

Sustrans Limited

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Annual report for the year ended 31 March 1996

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Members of the Executive Board

D Collins (Chairman)
T Blackburn
V Harris (appointed 23 March 1996)
A Haynes
G Platts
C Levett
J Vinter
W Wright (appointed 23 March 1996)

Secretary and registered office

L Semple
35 King Street
Bristol
BS1 4DZ

Registered Auditors

Coopers & Lybrand
Chartered Accountants
Bull Wharf
Redcliff Street
Bristol
BS1 6QR

Solicitors

Osborne Clarke
30 Queen Charlotte Street
Bristol
BS99 7QQ

Lace Mawer
Castle Chambers
43 Castle Street
Liverpool
L2 9SU

Walker Laird
7-9 Gilmour Street
Paisley
PA1 1DG

Bankers

Royal Bank of Scotland
36-38 Baldwin Street
Bristol
BS1 1NR

Executive Board Members' report for the year ended 31 March 1996

The members of the executive board present their report together with the financial statements for the year ended 31 March 1996.

Company structure

The company is limited by guarantee and has no share capital. The liability of each member in the event of the company being wound up is limited to £1. The company is registered as a charity with the Charity Commissioners number 326550.

Principal activities

The principal activity of the company is to create and maintain safe and attractive routes for cyclists and pedestrians.

Review of activities

A Summary of the results of the year's activities is given on page 6 of the financial statements.

During the year a substantial grant was awarded to the charity by the Millennium Commission towards the development of a 6,500 mile national cycle network. The Millennium Commission grant will enable Sustrans and its partners to complete the first 2,500 miles of the network by the year 2,000. The executive board are delighted that this award has been made and are looking forward with enthusiasm to the opportunities this grant will give to funding the charity's objectives. During the year the first instalments of the grant were received and applied towards the Company's costs incurred in planning, surveying, co-ordinating and controlling the development of the national routes. In future years further instalments of the grant will also cover part of the construction costs incurred by the company and by partner agencies.

The company is involved in negotiating and constructing routes at several locations throughout Britain including: Avon, East Sussex, Wiltshire, Devon, Derbyshire, Durham, Essex, Liverpool, North Yorkshire, Nottinghamshire and Cumbria, Strathclyde, Central Region and Lothian. A fuller description of these projects can be obtained in the Annual Review obtainable from the company.

The projects are also being constructed for, or being funded with grants from, the Countryside Commission, Scottish National Heritage, Scottish Enterprise Companies, Department of Transport, Department of the Environment, British Waterways, The Sports Council, Local Authorities and other interested parties.

Future Developments

The members of the executive board consider the financial position of the company to be satisfactory. Shortly after the financial year the company concluded the sale of ground at Miller Street, Johnstone. The net proceeds of £83,327 will be utilised for the future maintenance of cycle paths and structures. It is anticipated that further substantial asset sales will be made in the future.

Transfers to reserves

The surplus of £48,184 (1995 : £24,791) for the year will be transferred to reserves.

Members of the Executive Board

The members of the executive board, who were all members for the whole of the financial year, except where stated, are as follows:

D Collins
V Harris (appointed 23 March 1996)
A Haynes
G Platts
J Vinter
C Levett
A Lyon (resigned 20 September 1995)
T Blackburn
W Wright (appointed 23 March 1996)

Fixed assets

The company continues to own the Lochwinnoch Loop Line, part of the Paisley Canal Line, and the Kilmacolm Line, out to the south-west of Glasgow, York to Selby railway path, the Foss Islands Railway in York, the Consett and Sunderland route as far east as Washington and the Worthington Branch Line near Derby. During the year the company acquired land on the Whitehaven to Rowrah railway path. Shortly after the year end the company also concluded the purchase of the Siddick-Broughton Moor line from the British Rail Property Board.

The members of the executive board revalued the land owned by the company on 31 March 1990 which it is their intention to dispose of. The revaluation is on the basis of offers received for such land, or estate agents' valuations of land. The members of the executive board are of the opinion that such land can be sold without detriment to the company's objectives. In all cases the funds so realised form part of the company's income for the completion of projects, the restoration of railway bridges and for the future maintenance of the former railway structures, all as provided for in the terms of agreement between Sustrans, British Rail and the respective local authorities.

Executive Board Members' responsibilities

The executive board members are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficit of the company for that period.

