

Sustrans Limited

(A company limited by guarantee)

Annual report

for the year ended 31 March 2004

Registered no: 1797726

Charity no: 326550



Sustrans Limited

Annual report for the year ended 31 March 2004

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Legal and administrative information

Constitution

Sustrans Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Charity Number: 326550

Company Number: 1797726

Trustees and Directors

The trustees serving during the year and since the year end were as follows:

R. Farrant (Chair)
K. Armitstead
L. Blakiston-Houston
J. Butters (appointed 5 April 2003)
D. Collins
N. Harding
A. Haynes
C. Levett
P. McQuail
J. Rigby
P. Strachan
W. Wright (resigned 5 April 2003)

Chief Executive

J. Grimshaw

Executive Board

J. Grimshaw
M. Shepherd
S. Talbot-Ponsonby
T. Snowdon
S. Acreman (resigned 7 April 2004)

Secretary and registered office

M. Shepherd
35 King Street
Bristol
BS1 4DZ

Registered auditors

PricewaterhouseCoopers LLP
Chartered Accountants
31 Great George Street
Bristol BS1 5QD

Solicitors

Osborne Clarke
2 Temple Back East
Bristol
BS1 6EG

McCartney Stewart
1B Paisley Road
Renfrew
PA4 8JH

Bankers

The Royal Bank of Scotland plc
Castlegate House
Tower Hill
Bristol
BS2 0JA

Report of the trustees for the year ended 31 March 2004

The trustees, who are also Directors of the Charity for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31st March 2004. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the Charity.

Objectives of the Charity

Sustrans, the sustainable transport charity, works on practical projects to encourage people to walk, cycle and use public transport in order to reduce motor traffic and its adverse effects. Our main activities are:

- National Cycle Network (NCN) - co-ordinating delivery of this 8,200 mile network of national routes, one third traffic-free, allowing many more journeys by bike and on foot
- Volunteer rangers – co-ordinating our UK-wide network of volunteer rangers, who look after and promote their local sections of the NCN
- Marketing – promoting usage of the NCN and providing a unique breadth of information for existing, new and returning cyclists
- Safe Routes to Schools – supporting and promoting projects to encourage and enable children to walk and cycle to school, through a combined package of practical and educational measures
- Art and the Travelling Landscape – creating an accessible nationwide collection of art works along Sustrans' routes, which act as landmarks, meeting places and rewards for getting out of the car
- TravelSmart – encouraging alternatives to the car by offering households personalised travel advice and encouragement to walk, cycle and use public transport more often
- Active Travel – co-ordinating practical projects to demonstrate the health benefits of walking and cycling, publishing the evidence and greening transport in the NHS
- Liveable Neighbourhoods – promoting projects that improve the quality of the street environment to make it safer and more attractive for walking and cycling
- Improving local access – creating pedestrian and cycling access to public transport, shops, healthcare and schools for thousands of daily journeys
- International – sharing technical information with over 50 countries, and working on the UK aspects of collaborative European transport projects.

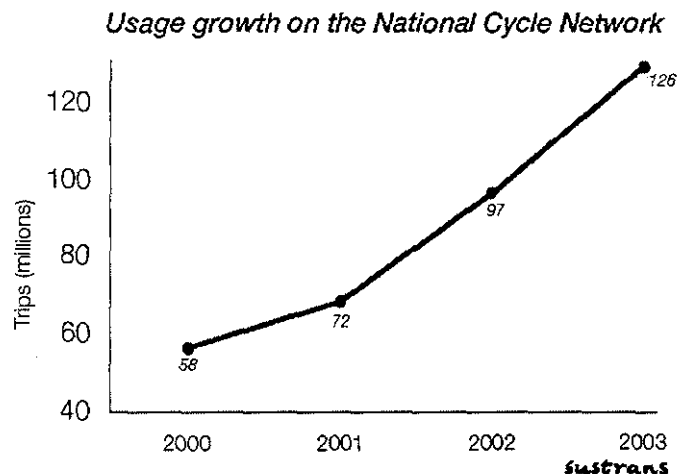
Review of activities and future developments

i) The National Cycle Network

The NCN is a comprehensive network of safe and attractive places to cycle and walk throughout the UK. Sustrans co-ordinates delivery of the NCN, and with

partners has continued its expansion to 8,200 miles of open routes across the UK. We are still on course to meet our target of 10,000 miles of route open by 2005.

The scale and reach of the NCN is important because it enables more people to return to cycling or to experience it for the first time. The effectiveness of the NCN is best illustrated by our usage figures. The following graph shows the growth in usage that has been achieved over the last 3 years – this is a compound average growth of 28% per annum, in part achieved by the continuing growth of the NCN but also representing a 10% year-on-year growth on existing sections.



The NCN carried 126 million trips in 2003, of which 77 million were by cyclists and 49 million by pedestrians. By 2005 we estimate that 179 million trips will be made. The NCN is helping to achieve modal shift and to help people improve their health through providing safe and attractive places for them to undertake more physical activity.

ii) The NCN Centre

During the year we were awarded a grant of £605,000 (of which £508,000 has been received) from the Millennium Commission towards the costs of establishing the National Cycle Network Centre, to promote, maintain, develop and enhance the NCN into the foreseeable future. We have acquired a building for the Centre, which is currently being altered. It will be formally opened in October 2004. We would like to thank our supporters for their valuable contributions which have helped to match the Millennium Commission grant and enabled this to proceed.

iii) Community Volunteer Rangers Programme

Throughout the year volunteer rangers have continued to dedicate their time and skills to looking after and promoting the NCN. They undertake many invaluable tasks such as replacing missing signs or cutting back vegetation, things that often cause the most problems for users of the route, as well as reporting when major maintenance works are needed. They have organised over 60 community workdays around the UK and involved their local communities in a wide range of events from organised family rides to building benches to litter-picking days.

Our central team has continued to support the volunteers, delivering 10 national training events around the UK, attending local group meetings, publishing newsletters and developing an extranet for volunteers to share information and best

practice. We have also successfully developed the programme in Northern Ireland through the year, where we now have 4 active ranger groups.

