

Sustrans Limited
(a company limited by guarantee)
Annual report
for the year ended 31 March 1998

Registered no: 1797726

Charity no: 326550



Sustrans Limited

Annual report for the year ended 31 March 1998

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Members of the Board

D Collins (Chair)
T Blackburn
J Chalmers
R Farrant
N Harding
A Haynes
C Levett
G Platts
J Rigby
P Strachan
W Wright

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

Berrymans Lace Mawer
Castle Chambers
43 Castle Street
Liverpool
L2 9SU

McCartney Stewart
1B Paisley Road
Renfrew
PA4 8JH

Walker Laird
7-9 Gilmour Street
Paisley
PA1 1DG

Bankers

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

Directors' report for the year ended 31 March 1998

The members of the board present their report together with the financial statements for the year ended 31 March 1998.

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. The planning, facilitation and, in some areas, the construction of 8,000 miles of National Cycle Network by 2005 is the company's primary project. The National Cycle Network is one of the largest projects supported by the Millennium Commission who awarded a grant of £43.5 million towards the construction of 2,500 miles of route to be completed by mid-summer's day 2000. The project is designed to be a catalyst for change towards more sustainable transport practice.

The construction of National Cycle Network involves hundreds of partners around the UK. Approximately 70% of the construction etc is carried out by others and is therefore not reflected in the financial accounts of Sustrans Limited.

Review of activities

The year has been full of intense preparation for the crescendo of cycle route construction which will culminate in the celebrations to open the first phase of the National Cycle Network in June 2000.

Progress has been rapid in many areas, with new routes opened during 1997 and others in advanced stages of development. Both the West country Way, from Padstow to Bristol & Bath, and the Hull to Harwich routes were opened to interim standard following the previous success of the Welsh and Scottish National Routes and the popular C2C from Whitehaven and Workington to Sunderland and Newcastle.

Many further sections of the Network have been completed with opening ceremonies taking place across the country in the heart of towns and cities like Nottingham, Derby and Sandwell. Difficult small links in urban areas, like the reconstruction of a subway under the M5 in West Bromwich, have opened up miles of route.

The National Cycle Network is taking shape as a combination of traffic-free paths on disused railways, towpaths and tracks, and traffic-calmed and minor roads.

At March 1998, over 1,000 miles of the Network had been constructed and open for use. The Steering Committee of the National Cycle Network (whose responsibility it is to review and co-ordinate progress) have approved grants to the project, the majority to our many partner

bodies, of £12.2 million against a total project spend of £67.3 million. The majority of the expenditure is made by our partners and therefore does not appear in the accounts of the company. The project remains ahead of target. However, the National Cycle Network and the work of Sustrans are not just about route miles and construction projects. They are about people and the environment.

One of the year's greatest achievements has been the advance of the Safe Routes to Schools project. Embraced by both central and local government, the project's value in terms of the health and welfare of young people has been extensively recognised.

The programme of public arts has continued to catch the public's imagination with more stunning art being placed on the route during the year demonstrating a commitment to making journeys by bike an enjoyable experience as well as a practical and sustainable means of transport.

Once again we have achieved a significant increase in the number of our supporters - now at 30,362 at March 1998 - an increase of 6,514 in the financial year.

Future Developments

We anticipate the financial year 1998/99 being one of major advance for the company and the National Cycle Network. The company is already confident that 3,000 miles of cycle route will be opened by June 2000, some 500 miles more than we contracted in the award of grant from the Millennium Commission.

In May 1998, shortly after our year end, a sister charity, Railway Paths Ltd acquired from British Rail over 200 linear miles of disused railway lines. As one of the charitable objectives of Railway Paths Ltd is to support the operations of Sustrans Ltd, these disused railway lines will be available for the development of cycle paths as part of the National Cycle Network. The integrity of the corridors will also be protected for future possible public transport use wherever relevant.

The board has satisfied itself that the company has taken the appropriate measures to identify the risks to the operations of the company from the "year 2000 Millennium Bug." The chief risks are in the area of computer hardware and systems software. Appropriate solutions have been implemented or are in hand to ensure the threats to operational efficiency are eradicated. The expenditure either incurred or planned in these exercises are not considered material.

