

**Sustrans Limited**  
**(A company limited by guarantee)**

**Annual report**  
**for the year ended 31 March 2009**

Registered no: 1797726  
Charity no: 326550  
SC039263 (Scotland)



# **Sustrans Limited**

## **Annual report for the year ended 31 March 2009**

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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  
SC039263 (Scotland)

**Company Number:** 1797726

### Trustees and Directors

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

John Butters (LC) (resigned 27<sup>th</sup> May-09)  
Gordon Clarke (appointed 15<sup>th</sup> Mar-08)  
Les Cullen (FC) (LC)  
Chris Curling (FC) (LC)  
Richard Farrant (Chair) (FC) (resigned 6<sup>th</sup> Dec-08)  
Nigel Gibbons (FC) (LC)  
Marian Lauder (Chair from 6<sup>th</sup> Dec-08)  
Paul McQuail  
Chris Payne  
Lester Willmington

(FC = sits on the Finance Committee)  
(LC = sits on the Land Committee)

### Chief Executive

Malcolm Shepherd (appointed 14<sup>th</sup> Jun-08)  
John Grimshaw (resigned 14<sup>th</sup> Jun-08)

### Senior Management Team

Andy Appleby  
Huw Davies  
Melissa Henry  
Peter Lipman  
Tiffany Newman  
James Ryle  
Andy Wistow

### Secretary and registered office

Andy Appleby  
2 Cathedral Square  
College Green  
Bristol  
BS1 5DD

### 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

Principal banker:  
The Co-operative Bank plc  
9 Prescott Street  
London E1 8BE

Other bankers:  
Bank of Scotland plc  
21 Prince Street  
Bristol  
BS99 7JG

Lloyds TSB Bank plc  
Corn Street  
Bristol  
BS1 1JG

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

## **Report of the trustees for the year ended 31 March 2009**

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 2009. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the Charity.

### **Aims and Objectives of the Charity**

Sustrans is the UK's leading sustainable transport charity.

Our vision is a world in which people choose to travel in ways that benefit their health and the environment.

Our mission is to work everyday on practical and imaginative solutions to the transport challenges affecting us all.

Our aim is to transform the UK's transport system and culture, so that:

- the environmental impacts of transport, including its contribution to climate change and resource depletion, are significantly reduced;
- people can choose more often to travel in ways that benefit their health;
- people have access to essential local services without the need to use a car;
- local streets and public spaces become places for people to enjoy.

In order to achieve this transformation, our objectives are:

- to make local environments safe and more attractive for walking and cycling
- to support and encourage individuals to make more sustainable and healthy travel choices, through motivational and information programmes
- to influence policy and practice by communicating the outcomes of our own work, and the benefits of sustainable and healthy travel, to a wide audience.

## How we work

To deliver our objectives each year we plan to:

- **Build on success** – extending the reach of our major successful programmes such as TravelSmart and Bike It to every region and country in the UK, and continuing to extend the reach of the National Cycle Network
- **Integrate our programmes** – sustainable travel behaviour change requires a mix of infrastructure and community engagement. The effectiveness of our programmes will therefore be greatly enhanced if we implement them together, wherever possible, and combine them with projects delivered by others (such as through Sustainable Travel/ Cycling Development Towns) to create area-wide solutions to enable people to walk, cycle and use public transport
- **Expand this integrated approach to every region and country in the UK** – as this happens so our offices in Scotland, Wales, Northern Ireland, London and the English regions will be responsible for developing opportunities for and delivering an ever wider range of new and existing Sustrans projects, reflecting national and regional priorities
- **Continue to innovate** – devising and testing new approaches to improving local environments and to overcoming other barriers to walking and cycling, consolidating our existing demonstration projects such as DIY Streets and Active Travel, and pioneering new ones where there is need or opportunity. We will scale up those with potential to meet our objectives and relinquish others that are capable of replication to the same high standard without our involvement
- **Expand and resource our policy work and capability** – with a view to supporting our current and future work and having greater impact on national and regional policies and practice
- **Rigorously monitor and evaluate all our programmes** – to share learning and good practice across the organisation as well as to use this to influence government policy and practice at all levels

## What we deliver

Sustrans delivers many practical projects, all for the public benefit. These make local environments safer and more attractive as well as providing people with the information, training or support they need to be able to choose to walk or cycle for everyday trips. In addition, we work to persuade governments of the role that walking and cycling can play in health, travel, environment, education and related policy.