The trustees acknowledge the massive contribution from the now 1,500+ volunteer Rangers, who perform an irreplaceable role in looking after and reporting on the condition of our routes. An independent assessment of the National Community Volunteer Rangers Programme, conducted by the National Centre for Research and Consultancy (Manchester Metropolitan University), estimated the value of this volunteer contribution to the Charity of between £1.3 and 2.3million.

Funding from the Community Fund (the main funder of the programme) came to an end in December 2003, and our application for a further three years of funding from them was unsuccessful. We have therefore developed a strategy to replace some of this funding with contributions from local authorities. Initial approaches to local authorities started in early 2004, with some early confirmations of funding, although we continue to seek major funders for the programme.

iv) Art and the Travelling Landscape

Sustrans continues to improve the experience of using the NCN through creating high quality and attractive public artworks along the routes. Throughout the year we have worked with a number of world-renowned artists as well as local artists on 16 active projects. We had two major openings, on the Spen Valley Greenway and the Wandle Valley Trail, both highly acclaimed. Each of our projects involves working with local schools or other community groups, and creating a diverse range of work from poetry and videos to physical artworks. The programme is funded by a number of contributors, including numerous arts bodies, local authorities, local businesses, charitable trusts and regional and national bodies.

During the year we have become involved in developing a large-scale project in Lincoln ("Hi-Views"), combining public artworks along the NCN with waterways projects in the county to both regenerate the local area and promote tourism. It is part of a wider European project and will be delivered over the next 2 years.

v) Safe Routes to Schools

Since 1995, Sustrans has developed an unrivalled information service for schools, local authorities, and individuals working on safe routes to schools projects and school travel plans. In 2003, we responded to over 2,000 detailed information requests and received over 26,000 unique website visits.

Through our School Champions programme, we have trained 181 'school champions' (parents, teachers, governors or pupils) to enable them to implement and progress their own Safe Routes to Schools schemes. We plan to train a further 120 'school champions' throughout 2004. Feedback from training shows that we are providing them with the necessary skills and successfully inspiring them to lead their communities in taking action.

Our biggest event throughout the year was a hugely successful two-day UK "Championing Safe Routes to Schools: Citizenship in Action" conference held in Leicester. This attracted 340 people from all four countries and included 160 pupils accompanying adults from 50 schools. Two young people from Leicester Youth Council chaired the conference, introducing prominent speakers such as the Rt.

Hon Charles Clarke MP, Secretary of State for Education and Skills. Many returned home inspired by the initiatives and ideas they heard about during the 2 days to do even more to promote Safe Routes to Schools.

Towards the end of the year we started a Schools and Skills programme called Bike-It, to accelerate the uptake of cycling and the necessary change of culture within schools. Through this programme we will work intensively with 40 schools across England and have appointed 4 dedicated officers. It is a pilot programme, which we hope to roll out in future years.

vi) TravelSmart

Since 2001 the 'TravelSmart' initiative has been testing an innovative Individualised Marketing technique for increasing walking, cycling and use of public transport in the UK. Each TravelSmart project includes detailed evaluation using travel surveys before and after the marketing to measure the effects on travel behaviour.

Sustrans two pilot projects in 2001/02, in Gloucester and Frome, achieved reductions in car trips per person of 9% and 6% respectively, with double figure increases in personal trips on foot, by cycle and by public transport.

Sustrans' current TravelSmart programme, conducted in partnership with Socialdata, a leading international travel research institute, involves eight projects offering personalised information and support on sustainable travel options for approximately 300,000 people. Five of the projects, in Bristol, Gloucester, Nottingham, Northumberland and Sheffield, are part-funded by the Department for Transport through its personalised travel planning demonstration programme. Sustrans is also working with Socialdata under contract to Transport for London on one of four individualised marketing pilot projects in London, under the 'Travel Options' name, in the Royal Borough of Kingston. Final reports on these projects will be published in summer 2004. Further TravelSmart programmes are planned for the coming year.

vii) Active Travel

Active Travel is Sustrans' programme of health projects, travel plan guidance and health impact research. Throughout the year we have secured funding from the Scottish Executive, Welsh Assembly Government and more recently the Department of Health to develop Active Travel programmes in each country respectively. The successful applications in Scotland and Wales have allowed us to appoint Active Travel managers for each country to take the programme forward.

The central Active Travel team has published a number of newsletters and information sheets and submitted consultation responses on a range of policy documents in England, Wales and Scotland. We gave evidence to the House of Commons Health Committee and the Medical Research Council and contributed to the Royal College of Physicians and Faculty of Public Health's report on obesity. We have also established a Travel Plan Learning Set working hands-on with the Government Office for the South-West and five Primary Care Trusts in south west England.

Over the coming year we will see the expansion of our Active Travel activities in England, Scotland and Wales.

viii) Green Routes, Safe Routes

Green Routes Safe Routes is a three-year programme, part-funded by the New Opportunities Fund 'Green Spaces and Sustainable Communities programme', to create green routes and sustainable transport projects in disadvantaged areas of England. The award is being used to support 80 projects, which are improving access for disadvantaged communities, improving local quality of life by enabling more people to walk and cycle for everyday journeys and improving the quality of the urban environment, often as part of wider regeneration initiatives.

Outputs from the projects include over 160 green routes or networks of routes linking communities with green spaces, shops, workplaces or other community facilities, links or physical improvements to 150 schools, links to 65 stations and to 15 Home Zone projects. Most of the projects are now complete or nearing completion and are benefiting many hundreds of thousands of people across England. By March 2004, £5.45 million had been claimed out of our £7.42 million award, in line with our original predictions to NOF. The balance of funds will be claimed in 2004.

ix) Liveable Neighbourhoods

Liveable Neighbourhoods implements practical projects which combine urban design, community involvement and sustainable transport planning. Our aim is to work with local residents and other partners to create high quality urban environments which promote sustainable travel behaviour whilst being safe and pleasant to live in and visit.