Transfer of funds

The net incoming resources of £478,437 (1997: £134,013) for the year will be transferred to reserves. Of these reserves £219,951 has been utilised on the acquisition of land (net of grants received) essential to the construction of the National Cycle Network.

At 31 March 1998 the company held total reserves of £1,556,416 of which £775,856 was held as restricted funds. These restricted reserves are set aside to meet the obligations required by agreements between the company and the relevant Local Authorities where funds are utilised to meet the future maintenance and construction liabilities on disused railway lines owned by the company. These restricted funds have reduced by £125,954 in the year because of expenditure on maintenance.

As part of its reserves policy the board have also set aside, as designated funds, additional funds of £400,000 to cover future maintenance liabilities and to contribute to the net cost of the acquisition of land in the next financial year which is essential to the development of the National Cycle Network. As development and usage of the National Cycle Network grows, the company continuing to acquire more land on which it constructs cycle routes, the board recognise that the company's responsibility for long-term maintenance also increases. The board intends to add to these designated funds as the scale of the National Cycle Network increases.

The remaining £352,026 of reserves is unrestricted. The Board consider that this level of free reserves is adequate to meet the working capital needs of the company for the coming financial year, but intend to increase these reserves to give the company greater flexibility to meet the requirements of future anticipated growth. This growth will arise from the increasing scale of the National Cycle Network and the company's anticipated increase in construction activities.

Members of the Board

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

D Collins (Chair)
T Blackburn
J Chalmers (from October 4 1997)
R Farrant (from October 4 1997)
N Harding (from October 4 1997)
V Harris (resigned April 8 1997)
A Haynes
C Levett
G Platts
J Rigby (from March 28 1998)
P Strachan (from October 4 1997)
J Vinter (resigned May 13 1997)
W Wright

Fixed assets

The Company continues to own land including a number of disused railway lines, on which it has constructed cycle routes, in various parts of the United Kingdom. During the financial year a number of parcels of land essential to the construction of the National Cycle Network were acquired at a cost (net of grants) of £219,951.

The land not required for routes and available for disposal by the company was revalued by members of the board at 31 March 1990. The revaluation was on the basis of offers received for such land, or estate agents' valuations of land. The members of the 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, the former British Rail and the respective local authorities. These agreements and their attached assets are reflected as restricted funds in these accounts.

Directors' responsibilities

The 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.

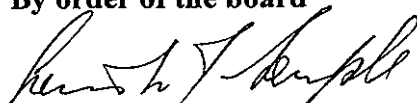
The board members confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1998. The board members also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis. The board members also confirm that they have complied with the Charities S.O.R.P. (Statement of Recommended Practice) except as disclosed in the notes to the accounts under principal accounting policies on page 11.

The 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

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998 and a resolution to appoint the new firm, PricewaterhouseCoopers, as auditors to the company will be proposed at the Annual General Meeting.

By order of the board



Secretary

Report of the auditors to the members of Sustrans Limited

We have audited the financial statements on pages 7 to 21.

Respective responsibilities of board members and auditors

As described on page 5 the company's 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.

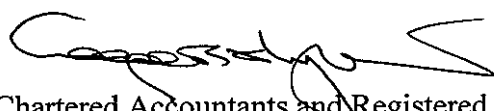
Basis of opinion

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 1998 and of its net incoming resources, net movement in funds and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants and Registered Auditors
Bristol 4 August 1998