The **National Cycle Network** is a great success story. Over 12,000 miles have been completed so far, a third of which is traffic free. While 55% of people now live within a mile of the Network, our ambition is to extend it into the heart of communities throughout the UK giving people the choice of healthy, environmentally friendly travel for many more of their everyday journeys.

**GOAL (Greenways for the Olympics and London)** is our vision for achieving this in London, and Connect2 will achieve this in 79 communities throughout the UK by enabling people to cross busy roads, rivers and railways, connecting them to the local places they want to go.

Our **Volunteers** are our eyes and ears in communities throughout the UK - 2,500 people who give their free time to support Sustrans. Many maintain and sign the Network to enable as many people as possible to use it, others champion our efforts within schools and workplaces, and others help the charity to be more financially sustainable by holding fundraising events.

Our **Active Travel** team is persuading government to promote walking and cycling as a way of combating obesity, heart disease and cancer, and delivering a portfolio of practical projects to help demonstrate how this can be achieved.

Sustrans pioneered **TravelSmart** in the UK – a unique service that gives households the tailor-made information they need to walk, cycle and use public transport more for their everyday journeys.

**Safe Routes to Schools** was also pioneered by Sustrans in the UK, based on a Danish model, and with Bike It, where officers work directly with children in schools, and Links to Schools is creating the best environment to make cycling and walking to school both safe and fun. In combination our school travel work gives children the skills they need to travel independently and actively, and parents peace of mind.

City living for the 21st century should put people at the heart of their community. Our **Liveable Neighbourhoods** team seek to create streets where children can play safely, people have good local access, neighbours can chat, and green spaces are encouraged.

Creating truly fantastic spaces that can be appreciated by everyone is key to encouraging more people to re-populate public space. Our **Art and the Travelling Landscape** team regularly commission quality public artworks including sculptures, seats and drinking fountains, positioned along the National Cycle Network and within communities throughout the UK.

## Evaluation and feedback

A vital part of our work is the monitoring of the effectiveness of all our activities. We have a dedicated and highly respected Research and Monitoring unit which comprehensively monitors and evaluates all our major work programmes, to assess their impact on increasing walking and cycling.

We also gain feedback in the following ways:

- Through our involvement in and influence on government policies and papers
- Through the range of partner organisations we work with
- Through the number of people and organisations we reach through our work and communication programmes
- Through the widespread adoption of projects that we have successfully piloted.

## Objectives, Aims and Achievements during 2008/09

During the year we focused on:

- Continuing to develop and promote our portfolio of practical projects that enable people to walk and cycle more through making local environments safer and more attractive and through providing people with the information, training or support they need
- Continuing to collect robust and credible data and research to provide a detailed evidence base showing the benefits of Sustrans' practical projects and other interventions.
- Communicating widely the benefits of our own interventions and those being developed elsewhere in the UK or abroad, to influence policy and to establish best practice at all levels
- Highlighting the role that personal travel plays in both health and climate change, and the practical solutions available in all projects run by Sustrans, and promoting our Change Your World campaign to encourage people to travel more sustainably for one journey a week
- Continuing to demonstrate that the National Cycle Network represents the UK's largest environmental intervention that will improve public health

## Key performance indicators

Sustrans does not have one or two "key performance indicators". Instead, the success of each of our projects is measured in a number of ways, as shown in the following pages.