Throughout the year we have continued work on our flagship project, The Dings Home Zone (in Bristol). This combines a home zone with slower speeds, walking and cycling routes, Safe Routes to Schools, community involvement, travel awareness work, car club promotion and Active Travel. It is part of a wider project called VIVALDI, which involves 5 cities across Europe each undertaking similar innovative integrated transport projects. It is part-funded by CIVITAS, a European stream of funds, and we are partners to Bristol City Council on the project.

We have been involved in discussions on a number of other potential Liveable Neighbourhood programmes, which are now the subject of funding bids.

x) Marketing

Sustrans continues to be the most comprehensive source of information on where to cycle in the UK. We have continued to improve our on-line mapping, developing further links with other organisations to show key destinations on the maps. Our website (www.sustrans.org.uk) is hugely effective in providing information on where to cycle. In 2003 we received 600,000 visits, up 57% from the previous year. We also continue to provide public information lines, a database of free cycle leaflets and retail cycle maps and guides.

The focus of our marketing activities for the NCN has been on strategic initiatives to build awareness of the NCN, particularly amongst novice or returning cyclists, to achieve sustained growth of cycling levels. We have particularly focused on short journeys in local areas, promoting mostly traffic-free sections of the NCN where

children and adults can learn to cycle in a safe and pleasant environment. We also continue to strengthen relationships with tourism bodies to ensure cycling, walking and the NCN are included in regional tourism strategies.

Income generation

The year 2003/04 was the first complete year since the conclusion of Millenium Commission funding for the first phase of the development of the National Cycle Network. It is encouraging to note that, in spite of this, income generation increased by 15% over last year. The most significant contributor to this trend was the New Opportunities Fund, "Green Routes, Safe Routes" project, for which income rose to £2,089k, from £811k in 2002/03. This was in line with expectations.

Income from supporters continued to grow at a steady rate with committed giving (regular donations through standing order and direct debit) increasing by 3%. The response to the appeal to supporters and trusts for funds to match the grant from the Millenium Commission for the National Cycle Network Centre was very encouraging. £332k was raised in the year from this appeal.

The trustees are grateful for the continued support of the New Opportunities Fund for the Green Routes, Safe Routes Programme, of the Community Fund for its support to the Safe Routes to Schools Programme and of the many charitable trusts and other partner organisations, which have supported our work financially.

Reserves and Transfer of Funds

The trustees continue to review the reserves of the Charity on an annual basis as part of the planning process. In the financial year reserves increased by £106,869. The explanation for movements between Restricted, Designated and Unrestricted funds are given in Notes 13, 14 and 15 to the accounts, respectively.

The trustees have established a policy target for unrestricted reserves of up to three months of 'total resources expended'. This was agreed following consideration of the nature of and risks inherent within the income streams of the organisation, its working capital requirements and the need for a financial buffer to ensure continuity of operation. The current level of unrestricted reserves has fallen to approximately one week of 'resources expended' (disregarding the grants awarded to partner bodies) and so the trustees will aim to add to these reserves in coming years.

Governance and risk management

The trustees are appointed by the members of the Charity and serve for a period of three years, which is renewable. The trustees, together with the Executive Board, identify the skills, experience, geographical location, etc, required among its trustees and advertise widely from its supporters and project partners. The trustees meet four times a year to review strategy and performance and to agree operating plans and annual budgets. The Finance Committee, Maintenance Committee and Strategy Committee comprise trustees and staff members who consider specific issues delegated to them by the trustees.

Company and charity law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the

Charity, and of the surplus or deficit of the Charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the "going concern" basis.

The trustees have overall responsibility for ensuring that the Charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Charity, and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Charities' SORP. 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, and to provide reasonable assurance that:

- the Charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposal;
- proper records are maintained and financial information used within the Charity or for publication is reliable; and
- the Charity complies with relevant accounting standards.

As part of its normal planning procedures, the trustees, together with the Executive Board, carry out a 'risk mapping' exercise, which is reviewed annually. This 'risk mapping' procedure consists of three processes:

- a brainstorm of all risks the Charity may face in its normal operations for the year ahead;
- an assessment of the likelihood of these risks occurring, together with an assessment of the 'damage' that could be caused. This yields a 'priority rating' of risks;
- establishing procedures, actions and systems to mitigate the risks identified, and to minimise any potential impact on the Charity should any of the risks materialise.

This monitoring of financial and other areas of performance ensures that the trustees are continually appraised of progress and the risks the Charity faces.

Connected Charities

Railway Paths Limited was established as a Charity in May 1998 to take ownership of a number of disused railway lines from Rail Property Ltd. One of the charitable objectives of Railway Paths Limited is to make these lines available to Sustrans for development of walking and cycling routes.

Under the guidelines of the Charities' SORP, Railway Paths Limited is a 'connected charity' as some of its members are common to Sustrans. Mr J. Grimshaw and Mr M. Shepherd, who are Executive Directors of Sustrans, are also trustees of Railway Paths Limited. Each charity supports the work of the other. To aid efficiency Sustrans provides an accounting and administrative service to Railway Paths

Limited, and charged £10,000 for this service in the current financial year. Sustrans, through its regional network of offices, was also contracted by Railway Paths Limited to carry out several maintenance contracts, which were performed at cost price, and totalled £7,994 for the year.

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting.