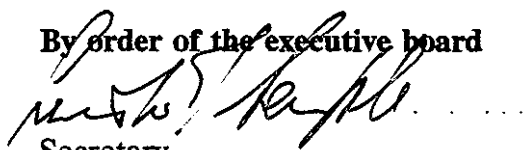
The executive board members confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1996. The executive board members also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The executive board members are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the executive board



Secretary

Report of the auditors to the members of Sustrans Limited

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of executive board members and auditors

As described on page 4 the company's executive board members are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

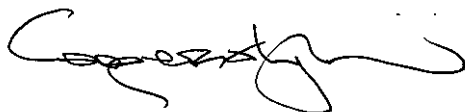
Basis of opinion

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 executive board members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 company's affairs at 31 March 1996 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

Bristol 18 July 1996

Income and Expenditure Account for the year ended 31 March 1996

	Notes	1996 £	£	1995 £	£
Income - continuing operations					
Grants receivable and management fees		1,656,756		1,076,533	
Donations		748,064		457,922	
		<u>2,404,820</u>		<u>1,534,455</u>	
Expenditure - continuing operations					
Project costs		1,963,193		1,272,997	
Other operating costs:					
Information		266,634		177,727	
Fundraising		126,359		47,537	
		<u>(2,356,186)</u>		<u>(1,498,261)</u>	
Operating surplus - continuing operations	2	48,634		36,194	
Interest receivable and similar income		3,080		465	
Interest payable and similar charges	4	(3,530)		(11,868)	
		<u>(450)</u>		<u>(11,403)</u>	
Surplus for the year		<u><u>48,184</u></u>		<u><u>24,791</u></u>	

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

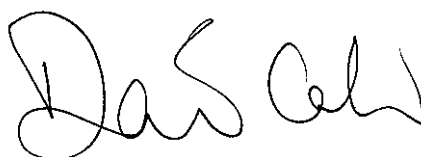
There is no difference between the surplus for the year stated above and the historical cost equivalent.

**Balance sheet
at 31 March 1996**

	Notes	1996 £	£	1995 £	£
Fixed Assets					
Tangible assets	5		968,302		890,430
Current Assets					
Debtors	6	652,724		298,092	
Cash at bank and in hand		173,609		181,666	
		<u>826,333</u>		<u>479,758</u>	
Creditors: amounts falling due within one year	7	<u>(647,336)</u>		<u>(474,406)</u>	
Net current assets			178,997		5,352
Creditors: amounts falling due after more than one year	8		<u>(203,333)</u>		<u>-</u>
			<u>943,966</u>		<u>895,782</u>
Capital and reserves					
General reserve	11	207,437		159,253	
Revaluation reserve	11	736,529		736,529	
		<u>943,966</u>		<u>895,782</u>	

The financial statements on pages 6 to 13 were approved by the Executive Board on 18 July 1996 and were signed on its behalf by:

Executive board member



Notes to the financial statements for the year ended 31 March 1996

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of certain fixed assets. The provisions of the Statement of Recommended Practice No.2, Accounting for Charities will be applied with effect from 1 April 1996.

Expenditure, Grants and Donations

All expenditure up to the year end payable by the company on projects under the management of the company 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 company and has not been included in the accounts.

Grants claimable on the company's construction expenditure to the year end have been included in these accounts. In some cases the grants 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.

Grants claimable from the Millennium Commission in respect of the National Cycle Network are accounted for on an accruals basis.

Grants and donations towards other expenditure are credited as they are received by the registered office of the charity.

Management fees

Management fees agreed on projects are credited to the income and expenditure account over the life of the project regardless of when they are received.

Management fees not previously agreed are credited to the income and expenditure account as they are received.

Cash flow statement

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

Tangible fixed assets

The cost to the company of freehold land and buildings purchased with the resources of the company and of fixtures and fittings is capitalised. Any deficits on the construction of cycle routes where grants do not cover costs are not capitalised but are written off to revenue. The cost of any land which is covered by grants is not capitalised, but is dealt with in the income and expenditure account.

Land not required for routes and available for disposal by the company was revalued by the members of the executive board at 31 March 1990. The proceeds from such sales are used by the company to help cover the cost of constructing paths and to build up maintenance funds for paths and bridges.

Receipts from the sale of land are credited to revenue as they are received or become unconditionally due. Where such land has previously been revalued the appropriate transfer is then made from the valuation in the reserves.

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

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives on a straight line basis. Freehold land is not depreciated.

The rate of depreciation used for computing and office equipment is now $33\frac{1}{3}\%$ pa, for motor vehicles 30% and 30% for other plant and machinery. Following a reassessment of the useful economic lives of fixed assets by the executive board members these rates have been changed from the previous years, and these have resulted in an extra charge for the year of £5,756. Fixtures and fittings includes all plant and machinery, computing and office equipment.