## Infrastructure

### National Cycle Network & Local Routes

#### Objectives and aims:

- Report on usage of the National Cycle Network during 2008
- Continue to extend the National Cycle Network
- Continue to work with Transport for London (TfL) to develop more Greenways for the Olympics and London
- Further develop and begin work on the Valleys Cycle Network

#### Achievements:

- During 2007 usage grew to 354 million journeys, continuing the trend for an increase in the number of journeys made each year on the Network
- The Network was also extended throughout 2008, particularly in Scotland where there are now over 1,800 miles, and in Northern Ireland where an additional 200 miles of Network was delivered
- Sustrans Northern Ireland completed work on the Comber Greenway in Belfast, providing a new and very popular seven mile traffic-free section of the National Cycle Network from Comber to the heart of East Belfast.
- Over 8,000 people joined our annual Change your World campaign in 2008, double the number we had set ourselves, and changed a car journey during the first week of July for a trip by foot, bike, public transport, or no trip at all.
- Through our Greenways sector leadership role in south west London, we oversaw the delivery of new walking and cycling routes, and upgrades to existing ones, which are improving travel options and access to green spaces for people in the area
- Four major Greenways network studies across the capital, which we undertook with our partners at TfL and the boroughs, identified routes that will encourage more people to take up cycling for the first time, or cycle or walk for more of their journeys.
- Sustrans was delighted that funding was announced by the Welsh Assembly Government to begin work on the Heads of the Valley Network as a first step towards developing a more extensive Network – work gets underway during 2009

## Sculpture

#### Objectives and aims:

- Sustrans will continue to work to develop high quality public space by involving communities wherever possible in working with artists to develop an inspiring local environment

#### Achievements:

- We announced our new programme of 'Prospectives' (with seed funding from the Calouste Gulbenkian Foundation) which will involve exceptional artists in an entirely new research based process, working with specialists and local communities to explore a range of issues at the heart of Sustrans' work and key



to 21st century living: design of public space, health and well-being, the natural world, and climate change.

- We continue to work with communities involved with all of Sustrans' work, including all Connect2 schemes, to put accessible but inspiring artworks at the heart of all of our work to transform public space .

## Volunteers

Objectives and aims:

- Extend our volunteer programme through all 79 Connect2 communities and other projects

Achievements:

- The number of volunteers has grown to over 2,500 men and women throughout the UK who give their time free to Sustrans to help us with our work, particularly on the National Cycle Network
- Within Connect2 schemes, we have worked with partners and key stakeholders, including the local communities, to establish Steering Groups to enable wide engagement – we hope that these will be a first step on the way to establishing volunteer groups in each community to help look after each Connect2 scheme as it is completed.

## Connect2

Objectives and aims:

- Begin delivery of the 79 Connect2 schemes UK-wide.

Achievements:

- The first Connect2 scheme opened in Dumfries, Scotland, during 2008, to the benefit of many thousands of local people
- Agreement has been reached with nearly all 78 remaining schemes on the final plans, funding available, and timelines for delivery
- A revised set of Connect2 Greenway Design Guidelines has been made available to help delivery of each scheme
- Connected, the first e-newsletter focused on keeping stakeholders up-to-date on progress on Connect2, was published and widely distributed and made available on the Connect2 website.

## Soft Measures

### Active Travel

Objectives and aims:

- Start work on ten Active Travel projects.

Achievements:

- All 10 Active Travel projects in England funded by the Big Lottery Fund's Wellbeing programme as part of Travel Actively began work during the year
- Our team in Scotland promoted active travel to students, staff and visitors in Edinburgh and Stirling universities
- In Wales we distributed 1,500 copies of our bilingual Active Travel Workplace Cymru Toolkit in partnership with the Sports Council for Wales, to facilitate workplace health promotion, and worked with deprived local communities across the South Wales valleys to encourage people to walk and cycle for everyday journeys.
- We successfully co-hosted a conference with the National Children's Bureau, Play England and Living Streets, attended by over 200 people working in the play, children, health and transport fields, and addressed by Ministers and experts, chaired by the designer Wayne Hemingway MBE, a Patron of Sustrans

### Bike It

Objectives and aims:

- Start working with an additional 190 schools with 19 new Bike It officers

Achievements:

- Sustrans Cymru recruited the first Bike It officers in Wales, with 2 new positions
- In total more than 19 new Bike It officers joined Sustrans, and we now have over 43 officers, each supported by a regional supervisor and a project manager
- Sustrans' Bike It is now working with 443 schools, with nearly 90,000 children benefiting
- Sustrans was delighted to receive new funding from many Primary Care Trusts, Cycling England, the Welsh Assembly Government and businesses, including Liberty International.