By order of the Board of trustees



Company Secretary
12 June 2004

Independent auditors' report to the members of Sustrans Limited

We have audited the financial statements which comprise the statement of financial activities, the balance sheet, the cash flow statement, the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The trustees are also directors of Sustrans Limited for the purpose of Company Law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the report of the trustees.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 March 2004 and of its net incoming resources, including its income and expenditure, and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors, Bristol

8 July 2004

Statement of Financial Activities for the year ended 31 March 2004 (including Income and Expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2004 £	Total Funds 2003 £
Incoming resources					
Activities in furtherance of the charity's objects					
Millennium Commission Grant	2	-	508,091	508,091	-
Lottery funded grants receivable in respect of partners	3	-	2,089,068	2,089,068	1,000,378
Income from practical projects	4	4,138,499	2,188,960	6,327,459	6,752,573
Grants including Charitable Trusts	5	284,171	89,582	373,753	172,200
National and Regional Project income		415,848	-	415,848	386,152
Mapping & Publications income		245,839	-	245,839	315,919
Activities for generating funds					
Interest received and rental income		94,094	39,713	133,807	126,401
Donations from Supporters		1,730,333	300,090	2,030,423	1,921,726
Realised gains / (losses) on disposal of land		-	119,000	119,000	(2,000)
Total incoming resources		6,908,784	5,334,504	12,243,288	10,673,349
Resources expended					
Cost of generating funds					
Fundraising and supporters costs	6	387,809	-	387,809	388,768
Costs in furtherance of the charity's objects					
Development costs of the National Cycle Network Centre	6	-	119,127	119,127	-
Lottery funded grants payable to partners	3, 6	-	2,089,068	2,089,068	989,378
Practical projects	6	4,524,414	2,513,853	7,038,267	7,248,271
National & Regional Project costs	6	1,423,972	-	1,423,972	1,038,608
Information	6	766,520	-	766,520	651,365
Support Costs	6	227,484	-	227,484	233,918
Management & Administration	6	84,172	-	84,172	77,918
Total resources expended	6	7,414,371	4,722,048	12,136,419	10,628,226
Net income / (expenditure) for the year		(505,587)	612,456	106,869	45,123
Transfers between funds	12	(192,718)	192,718	-	-
Net incoming resources		(698,305)	805,174	106,869	45,123
Fund balances at 1 April 2003	13, 14, 15	3,421,859	605,549	4,027,408	3,982,285
Fund balances at 31 March 2004		2,723,554	1,410,723	4,134,277	4,027,408

All income and expenditure relates to continuing operations.

The Charity has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the net incoming resources for the year stated above and its historical cost equivalent.

Balance Sheet at 31 March 2004

	Notes	2004		2003	
		£	£	£	£
Fixed Assets					
Tangible assets	8		2,573,972		1,522,803
Current Assets					
Debtors	9	2,242,153		2,109,896	
Cash at bank and in hand	10	<u>2,798,976</u>		<u>3,387,751</u>	
		5,041,129		5,497,647	
Creditors: amounts falling due within one year	11	<u>(3,480,824)</u>		<u>(2,993,042)</u>	
Net current assets			<u>1,560,305</u>		<u>2,504,605</u>
Net assets			<u>4,134,277</u>		<u>4,027,408</u>
Funds					
Restricted	13		1,410,723		605,549
Designated	14		2,618,875		2,584,667
Unrestricted	15		<u>104,679</u>		<u>837,192</u>
Total funds; including revaluation reserve £294,996 (2003; £294,996)			<u>4,134,277</u>		<u>4,027,408</u>

The financial statements on pages 11 to 27 were approved by the trustees on 12 June 2004 and were signed on their behalf by:

Trustee

Richard Farnant

Cashflow statement for the year ended 31 March 2004

	2004 £	2003 £
Net cash inflow/(outflow) from operating activities	<u>246,389</u>	<u>(1,144,238)</u>
Returns on investments and servicing of finance		
Interest received	63,866	110,887
Rental receipts	<u>69,941</u>	<u>15,514</u>
	<u>133,807</u>	<u>126,401</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,122,221)	(456,303)
Sale of tangible assets	<u>159,250</u>	<u>56,500</u>
	<u>(962,971)</u>	<u>(399,803)</u>
Cash outflow before financing	(582,775)	(1,417,640)
Financing		
Decrease in interest free loans from supporters	(6,000)	(10,900)
Decrease in cash in the year	<u><u>(588,775)</u></u>	<u><u>(1,428,540)</u></u>

	2003 £	2003 £
Operating activities		
Net incoming resources for the year	106,869	45,123
Net return on investments and servicing of finance	<u>(133,807)</u>	<u>(126,401)</u>
Net outgoing resources before returns on investments and servicing of finance	(26,938)	(81,278)
Depreciation of fixed assets	30,802	35,551
Realised (gains) / losses on disposal of land	(119,000)	2,000
(Increase) in trade debtors	(122,419)	(1,513,820)
(Increase) in sundry debtors and prepayments	(9,838)	(42,096)
Increase in trade creditors	258,374	645,081
Increase in other creditors including taxation	23,073	111,708
Increase / (Decrease) in accruals	165,388	(229,892)
Increase in deferred income	195,449	35,061
Decrease in grants payable to partner organisations	(91,206)	(112,812)
(Decrease) / Increase in Landfill Tax receipts in advance	(57,296)	6,259
Net cash inflow / (outflow) from operating activities	<u><u>246,389</u></u>	<u><u>(1,144,238)</u></u>

There is no movement on net debt in the year other than cash.

Notes to the Financial Statements for the year ended 31 March 2004

1 Principal accounting policies

(a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments that are included at market value. The financial statements have been prepared in accordance with the Charities Act 1993 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

(b) Fund Accounting

Unrestricted funds are funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in Note 14 to the financial statements.

Restricted Funds - The major project of the Charity is the design, development and construction of the National Cycle Network. Any income identified specifically for other projects by the donor or by the terms of an appeal are treated as restricted funds. Likewise, funds established through agreements with local authorities and BRB (Residuary) Ltd (formerly British Rail) for the future maintenance and development of specific routes are restricted funds. The assets and liabilities attached to these agreements form part of these funds, as does any income arising from the use of the assets. The description and purpose of these restricted funds are provided in Note 13.

(c) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Invoices outstanding on the Charity's construction and other expenditure to the year end have been included in these accounts. In some cases payments have been made in advance of expenditure or an initial mobilisation payment received. In these cases the element of payment in advance has been included in creditors.

Receipts under the landfill tax credit scheme and other payments in advance are accounted for as deferred income within creditors until the Charity has met the conditions of the relevant project, at which point the creditor is released to income over the life of the project.

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources. Premises overheads have been allocated on the basis of the head count. Non-recoverable VAT is attributed to the heading of cost where the expenditure is incurred.