Statement of Financial Activities for the year ended 31 March 1998

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 1998 £	Total Funds 1997 £
Income and expenditure					
Incoming resources					
Millennium Commission Grants for construction and project costs		1,492,619	-	1,492,619	1,301,103
Construction (inc. maintenance & sculptures)		904,084	45,734	949,818	498,905
Reports & Surveys		200,204	-	200,204	175,191
Donations from Sustrans Supporters		1,125,607	-	1,125,607	873,490
Grants from Charitable Trusts:-					
Safe Routes to Schools		-	79,852	79,852	114,786
Other		208,916	-	208,916	189,478
Other Grants & Corporate Donations		290,952	-	290,952	222,111
Mapping & Publications income		222,429	-	222,429	150,094
Interest received and rental income		33,333	17,334	50,667	17,737
Realised gains on disposal of land		105,000	-	105,000	-
Millennium Commission Grants					
- Receivable in respect of partners		-	1,626,590	1,626,590	811,502
- Payable to partners		-	(1,626,590)	(1,626,590)	(811,502)
Total incoming resources		<u>4,583,144</u>	<u>142,920</u>	<u>4,726,064</u>	<u>3,542,895</u>
Resources expended					
Direct charitable expenditure					
Construction (inc. maintenance & sculptures)		1,416,915	186,264	1,603,179	1,040,608
Reports & Surveys		168,378	-	168,378	137,134
National & Regional Implementation		1,329,889	-	1,329,889	1,110,416
Provision of Information to the Public		341,839	-	341,839	318,985
Provision of Information to Local Authorities and other Partner Bodies		164,033	-	164,033	155,277
Mapping & Publications		205,988	-	205,988	224,288
Safe Routes to Schools		-	82,610	82,610	128,959
	2	<u>3,627,042</u>	<u>268,874</u>	<u>3,895,916</u>	<u>3,115,667</u>
Other expenditure					
Management & Administration		21,708	-	21,708	22,468
Fundraising & Supporter Costs		301,060	-	301,060	253,068
Board Costs		9,182	-	9,182	3,976
Finance Costs		19,761	-	19,761	13,703
		<u>351,711</u>	<u>-</u>	<u>351,711</u>	<u>293,215</u>
Total resources expended	2	<u>3,978,753</u>	<u>268,874</u>	<u>4,247,627</u>	<u>3,408,882</u>
Net incoming resources before transfers	3	604,391	(125,954)	478,437	134,013
Transfers between funds	10	-	-	-	-
Net incoming resources	12	<u>604,391</u>	<u>(125,954)</u>	<u>478,437</u>	<u>134,013</u>
Fund balances at 1 April 1997		<u>176,169</u>	<u>901,810</u>	<u>1,077,979</u>	<u>943,966</u>
Fund balances at 31 March 1998		<u>780,560</u>	<u>775,856</u>	<u>1,556,416</u>	<u>1,077,979</u>

All income and expenditure relates to continuing operations.

Note of historical cost surpluses

	Unrestricted funds £	Restricted Funds £	Total 1998 £	Total 1997 £
Reported net incoming resources for the year	604,391	(125,954)	478,437	134,013
Realisation of tangible fixed assets revaluation gains of previous year	-	5,200	5,200	116,339
Historical cost surpluses/deficits	<u>604,391</u>	<u>(120,754)</u>	<u>483,637</u>	<u>250,352</u>

Balance sheet at 31 March 1998

	Notes	£	1998 £	£	1997 £
Fixed Assets					
Tangible assets	6		1,019,515		951,653
Current Assets					
Debtors	7	1,557,964		1,159,778	
Cash at bank and in hand		<u>1,826,168</u>		<u>544,411</u>	
		3,384,132		1,704,189	
Creditors: amounts falling due within one year	8	<u>(2,779,454)</u>		<u>(1,442,308)</u>	
Net current assets			<u>604,678</u>		<u>261,881</u>
Total assets less current liabilities			<u>1,642,193</u>		<u>1,213,534</u>
Creditors: amounts falling due after more than one year	9		<u>(67,777)</u>		<u>(135,555)</u>
Net assets			<u>1,556,416</u>		<u>1,077,979</u>
Funds					
Restricted	11		775,856		901,810
Designated	12		428,534		30,000
Unrestricted	13		<u>352,026</u>		<u>146,169</u>
Total funds	10		<u>1,556,416</u>		<u>1,077,979</u>

The financial statements on pages 7 to 21 were approved by the Board on 4 July 1998 and were signed on its behalf by:

Richard Tarrant

Board member

Cashflow statement for the year ended 31 March 1998

	1998 £	1997 £
Net cash inflow from operating activities	1,360,308	94,043
Returns on investments and servicing of finance		
Interest received	42,875	4,528
Interest paid	-	(127)
Rental receipts	7,792	13,210
	<u>(50,667)</u>	<u>17,611</u>
Capital expenditure		
Purchase of tangible fixed assets (net of grants received)	(247,051)	(142,119)
Sale of tangible assets	130,200	116,339
	<u>(116,851)</u>	<u>(25,780)</u>
Cash inflow/(outflow) before financing	1,294,124	85,874
Financing		
Interest free loans from supporters	(12,367)	284,928
	<u>(12,367)</u>	<u>284,928</u>
Increase/(decrease) in cash in the year	1,281,757	370,802
Reconciliation of operating surplus to net cash inflow from operating activities		
	1998 £	1997 £
Operating activities		
Net incoming resources for the year	478,437	134,013
Net return on investments and servicing of finance	50,667	(17,611)
Net incoming resources before returns on investments and servicing of finance	427,770	116,402
Depreciation of fixed assets	48,989	42,429
Increase in trade debtors	(413,941)	(413,005)
(Increase)/decrease in sundry debtors and prepayments	15,755	(94,049)
Increase/(decrease) in trade creditors	(6,730)	43,793
Increase/(decrease) in other creditors including taxation	17,281	(16,756)
Increase in accruals	56,931	99,593
Increase in payments in advance	256,937	82,658
Increase in grants payable to partner organisations	362,887	300,756
Increase in Landfill Tax receipts in advance	662,207	-
(Decrease) in mobilisation payments, falling due after more than one year	(67,778)	(67,778)
Net cash inflow from operating activities	1,360,308	94,043

**Notes to the financial statements
for the year ended 31 March 1998****1 Principal accounting policies**

The accounts have been prepared in accordance with the requirements of the Companies Act 1985 and the recommendations of the Statement of Recommended Practice "Accounting by Charities", with the exception of the two matters relating to grants and donations referred to 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.

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.

Invoicing outstanding and grants claimable on the Company'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.

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

Receipts under the landfill tax credit scheme and other payments in advance are accounted for as within creditors deferred income until the project to which they relate has commenced, at which point the creditor is released to income over the life of the project. This is not in accordance with the recommendations of the statement of recommended Practice "Accounting by Charities" which requires all incoming resources becoming available to the charity during the year to be recognised in the Statement of financial Activities in that year. This departure from the requirements of the SORP is, in the opinion of the directors, necessary for the accounts to give a true and fair view and comply with the accruals accounting concept in Statement of Standard Accounting Practice No 2 "Disclosure of Accounting Policies". It is also considered to be a more prudent policy to adopt prior to the commencement of any project.

Grants which the company claims on behalf of its partners from the Millennium Commission are disclosed as restricted funds in the financial statements, but not included within 'total incoming resources'. The directors recognise that this is not in line with the Charities S.O.R.P. but believe that to do otherwise would give a misleading impression of the scale of activities of the Company. Similarly the expenditure incurred on the development and construction of

the National Cycle Network by Sustrans' partners are not reflected in these accounts. The directors believe that expenditure by partner bodies amounted to some £13,088,028.

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.

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. Grants relating to land acquisitions have been deducted from the cost of these assets. This is not in accordance with schedule 4 to the Act which requires fixed assets to be shown at their purchase price and hence grants represented as deferred income. This departure from the requirement of the Act is, in the opinion of the directors, necessary for the accounts to give a true and fair view as no provision is made for depreciation and any grants relating to such assets would not be taken to the 'Statement of Financial Activities'.

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 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 adjustment is made in the note of historical cost surpluses and deficits.

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 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 rates of depreciation utilised are as follows:

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

Land owned by the Company is not depreciated. It is the board's view that these assets appreciate in the long run.

Funds Accounting

Restricted Funds - The major project of the Company 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 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.

Designated Funds - The Board has set aside designated sums from unrestricted funds for particular purposes in the future.

Maintenance

The company 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. Maintenance liabilities are provided for as and when they are identified.

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 Analysis of Total Resources Expended

	Notes	Staff costs £'000	Other £'000	Depreciation £'000	Total £'000
Direct charitable expenditure					
Construction, maintenance & sculpture		260,478	1,331,037	11,664	1,603,179
Reports & surveys		124,787	38,925	4,666	168,378
National & regional implementation		648,570	660,907	20,412	1,329,889
Provision of information to the public		79,262	260,244	2,333	341,839
Provision of information to local authorities and other partners		82,020	79,680	2,333	164,033
Mapping and publications		35,953	168,285	1,750	205,988
Safe route to schools		40,832	40,028	1,750	82,610
		<u>1,271,902</u>	<u>2,579,106</u>	<u>44,908</u>	<u>3,895,916</u>
Other expenditure					
Management and Administration		10,975	10,151	582	21,708
Fundraising		83,265	214,296	3,499	301,060
Board Costs	(i)	-	9,182	-	9,182
Finance Costs		-	19,761	-	19,761
		<u>94,240</u>	<u>253,390</u>	<u>4,081</u>	<u>351,711</u>
Total resources expended		<u>1,366,142</u>	<u>2,832,496</u>	<u>48,989</u>	<u>4,247,627</u>

- (i) The board costs include expenditure of £1,664 on the provision of trustee liability insurance.