### Liveable Neighbourhoods

Objectives and aims:

- Start work in 11 communities in England and Wales to create DIY Streets

Achievements:

- Work is underway on 11 DIY Streets projects in England and Wales, working with local residents to re-design their streets so that they become places that children can play in, neighbours can chat, and where people traveling on foot and bike feel welcome.

- We published our first DIY Streets toolkit to help residents play a full and active role in the process.

## School Travel

### Objectives and aims:

- Extend our School Travel programme in Northern Ireland to 50 schools  
Work with the Department for Transport to consolidate and extend Sustrans' Safe Routes to Schools information service

### Achievements:

- The Rural Safe Routes to Schools project provided hands-on support from Sustrans staff for 18 schools using motivational events, on-road cycle training and engineering works, enabling young people to change the way they travel
- We worked in partnership with Government departments to deliver the project and with the Northern Ireland Assembly to publicise the positive results
- 12,000 schools throughout the UK now receive information from Sustrans' School Travel team to help them to complete and deliver their School Travel Plans.
- During 2008 our School Travel Programme in Scotland was independently reviewed and received widespread acclaim with regard to achievement and delivery
- We launched the first and largest annual survey of travel to school in Scotland, surveying the school travel behaviour of nearly 400,000 - the results will be published during 2009/10 and will inform us about how to increase the number of children walking and cycling to school.

## Travel Actively

### Objectives and aims:

- Work with our many partners, including our main delivery partners who are CTC, Ramblers, Leeds University, Cycling Projects, Cornwall & Isles of Scilly PCT, London Cycling Campaign, Living Streets and Walk England to deliver Travel Actively, the portfolio of 50 projects funded by the Big Lottery Fund's Wellbeing programme that will run until the end of 2011

### Achievements:

- All 50 projects are now successfully established and engaging with thousands of people across England, encouraging and supporting them to start walking and cycling
- The first Travel Actively Annual Review was published during 2008, highlighting progress made on delivery of all projects, and distributed widely to many thousands of stakeholders in the health, transport and related sectors
- The Travel Actively website was established and updates stakeholders and members of the public on progress within each of the projects.

## TravelSmart

### Objectives and aims:

- Start work on five TravelSmart projects in England

### Achievements:

- Work began on TravelSmart projects in Watford, Exeter and Lowestoft thanks to funding from the Big Lottery Fund's Well-being Programme, with over 75,000 households to benefit over the next few years
- We also completed the first stage of the project in Bristol funded by the West of England Partnership, with the next phase to begin during 2009
- We launched TravelSmart in East Inverness - 1,500 homes in East Inverness were offered tailored help to travel more actively as part of Scotland's first TravelSmart Individualised Travel Marketing.

## **Infrastructure & soft measures**

### Support new Sustainable Travel Towns initiatives in Wales and Scotland

### Objectives and aims:

- Support the Scottish Government and Welsh Assembly Government in developing and implementing their plans for Sustainable Travel Towns

### Achievements:

- We shared our learning from the English Sustainable Travel Development Towns
- The Scottish Government announced its plans for sustainable travel demonstration communities across the country, and we look forward to helping in any way we can
- Cardiff has been selected to become Wales' first 'sustainable travel town' and, in addition to the Connect2 project already planned for the city, we look forward to helping in any way that we can.