All expenditure up to the year-end payable on projects under the management of the Charity has been included in the accounts. Some wages and operating costs were funded through various employment action schemes administered by other agencies. This expenditure was not paid through the Charity and has not been included in the accounts.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objectives of the Charity and include personnel, IT, finance and administration costs.

Management and administration costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

(e) Tangible fixed assets

The cost to the Charity of freehold land and buildings purchased with the resources of the Charity and of fixtures and fittings is capitalised.

Land to be used for paths and landscaping has not been revalued, but is retained at its usual nominal purchase price. It is not the intention of the trustees to dispose of such land.

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives on a straight-line basis. Freehold land and buildings are not depreciated because, in the opinion of the directors, the net realisable value, or value in use, of these assets is not materially different from their cost.

The rates of depreciation utilised are as follows:

Computer equipment	33.3% per annum
Office equipment	33.3% per annum
Motor vehicles	30.0% per annum
Other plant and machinery	30.0% per annum

(f) Maintenance

The Charity has a maintenance liability over a number of disused railways where it owns the land and structures upon it. A planned maintenance policy is adopted with routine maintenance expenditure being funded from Restricted funds and Designated funds as appropriate. Significant short-term maintenance liabilities are provided for as and when they are identified.

(g) Taxation

The Company is a non-profit making organisation and a registered charity with the Charity Commissioners. It is generally exempt from taxation under the Taxes Acts and there is no taxation charge for the year.

(h) Operating Leases

Income and costs in respect of operating leases are credited/charged on a straight-line basis over the lease term.

(i) Pension costs

The Charity makes contributions to a defined contribution pension scheme on behalf of certain staff members. The cost of these contributions is charged in the accounts as incurred.

2 Millennium Commission Grant

During the year the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. This purchase is explained more fully in the Report of the Trustees. Sustrans was awarded a Millennium Commission grant for £605,000 towards this purchase. During the year, £508,091 has been paid to the charity, the remainder of which will be claimed when the building's redevelopment is complete.

3 Lottery Funded Grants in respect of Partners

In June 2001, the Charity entered into an Agreement for Grant with the New Opportunities Fund for its Green Routes, Safe Routes Programme. Sustrans is the coordinator of the programme and has entered into agreements to fund approximately 80 projects throughout England. During the year 76 grants were paid to partner organisations totaling £2,089k (2003; 811k. The 2003 comparative includes Millennium Commission grants paid to partner organisations). More information on the Green Routes, Safe Routes Programme; a listing of all grants awarded and paid in the year is available on the Sustrans website, www.sustrans.org.uk.

4 Income from practical projects

	Unrestricted £	Restricted £	Total 2004 £	Total 2003 £
Direct charitable income				
Construction projects	3,421,688	683,402	4,105,090	4,407,237
Construction projects funded by Landfill Tax Credits	-	205,768	205,768	454,658
New Opportunities Fund - Green Routes, Safe Routes	-	533,506	533,506	548,628
Sculpture activities	47,571	252,440	300,011	271,079
Maintenance	31,964	51,118	83,082	127,962
Volunteer Ranger Programme:				
Community Fund	-	96,478	96,478	128,562
Charitable Trusts	5,000	56,250	61,250	3,500
Safe Routes to Schools:				
Charitable Trusts	-	93,000	93,000	118,850
Community Fund	-	92,998	92,998	71,688
Other Income	92,309	34,000	126,309	64,271
Travelsmart	265,806	10,000	275,806	210,982
Active Travel	48,655	30,000	78,655	117,868
Active Travel Scotland	-	50,000	50,000	-
Other Project Income	225,506	-	225,506	227,288
	4,138,499	2,188,960	6,327,459	6,752,573

5 Grant income, including charitable trusts and other project income

	Unrestricted £	Restricted £	Total 2004 £	Total 2003 £
Charitable Trusts	-	89,582	89,582	54,062
Grant Income	284,171	-	284,171	118,138
	284,171	89,582	373,753	172,200

6 Analysis of total resources expended

	Staff costs £	Other direct costs £	Other allocated costs £	Total 2004 £	Total 2003 £
Fundraising & Supporters costs	152,601	217,757	17,451	387,809	388,768
Practical Projects:					
Construction	279,094	4,059,881	41,783	4,380,758	4,879,367
New Opportunities Fund - Green Routes, Safe Routes	503,076	160,856	-	663,932	603,827
Sculpture	5,568	340,289	983	346,840	338,704
Maintenance	141,425	310,760	101,693	553,878	376,904
Volunteer Ranger Programme	62,718	132,339	7,374	202,431	225,927
Safe Routes to Schools	108,503	227,549	13,518	349,570	203,685
Individualised Marketing	57,048	218,784	5,653	281,485	244,915
Active Travel	63,705	18,814	8,111	90,630	95,111
Active Travel Scotland	11,158	22,786	818	34,762	-
Other Projects	101,216	19,493	13,272	133,981	279,831
	1,333,511	5,511,551	193,205	7,038,267	7,248,271
Development costs of the National Cycle Network Centre	-	119,127	-	119,127	-
Lottery funded grants, payable to partners	-	2,089,068	-	2,089,068	989,378
National and Regional implementation	852,131	546,480	25,361	1,423,972	1,038,608
Information:					
Public information	88,304	235,362	16,590	340,256	319,055
Information to local authorities and other partner bodies	98,139	80,232	9,709	188,080	96,552
Mapping and publications	49,800	180,765	7,619	238,184	235,758
	236,243	496,359	33,918	766,520	651,365
Support costs	139,827	87,657	-	227,484	233,918
Management & administration	31,250	52,922	-	84,172	77,918
Total Resources Expended	2,745,563	9,120,921	269,934	12,136,419	10,628,226
				2004 £	2003 £
Other direct costs include:					
Audit				9,250	8,850
Audit of grant claims				370	1,300
Depreciation of tangible fixed assets	Note 8			30,802	35,551
Board costs	(i)			8,607	5,933
Operating leases rentals:	18				
land and buildings				51,936	48,875
other				2,496	3,240

- (i) Board costs of £8,607 (2003: £5,933) includes provision of trustee liability insurance of £1,838 (2003: £1,890). The remaining costs include travel and other expenses paid to 11 trustees. The trustees of the Charity are not paid.