3 Net incoming resources

The net incoming resources is stated after charging:

	1998 £	1997 £
Depreciation of tangible fixed assets	48,989	42,429
Auditors' remuneration	7,500	7,500
Hire of plant and machinery - operating leases	155,276	105,868
Hire of other assets - operating leases	<u>2,538</u>	<u>2,160</u>

4 Staff costs

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

By Activity

	1998 Number	1997 Number
Based at Bristol office	38	35
Based at Regional offices	28	29
On sites	17	19
	—	—
	83	83
	=	=
	1998 £	1997 £
Staff costs (for the above persons)		
Wages and salaries	1,250,821	1,050,573
Social Security costs	115,321	96,977
	<u>1,366,142</u>	<u>1,147,550</u>

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

No employee earned £40,000 per annum or more.

5 Interest payable and similar charges

	1998 £	1997 £
Bank overdraft	-	127
	<u>—</u>	<u>—</u>

6 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 1997	868,860	169,809	16,131	1,054,800
Additions	387,100			
Less Grants	(167,149)			
Net Additions	<u>219,951</u>	<u>24,600</u>	<u>2,500</u>	<u>247,051</u>
Disposals	<u>(130,200)</u>	<u>-</u>	<u>-</u>	<u>(130,200)</u>
At 31 March 1998	<u>958,611</u>	<u>194,409</u>	<u>18,631</u>	<u>1,171,651</u>
Depreciation				
At 1 April 1997	-	90,516	12,631	103,147
Charge for year	<u>-</u>	<u>46,739</u>	<u>2,250</u>	<u>48,989</u>
At 31 March 1998	<u>-</u>	<u>137,255</u>	<u>14,881</u>	<u>152,136</u>
Net book value				
At 31 March 1998	<u>958,611</u>	<u>57,154</u>	<u>3,750</u>	<u>1,019,515</u>
At 31 March 1997	<u>868,860</u>	<u>79,293</u>	<u>3,500</u>	<u>951,653</u>

For the freehold land and buildings at valuation:

	£
Historical cost	
At 1 April 1997	248,670
Additions	219,951
Disposals	<u>(125,000)</u>
At 31 March 1998	<u>343,621</u>

7 Debtors

	1998 £	1997 £
Trade Debtors	1,410,551	996,610
Sundry debtors and prepayments	147,413	163,168
	<u>1,557,964</u>	<u>1,159,778</u>

8 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	361,497	368,227
Other creditors including tax and social security	64,260	46,979
Accruals	175,472	118,541
Payments in advance	512,036	255,099
Mobilisation payments	67,778	67,778
Interest free loans from supporters for land purchase	272,561	284,928
Grants payable to partner organisations	663,643	300,756
Landfill Tax Receipts in Advance	662,207	-
	<u>2,779,454</u>	<u>1,442,308</u>

9 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Mobilisation payments received in advance	<u>67,777</u>	<u>135,555</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.

10 Movement of funds

	Restricted £	Designated £	Unrestricted £	1998 Total £	1997 Total £
1 April 1997	901,810	30,000	146,169	1,077,979	943,966
Net incoming/(outgoing) resources	(125,954)	(1,466)	605,857	478,437	134,013
Transfers/New designations	-	400,000	(400,000)	-	-
At 31 March 1998	<u>775,856</u>	<u>428,534</u>	<u>352,026</u>	<u>1,556,416</u>	<u>1,077,979</u>