## Objectives and aims 2009/10

During the coming year Sustrans will continue to do all it can to enable more people to walk, cycle and use public transport for millions of everyday journeys. We will:

- complete our work on three TravelSmart projects in Exeter, Lowestoft and Watford working with 30,000 households to enable people to walk, cycle and use public transport more. TravelSmart reduces car use by up to 14%.
- complete, with our many partners, a further three Connect2 schemes, part of a UK-wide project to transform local travel for millions of people by building new crossings of busy roads, railways and rivers, connecting to networks of walking and cycling routes.
- begin work with new schools in rural areas of Northern Ireland to increase the levels of children walking and cycling.
- start a new partnership agreement with Transport for London, seeing Sustrans leading the delivery, monitoring and promotion of Greenways across the capital.
- extend Bike It to reach 100,000 children in schools in England and Wales, provided by 70 staff, giving them the skills they need to cycle to school, and their parents the peace of mind to let them.
- publish and widely distribute a policy call detailing the major changes needed to deliver genuinely sustainable travel throughout the UK.
- continue work on Travel Actively, the portfolio of 50 projects funded by the Big Lottery Fund's Well-being programme, with the aim of providing nearly two million people with opportunities to be more active by 2012.
- implement proposed projects to develop high quality public space by involving communities wherever possible in working with artists to develop an inspiring local environment.
- report increased usage on the National Cycle Network during 2008 based on extensive research and monitoring.
- hold a series of 'Fresh Air Miles' bike rides organised by volunteers – family-friendly fundraising rides on traffic-free sections of the National Cycle Network with the aim of bringing people back to cycling.
- launch new online mapping on the Sustrans website to enable people to find their way on foot, bike or public transport to their local shops, schools and green spaces as well as further afield.
- continue work with the Scottish Government to tackle the school run and develop and improve the National Cycle Network.

- increase the number of people giving up a car journey for our Change Your World campaign to 15,000 and persuading them to walk, cycle or use public transport instead.
- launch and run Sustrans' Bike Belles website for women aimed at understanding the barriers to cycling amongst women, and then using this information to advise on what needs to change to encourage many more women to travel by bike.

## Financial Review

Many indicators of activity show Sustrans has grown considerably in the past three years. Comparing the income period 2006/07 to 2008/09 some of our practical projects have shown significant growth. Active Travel from £368k to £1,344k, Bike It from £914k to £2,042k, Connect 2 from £167k to 1,587k and Travel Actively from £nil to £2,565k.

Sustrans staff numbers have increased from 178 in 2006/07 to 270 in 2008/09 (full time equivalent average). In this period Bike It officer numbers have risen from 19 to 43.

2008/09 is the first full year of activity on our two large projects part-funded by the Big Lottery Fund, "Travel Actively" and "Connect2". The nature of these projects is explained elsewhere in this report, and on our website at [www.sustrans.org.uk](http://www.sustrans.org.uk).

Income in 2008/09 of £26.1m remains at a similar level to that in 2006/07 and 2007/08. A longer view is important when considering this figure due to the rules under which these financial statements are prepared. The Charities Statement of Recommended Practice (SORP) requires preparers of accounts to recognise grant income when received (unless the grant is "performance related") rather than when work is performed. Accordingly, large receipts can be received and therefore recognised in a different financial year to that in which the work is delivered.

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 £729k (2007/8: £694k) - the explanation for movements between Restricted, Designated and Unrestricted funds is given in Notes 12, 14, and 15 to the accounts, respectively.

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 for many years adopted a 'no market risk' investment strategy to safeguard the Charity's cash assets.

2008/09 was a difficult year for UK banks, so whilst Sustrans seeks to minimise investment risk the Trustees acknowledge the difficulties presented by the current economic climate. Over the year the Trustees sought to minimise the exposure of the charity by holding funds with four large banks. These include our main banker, the Co-operative Bank plc, which has an enviable ethical policy, together with Bank of Scotland plc, Lloyds TSB Bank plc, and Royal Bank of Scotland plc.

## Employees

Sustrans does employ disabled people and has continued its policy of giving disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities. Training and career development opportunities are available for all employees and, if necessary, retraining of an employee who becomes disabled is given.

The Company's policy is to continue to develop its communications with all employees, to inform them on matters of concern to them as employees and to promote awareness of the financial and economic factors affecting the performance of the Company and, subject to practical and commercial considerations, to consult them in decision that affect their current jobs or future prospects.