7 Staff Costs

The average weekly full time equivalent number of employees (excluding trustees) during the year was:

By Activity	2004 Number	2003 Number
Based in Bristol office	64	58
Based at Regional offices	35	35
On sites	24	22
	<u>123</u>	<u>115</u>

The average weekly number of employees (excluding trustees) during the year was:

By Activity	2004 Number	2003 Number
Based in Bristol office	70	61
Based at Regional offices	47	47
On sites	28	24
	<u>145</u>	<u>132</u>

	2004 £	2003 £
Staff costs (for the above persons):		
Wages and Salaries	2,475,841	2,357,140
Social Security costs	233,839	203,799
Employer's pension contributions	35,883	36,603
	<u>2,745,563</u>	<u>2,597,542</u>

Under the Company's articles of association trustees are not permitted to receive remuneration from the Company.

The number of employees whose emoluments exceeded £50,000 were:

	2004 Number	2003 Number
£50,001 - £60,000	1	0

8 Tangible fixed assets

	Freehold land and buildings £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost or valuation				
At 1 April 2003	1,490,164	99,656	38,895	1,628,715
Additions	1,094,543	26,278	1,400	1,122,221
Disposals	(40,250)	-	-	(40,250)
At 31 March 2004	<u>2,544,457</u>	<u>125,934</u>	<u>40,295</u>	<u>2,710,686</u>
Depreciation				
At 1 April 2003	-	73,006	32,906	105,912
Charge for year	-	25,792	5,010	30,802
At 31 March 2004	<u>-</u>	<u>98,798</u>	<u>37,916</u>	<u>136,714</u>
Net book amount				
At 31 March 2004	<u>2,544,457</u>	<u>27,136</u>	<u>2,379</u>	<u>2,573,972</u>
At 31 March 2003	<u>1,490,164</u>	<u>26,650</u>	<u>5,989</u>	<u>1,522,803</u>

Land not required for routes and available for disposal by the Charity was revalued by the trustees on 31 March 1990, on a depreciated replacement cost basis. These assets, which were acquired at nominal cost but were offset by future maintenance liabilities, are currently valued at £294,996. The trustees do not believe there is any material change in the value of these land assets.

9 Debtors

	2004 £	2003 £
Trade Debtors	2,147,998	2,025,579
Sundry Debtors and prepayments	<u>94,155</u>	<u>84,317</u>
	<u>2,242,153</u>	<u>2,109,896</u>

10 Cash

The cash balances of £2,798,976 are made up of the following:

	2004	2003
	£	£
Restricted Funds		
Construction and maintenance funds	877,950	732,199
Millennium Commission Fund – grants payable to partner bodies	-	91,461
Landfill Tax Credit Accounts – funds held for the future construction of 20 projects on the NCN	526,960	584,256
Other Restricted Funds	128,238	77,339
	<u>1,533,148</u>	<u>1,485,255</u>
Unrestricted Balances		
General funds held at the end of the financial year	1,265,828	1,902,496
Total Cash Balances	<u><u>2,798,976</u></u>	<u><u>3,387,751</u></u>

The trustees regularly review the investment policy to be applied to any cash deposits held by the Charity. Cash balances are largely required for working capital and to meet short-term obligations. Owing to the volatility of equity and other markets, the trustees have adopted a 'no-risk' investment strategy to safeguard the Charity's reserves. During the current year the trustees have sought to optimise interest rates achievable through investing cash balances on the money market.

11 Creditors: amounts falling due within one year

	2004	2003
	£	£
Trade creditors	1,278,408	1,020,034
Tax and social security	197,145	174,072
Accruals	675,913	510,525
Interest free loans from supporters for land purchase	96,750	102,750
Short-term loan	300,000	300,000
Grants payable to partner organisations	-	91,206
Deferred Income	405,648	210,199
Landfill Tax receipts in advance	526,960	584,256
	<u>3,480,824</u>	<u>2,993,042</u>

The movement in deferred income and landfill tax receipts in advance is analysed below

Deferred Income (Inc Landfill Tax receipts in advance)	2004	2003
	£	£
Deferred income at 1 April 2003	794,455	753,135
Amounts released from previous years	(473,263)	(302,894)
Incoming resources deferred in 2003/04	611,416	344,214
Deferred income at 31 March 2004	<u>932,608</u>	<u>794,455</u>

The short-term loan is with the Charity Bank.

12 Movement of funds

The transfers totalling £192,718 into Restricted Funds are explained in Note 13. The trustees created new designations into the Land Acquisition Fund and the Long-Term Maintenance Fund totalling £597,604. Explanations of these new designations are included within Note 14 to these accounts.

	Unrestricted	Designated	Restricted	2004 Total
	£	£	£	£
At 1 April 2003	837,192	2,584,667	605,549	4,027,408
Net incoming/(outgoing) resources	57,809	(563,396)	612,456	106,869
Transfer/new designations	(790,322)	597,604	192,718	-
At 31 March 2004	<u>104,679</u>	<u>2,618,875</u>	<u>1,410,723</u>	<u>4,134,277</u>