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.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

2 Operating surplus

The operating surplus is stated after charging:

	1996 £	1995 £
Depreciation of tangible fixed assets	31,750	4,943
Staff costs - note 3	700,152	482,765
Auditors' remuneration	6,500	3,600
Hire of plant and machinery	104,000	101,000
	<u> </u>	<u> </u>

3 Staff costs

The average weekly number of employees (excluding executive board members) during the year was:

By Activity

	1996 Number	1995 Number
Office based	37	25
On sites	17	15
	<u> </u>	<u> </u>
	54	40
	<u> </u>	<u> </u>

	1996 £	1995 £
Staff costs (for the above persons)		
Wages and salaries	641,259	442,138
Social Security costs	58,893	40,627
	<u> </u>	<u> </u>
	700,152	482,765
	<u> </u>	<u> </u>

Under the company's articles of association members of the executive board are not permitted to receive remuneration from the company.

The company gave employment to some other people whose wages were funded through the Employment Action Scheme, administered through other agencies.

4 Interest payable and similar charges

	1996 £	1995 £
On the bank overdraft:		
repayable within five years, not by instalments	3,530	11,868
	<u> </u>	<u> </u>

5 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 1995	873,325	34,942	11,131	919,398
Additions	2,600	107,022	-	109,622
	<u>875,925</u>	<u>141,964</u>	<u>11,131</u>	<u>1,029,020</u>
At 31 March 1996				
Depreciation				
At 1 April 1995	-	18,683	10,285	28,968
Charge for year	-	31,168	582	31,750
	<u>-</u>	<u>49,851</u>	<u>10,867</u>	<u>60,718</u>
At 31 March 1996				
Net book value				
At 31 March 1996	<u>875,925</u>	<u>92,113</u>	<u>264</u>	<u>968,302</u>
At 31 March 1995	<u>873,325</u>	<u>16,259</u>	<u>846</u>	<u>890,430</u>

For the freehold land and buildings at valuation:

	£
Historical cost	
At 1 April 1995	136,796
Additions	2,600
At 31 March 1996	<u>139,396</u>

6 Debtors

	1996 £	1995 £
Grants receivable	583,605	249,085
Sundry debtors and prepayments	69,119	49,007
	<u>652,724</u>	<u>298,092</u>

7 Creditors: amounts falling due within one year

	1996	1995
	£	£
Bank overdraft (secured - see note 10)	-	6,760
Trade creditors	324,434	172,893
Other creditors including tax and social security	63,735	28,131
Accruals	18,948	8,529
Mobilisation payments and grants received in advance	240,219	258,093
	<u>647,336</u>	<u>474,406</u>

8 Creditors: amounts falling due after more than one year

	1996	1995
	£	£
Grants received in advance	<u>203,333</u>	<u>-</u>

The long term creditor refers to grants received in advance for the construction of the National Cycle Network, and is being released over the life of the project.

9 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.

10 Legal charges

The land situated to the west side of Station Road, Paisley and various other sites in Strathclyde, Scotland are covered by a fixed charge in favour of The Royal Bank of Scotland.

Additionally, the company's land situated at Naburn, Escrick and Riccall, North Yorkshire is covered by a fixed charge in favour of Selby District Council and 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 Borough 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.

During the year the company entered into a debenture with the Millennium Commission giving a floating charge over the assets of the company, excluding real property, as part of the agreement for grants from the Millennium Commission.

11 Movement on reserves

	1996 £	1995 £
Revaluation reserve		
At 31 March 1995 and 1996	<u>736,529</u>	<u>736,529</u>
General reserve		
At 1 April 1995	159,253	134,462
Retained surplus for the year	<u>48,184</u>	<u>24,791</u>
At 31 March 1996	<u>207,437</u>	<u>159,253</u>
Total reserves	<u>943,966</u>	<u>895,782</u>

12 Contingent liabilities

A legal agreement exists between the company and Selby District Council whereby the company has an obligation to maintain the bridges and viaducts on the York to Selby cycle route. This long term commitment is estimated to amount to £190,000. Similar agreements also exist in relation to the Paisley to Kilwinning and Kilmacolm route with Strathclyde Regional Council where the long term commitment is estimated to amount to £506,000 and in relation to the Consett to Sunderland route with Derwentside, Chester-le-Street and Sunderland Councils where the commitment is estimated to amount to £156,000. An agreement exists on routes at Worthington with Derbyshire County Council to £80,000.

During the period the company completed the purchase on routes at Rowrah and the company is obliged to cover future maintenance costs amounting to £21,000.