strong focus on ensuring that our distributed bicycles have an impact in terms of COVID relief and economic recovery. This has resulted in smaller, more targeted distributions, and with much tighter MOUs and impact follow-up.

BEN also collaborates with a number of other cycling role-players and community focused organisations including, but not limited to: Pedals for Peace, Claremont Rotary, Open Streets, the Premiers' Office, the City of Cape Town, Khaltsha Cycles, Bicycle South, Cape Town Cycle Tour Trust, Masicorp, Masi 750, etc.



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Strategic Focus going forward

BEN prides itself in regularly reviewing its strategy and approach with a view to ongoing improvement and refinement. Our work is based on a dynamic Theory of Change and monitoring and evaluation framework that helps to shape our strategic direction. In addition to our ongoing programme of work, the organization has identified the following areas that require a particular focus in the year going forward:

Refinement of our enterprise development model

BEN is well known for its enterprise development model and network of Bicycle Empowerment Centres (BECs). At the last AGM, we indicated that we were looking at expanding our support envelope to a wider range of community bicycle initiatives. Over the past two years, BEN has been actively engaging with other community mechanics across the province with a view to providing support services to them. We have also been developing ideas around establishing cooperatives with a view to taking our enterprise development support activities to scale. This has prompted a process aimed at reviewing and refining our enterprise development support offering. Towards this end, BEN has developed a new model of support for community bicycle initiatives. The model is based on developing a strong understanding of the dynamics of each enterprise using a multi-criteria approach – this enables the organisation to be more targeted and tailored in terms of its support offering to community SMMEs and bicycling focused entrepreneurs.

Development of accredited training and a bicycle apprenticeship model

Over the past few years, BEN has been working on the process of getting formal accreditation for our training programmes. BEN is one of the few organisations in the country offering comprehensive bicycle mechanic training. While we currently certify our training internally, we are working hard to integrate our training efforts into the recognized skills qualification mainstream. BEN, working closely with Dr Florus Prinsloo is currently engaging with the relevant qualification authorities and SETAs, and has had a number of engagements with the Department of Economic Development and Tourism (DEDAT) with a view to developing mechanisms to offer accredited training in an apprenticeship model. Progress towards this end has been somewhat constrained by the COVID-19 dynamics, although significant progress has been made in recent months.

Continued evolution of partnerships

An ongoing focus will be the maintenance and strengthening of our key strategic partnerships. Both the BEN/PPA partnership and the three-way Qhubeka/PPA/BEN collaboration require ongoing maintenance and the ongoing evolution of MOUs. Both PPA and Qhubeka are facing significant challenges at this time, and BEN needs to be vigilant and alert to any possible impact that changes in these organisations may have on our partnerships.



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Facilitating the development of community cycling infrastructure

Over the past year, BEN has been involved in facilitating the provision of community cycling infrastructure, with a focus on BMX tracks. Last year we played a role in reactivating the Princess Vlei facility, built a track at Lavender Hill school, and supported initiatives to develop a world-class facility at the multi-purpose sports centre at Langa. Happily, the Langa process has developed some real momentum under the stewardship of Tembile Kulati and funding has been secured to develop the physical infrastructure for this project. BEN will continue to play a role in pushing this development to completion.

Improving our M&E Capability

Our structured Theory of Change guides our work and forms the basic core of our M&E efforts. Over the past year, much of our intervention work has become more focused given the need to respond to the Covid-19 recovery efforts. This has also had the effect of us streamlining our M&E activities in relation to these distributions. We are now in a much better position to track the sustainability and impact of our distributions, while also monitoring the ongoing condition and maintenance of the bicycles distributed.

Ensuring BEN's sustainability

As economic conditions continue to deteriorate in the country, with a long low recovery in prospect, most NGOs and PBOs find themselves under intense financial pressure. While we have done well in piloting BEN through troubled waters from a financial perspective, our contingency reserves need to be significantly enhanced. While we have improved our income generating capability significantly, we are under no illusions as to the difficulties ahead. We will need to be prudent, vigilant and agile in order to make the most of what is likely to be a relatively constrained set of opportunities. In the context of a shrinking pool of effective donors, we are going to need to work very actively on securing financial resources over the coming year.



how bicycles change lives

“The finest mode of transport know to man.”

- Adam Hart-Davis on the bicycle



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