13 Restricted funds

	Notes	Movement in resources				Balance 31 March 2004
		Balance 1 April 2003	Incoming	Outgoing	Transfers from Unrestricted funds	
		£	£	£	£	£
Consett & Sunderland Railway Path		143,662	135,303	(22,060)	-	256,905
Paisley to Kilwinning and Kilmacolm		105,184	17,015	(20,795)	-	101,404
York to Selby Railway Path		242,519	23,375	(32,654)	-	233,240
Worthington Railway Path - Derby		-	24,138	(86,114)	61,976	-
Construction and Maintenance Funds	(i)	491,365	199,831	(161,623)	61,976	591,549
The National Cycle Network Centre	(ii)	-	508,091	(119,127)	-	388,964
Millennium Commission Grant		-	300,090	-	-	300,090
Supporter donations		-	32,300	-	-	32,300
Charitable Trusts		-	-	-	-	-
New Opportunities Fund Grants payable to partner organisations	(iii)	-	2,089,068	(2,089,068)	-	-
New Opportunities Fund - Green Routes, Safe Routes		-	533,506	(663,932)	130,426	-
Projects funded by Landfill Tax Credits	(iv)	-	205,768	(205,768)	-	-
Sculpture activities	(v)	-	252,440	(252,440)	-	-
Spen Valley Maintenance Fund	(vi)	40,000	10,000	-	-	50,000
National Volunteer Rangers Programme	(vii)	-	152,728	(152,728)	-	-
Safe Routes to Schools	(viii)	23,967	219,998	(243,965)	-	-
Travelsmart	(ix)	-	10,000	(10,000)	-	-
Active Travel	(x)	-	30,000	(30,000)	-	-
Active Travel Scotland	(xi)	-	50,000	(34,762)	-	15,238
Projects in North East funded by One North East	(xii)	-	401,010	(401,010)	-	-
Projects in Scotland funded by the Scottish Executive	(xiii)	-	242,550	(242,550)	-	-
Bristol Vilvaldi Project	(xiv)	40,273	39,842	(47,533)	-	32,582
Woolpit - Elmswell	(xv)	9,944	-	(10,260)	316	-
Cardiff Office funded by National Assembly for Wales	(xvi)	-	22,000	(22,000)	-	-
Derry Office funded by DOSD	(xvii)	-	7,804	(7,804)	-	-
Research Projects funded by the Scottish Executive	(xviii)	-	27,478	(27,478)	-	-
Total restricted funds		605,549	5,334,504	(4,722,048)	192,718	1,410,723

- (i) The construction and maintenance funds cover the routes acquired from BRB (Residuary) Ltd over which the Charity has a maintenance liability as a result of agreements with the relevant Local Authorities. The funds are made up of land not required for the Charity's operations and the net current assets arising from the maintenance activities of the funds
- (ii) During the year the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. This purchase is explained more fully in the Report of the Trustees. The receipts and payments shown here are grant income claimed from the Millennium Commission, Appeal income from supporters and Trusts, together with non-capital expenditure. The full Millennium Commission grant is for £605,000, the remainder of which will be claimed when the building's redevelopment is complete.
- (iii) In 2001 the Charity was awarded a grant totalling £7.4 million from the New Opportunities Fund for its Green Routes, Safe Routes Programme, which will finish in 2004. This programme enables the Charity to work with local communities and develop routes to green spaces, schools and public transport. Each project aims to create a network of routes for walking and cycling within a community. The list of agreed projects (approximately eighty) can be seen on the web site (www.sustrans.org.uk). In the financial year to 31 March 2004 76 grants totalling £2,089,068 were paid to partner organisations and a full listing of these payments is also available on the web site. Also during the year the Charity claimed £533,506 from the New Opportunities Fund for its own work on the programme. The expenditure incurred by the Charity exceeded the grants claimed by £130,426 that is transferred from Unrestricted Funds.
- (iv) The Charity is a registered 'Environmental Body' with Entrust, the regulator of the landfill tax credit scheme. The Charity has received funding through the scheme for construction of various projects on the National Cycle Network. During the year construction took place on eight projects.

- (v) During the financial year the Charity has worked on nineteen (2003: seven) sculpture projects on the National Cycle Network. These projects have in part been funded by the Arts Council: South and South East (£22,500); North West (£2,000); North East (£23,400); London (£15,000); South West (£15,000); Arts Council Northern Ireland (£22,500). Several of these projects continue into the following financial year. We are also grateful for grants received in the year from the Lincolnshire Public Art Network and the Northern Rock Foundation.
- (vi) The Spen Valley Maintenance Fund has been established with contributions from Kirklees Metropolitan Borough Council. The Fund is established to make provision for, or contribute to, the future maintenance of the structures on the newly opened walking and cycling route on the previously disused railway line.
- (vii) The National Community Volunteer Rangers Programme, now in its fourth year, was part-funded by the Community Fund. We now have in place over 1,500 volunteers, who 'look after' sections of the National Cycle Network and liaise with local communities to encourage use of the Network through arranging events, etc. The grant from the Community Fund, for a three-year period, ended December 2003. We are most grateful to The Tubney Charitable Trust for their grant in support of this programme.
- (viii) Safe Routes to Schools is a national project run by Sustrans to encourage safe cycling and walking to school. The Community Fund awarded a three-year grant totalling £217,121 to commence in January 2002 and the Esmée Fairbairn Foundation awarded a 3-year grant of £261,000 from January 2003 for the project's 'School Champions' programme. This information and support programme operates throughout the UK and includes such activities as training workshops, conferences, newsletters and an information helpline, with an extra focus on assisting parents, teachers and governors ('School Champions' of sustainable travel to school).
- (ix) Travelsmart provides the public with customised travel planning information, with the aim of reducing the number of car journeys. Activity is concentrated in discrete geographical areas. Six projects were underway this year. These projects have been supported in part by Sainsburys. The revenues in this restricted fund reflect part of this programme.
- (x) Active Travel is a project that aims to raise the profile of cycling and walking as a cost-effective form of health promotion. The project has been supported by the British Heart Foundation, the Network for Social Change and a number of charitable trusts. The revenues in this restricted fund reflect part of this programme.
- (xi) During the year the Active Travel programme was extended into Scotland. This was made possible by funding from the Scottish Executive.
- (xii) During the year, One North East part-funded three projects in the North East of England. These projects were 'The Heritage Cycle Route', 'Linking Communities in East Cleveland' and 'Tourism - taking forward cycle tourism in the North East of England'.
- (xiii) Following on from the successful completion of NCN works funded by the Scottish Executive in 2002/03, the Charity was awarded a further grant for 2003/04 for upgrade works in Scotland. The figures shown here form part of an award totalling £2,500,000.
- (xiv) Sustrans is a partner in a major transport demonstration project in Bristol, known as VIVALDI (Visionary and Vibrant Actions through Local Transport Demonstration Initiatives). The project is funded by the European Commission for Transport and Energy under the City - VITALity - Sustainability (CIVITAS) Initiative, and the revenues shown here cover the activities of the Charity on the programme during the year.
- (xv) Suffolk County Council has donated £10,000 as a contribution towards the costs of the acquisition of land required to construct Woolpit-Elmswell route.
- (xvi) These receipts from the National Assembly for Wales are contributions towards the activities of the Charity within Wales.
- (xvii) These receipts from the Department of Social Development Northern Ireland are contributions towards the activities of the Charity's office in Derry.
- (xviii) During the year the Scottish Executive contributed towards three research projects in Scotland: 'Rural Road Traffic Calming'; 'Less Able User Research'; 'Safe Routes to Stations'.