11 Restricted funds

	Notes	Movement in resources			Balance 31 March 1998
		Balance 1 April 1997	Incoming	Outgoing	
		£	£	£	£
Consett & Sunderland Railway Path		263,922	1,820	27,673	238,069
Mirehouse & Rowrah Railway Path		20,748	1,721	-	22,469
Paisley to Kilwinning and Kilmacolm		421,013	41,797	105,213	357,597
York to Selby Railway Path		193,778	9,664	40,321	163,121
Worthington Railway Path		2,349	8,066	13,057	(2,642)
Construction and maintenance funds	(i)	<u>901,810</u>	<u>63,068</u>	<u>186,264</u>	<u>778,614</u>
Safe Routes to Schools	(ii)	-	79,852	82,610	(2,758)
Millennium Commission Grants payable to partner organisations	(iii)	<u>-</u>	<u>1,626,590</u>	<u>1,626,590</u>	<u>-</u>
Total restricted funds		<u>901,810</u>	<u>1,769,510</u>	<u>1,895,464</u>	<u>775,856</u>

- (i) The construction and maintenance funds cover the routes acquired from the British Railways Property Board over which the company 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 company's operations and the net current assets arising from the maintenance activities of the funds. The land, which the company intends to dispose of, was revalued at March 1990. The make-up of the combined funds for construction and maintenance is as follows:-

	1998		1997	
	£	£	£	£
Tangible Fixed Assets		669,377		674,577
Current Assets				
Debtors	24,300		16,100	
Cash at Bank	22,839		211,133	
	244,139		227,233	
Current Liabilities				
Creditors	(134,902)			
Net Current Assets		109,237		227,233
		<u>778,614</u>		<u>901,810</u>

- (ii) Safe Routes to Schools is a national project run by Sustrans to encourage the provision of safe cycling and walking routes around schools. It consists of a demonstration project in partnership with four local authorities - City of York, Leeds City, Colchester Borough and Hampshire County - and an information project to support schemes run by other local authorities.

- (iii) These receipts and payments represent grants claimed from the Millennium Commission on behalf of partner organisations involved in the development and construction of the National Cycle Network.

12 Designated funds

The funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Board:

	Notes	Balance 1 April 1997 £	New designations £	Utilised/ released £	Balance 31 March 1998 £
Malcolm Smith Travel Bursary	(i)	30,000	-	1,466	28,534
Land acquisition fund	(ii)	-	200,000	-	200,000
Long-term Maintenance fund	(iii)	-	200,000	-	200,000
		<u>30,000</u>	<u>400,000</u>	<u>-</u>	<u>428,534</u>

- (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 land acquisition fund is a new designation in the year. The fund is created to contribute, in part, to the acquisition of land, in the next financial year, which is essential to the development of the National Cycle Network.
- (iii) The long-term maintenance fund is a new designation in the year. Because of the success of the National Cycle Network and the increasing mileage of route established, the board recognise the need to provide for the future maintenance of that route on land owned by the company or where it has accepted a maintenance responsibility. The board intend to make further designations to this fund out of unrestricted funds as the scale of the National Cycle Network, and any resultant maintenance responsibility, increases.

13 Unrestricted funds

The unrestricted funds of the company have increased to £346,826 in the financial year. These unrestricted funds represent 21 working days of expenditure at current levels of activity. The board intends to add to these unrestricted funds to provide greater flexibility of working capital and to facilitate the growth in activities planned in the next financial year.

14 Analysis of net assets between funds

	Restricted £	Unrestricted £	Total funds £
Fund balances at 31 March 1998 are represented by:			
Tangible fixed assets	669,377	350,138	1,019,515
Current assets	907,782	2,476,350	3,384,132
Current liabilities	(801,303)	(1,978,151)	(2,779,454)
Creditors - amounts falling due after more than one year	-	(67,777)	(67,777)
Total net assets	775,856	780,560	1,556,416
Unrealised gains included above			
Tangible fixed assets	614,990	-	614,990
Reconciliation of movements of unrealised gains:			
Unrealised gains at 1 April 1997	620,190	-	620,190
Less: gains on disposals in year	(5,200)	-	(5,200)
Unrealised gains at 31 March 1998	614,990	-	614,990

15 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.

16 Financial commitments

At 31 March 1998 the company had annual commitments under non cancellable operating leases as follows:

	Land and buildings	
	1998 £	1997 £
Expiring within one year	4,110	3,900
Expiring within two to five years	5,962	5,962
Expiring in more than five years	24,714	24,714
	34,786	34,576

17 Legal charges

The land situated to the west side of Station Road, Paisley in 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.

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 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.