14 Designated funds

	Notes	Balance 1 April 2003	Incoming	Outgoing	New designations	Balance 31 March 2004
		£	£	£	£	£
Malcolm Smith Travel Bursary	(i)	6,860	-	(3,588)	-	3,272
Land acquisition fund	(ii)	800,000	-	(337,313)	237,313	700,000
Long-term Maintenance fund	(iii)	700,000	31,964	(392,255)	360,291	700,000
Fixed asset fund	(iv)	1,077,807	208,848	(71,052)	-	1,215,603
		<u>2,584,667</u>	<u>240,812</u>	<u>(804,208)</u>	<u>597,604</u>	<u>2,618,875</u>

The funds of the Charity include the following designated funds that have been set aside out of unrestricted funds by the trustees:

- (i) The Malcolm Smith Travel Bursary fund arises from a legacy from Professor Malcolm Smith, a long-time supporter of Sustrans. The travel bursary is utilised to enable staff to visit overseas projects.
- (ii) The trustees have established a land acquisition fund with the aim of earmarking sufficient resources to cover the land costs for and legal fees associated with essential purchases to meet the targeted growth of the National Cycle Network over two years. At March 2004, 8,200 miles of the Network were completed and open, the forecast of 10,000 miles by 2005 remains. This year has been very active for land acquisition at a cost totaling £337k. The trustees have reviewed the likely expenditure over the next two years to meet other established targets and have created new designations totaling £237k.
- (iii) Owing to the continuing success of the National Cycle Network and the consequent increase in mileage of route established, the trustees recognise the need to provide for the future maintenance of that route on land owned by the Charity, or where it has accepted a maintenance responsibility. This fund is in addition to the Restricted funds identified in Note 13 (i) to these accounts. The trustees are pleased to note expenditure of £392k in the year in this Designated Fund together with expenditure in the Restricted Funds (see Note 13(ii)) of £161k. The trustees have created new designations totaling £360k in the year.
- (iv) The fixed asset fund has been set up to facilitate the identification of those funds that are not free funds. It represents the net book value of tangible fixed assets except for those that form part of restricted funds - see Note 13. The increase in the fixed asset fund over the year arises from the net addition of tangible fixed assets during this period.

15 Unrestricted funds

The unrestricted funds of the Charity have reduced in the year to £105k. This represents approximately one week of expenditure at current levels of activity (disregarding the payment of grants to be paid to our partner bodies). This level of unrestricted funds is considered adequate for the coming financial year. The trustees have adopted a policy level of unrestricted reserves of up to three months to provide flexibility of working capital and a sufficient 'buffer' to ensure continuity of activities in the longer term. This policy level is periodically reviewed as part of the Charity's planning process.

16 Analysis of net assets between funds

	Restricted £	Unrestricted £	Total funds £
Fund balances at 31 March 2004 are represented by:			
Tangible fixed assets	1,358,369	1,215,603	2,573,972
Net current assets:			
Bank	1,533,148	1,265,828	2,798,976
Debtors	-	2,242,153	2,242,153
Current liabilities	(1,480,794)	(2,000,030)	(3,480,824)
	52,354	1,507,951	1,560,305
	<u>1,410,723</u>	<u>2,723,554</u>	<u>4,134,277</u>

17 Share capital

The Company is limited by guarantee and does not have a share capital. The liability for members in the event of winding up is limited to an amount not exceeding £1 per member.

18 Financial commitments

At 31 March 2004 the Company had annual commitments under non-cancellable operating leases as follows:

	Other Assets		Land and buildings	
	2004	2003	2004	2003
	£	£	£	£
Expiring within one year	2,496	3,240	5,000	16,550
Expiring within one to five years	-	-	29,936	32,325
Expiring in more than five years	-	-	17,000	-
	<u>2,496</u>	<u>3,240</u>	<u>51,936</u>	<u>48,875</u>

19 Legal Charges

Over a number of years Sustrans has acquired disused railway lines in England and Scotland and these acquisitions have been covered by a fixed charge in favour of the appropriate authority. The legal charges in existence are as follows:

- The Company's land situated at Naburn, Escrick and Riccall, North Yorkshire is covered by a fixed charge in favour of Selby District Council
- The land on the Consett to Sunderland Railway is covered by a fixed charge in favour of Derwentside and Chester-le-Street District Councils and Sunderland City Council
- Land forming the track bed of part of the disused railway in Cumbria is covered by a fixed charge in favour of Copeland Borough Council
- The Camerton Bridge (Workington) is covered by a fixed charge in favour of Allendale Borough Council
- The Worthington Branch Line is covered by a fixed charge in favour of Derbyshire County Council and Leicestershire County Council
- The Foss Island branch line is covered by a fixed charge in favour of the City of York

In December 1995 the Charity entered into a debenture with the Millennium Commission giving a floating charge over the assets of the Charity, excluding real property, as part of the agreement for grants from the Millennium Commission.

20 Related party transactions

The charity rents an office building in Bristol from 35 King Street Limited, a company in which the charity's Chief Executive, J Grimshaw, is a 25% shareholder and a director.

The charity paid an annual rent of £29,936 (2002: £27,324) to 35 King Street Limited. This rent is set below the prevailing market rate. The charity also paid service charges for reception and secretarial support, telephones, postage, etc. totalling £79,251 (2002: £80,764) during the year. No amounts were owed at the end of the year.