## Governance and Management

Sustrans is governed by its Trustees operating under the terms of the Memorandum & Articles of Association. The senior executive committee is the Senior Management Team (SMT) which recommends strategies to the Board for agreement. This Group is comprised of senior staff drawn from all disciplines of the organisation. Meetings are held monthly and usually last for one day. Its purpose is to review the performance of the Charity's work, address issues arising on the integration and co-ordination of projects and the allocation of resources, geographically and by project.

Sustrans is governed by an independent Trustee body, the members of which have a wide range of skills and experience. They are appointed for a period of three years, which is renewable normally no more than once. The Trustees, together with Sustrans Executive, identify the skills, experience, geographical location etc required among the Trustees, and ensure that the board reflects this need each year.

The Trustees meet four times a year to review strategy and performance and to agree operating plans and annual budgets. Trustees also form key committees within Sustrans, including the Finance and Land Committees, which meet as required, typically quarterly. The members of these committees are shown on page 1.

Trustees monitor and have overall responsibility for:

- approving the overall strategy and supporting work plans of the organisation, together with the allocation of the necessary resources to achieve the defined objectives;
- ensuring that the Charity has appropriate systems of controls, financial and otherwise;
- keeping proper accounting records which comply with the Companies Act 1985 and the Charities' SORP;
- safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities;
- providing assurance that the Charity is operating efficiently and effectively, carrying out a risk assessment to identify possible risks to the achievement of the Charity's objectives and establish procedures, actions and systems to mitigate them.

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

During 2008/9, Richard Farrant resigned as Chair, having served Sustrans for many years. The Trustees wish to acknowledge and thank Richard for his time and the contribution he has made. His successor is Marian Lauder.

During 2007/8 Sustrans reviewed its health and safety management system. The appointment of a new Technical Director in autumn 2007 provided a focus for this work. To date, a revised and more detailed organisation wide policy for the management of health and safety has been approved by the Board. Supporting procedures have also been approved and are now being rolled out across the organisation. A Safety Forum has been established to engage staff from across the organisation both functionally and geographically.

As part of its normal planning procedures, the Board of Trustees has reviewed during the year an assessment of the risks to which the charity is exposed particularly 'business', 'operational', 'liquidity' and financial risks, and introduced procedures and reporting regimes to manage and reduce the identified risks. Trustees have agreed clear lines of delegation and authority to appropriate managers and involved staff in recognition of risk in all their activities.



## Responsibilities of Trustees & Auditors

Company law requires the Trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the Trustees are required to:

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

In accordance with company law, as the Company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

## 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. M. Shepherd, Sustrans' Chief Executive, and Mr. H. Davies, Sustrans' NCN Director, are also trustees of Railway Paths Limited. Mr. C. Curling is a Trustee of both Sustrans and 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 year under review. Railway Paths Ltd is contracted by Sustrans to provide Estate Management services and received £10,000 during 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

1<sup>st</sup> July 2009

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF SUSTRANS LIMITED

We have audited the financial statements ("the financial statements") of Sustrans Limited for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of trustees and auditors

The responsibilities of the trustees' (who are also the directors of Sustrans Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 1985 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the charitable 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 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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you whether the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition, we report to you if, in our opinion, the charitable company has not kept proper accounting records, if the charity's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report and the legal and administrative information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 trustees 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009, and of its incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

*PricewaterhouseCoopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors

Eligible to act as an auditor in terms of section 25 of the Companies Act 1989

Bristol

3 July 2009

# Statement of Financial Activities for the year ended 31 March 2009 (including Income and Expenditure account)

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2009 £'000	Total Funds 2008 £'000
<b>Incoming resources</b>					
<b>Incoming resources from charitable activities</b>					
Infrastructure		4,571	8,022	12,593	12,456
Soft measures		1,808	8,150	9,958	7,811
	3	<u>6,379</u>	<u>16,172</u>	<u>22,551</u>	<u>20,267</u>
<b>Incoming resources from generated funds</b>					
Interest received and rental income		458	25	483	752
Donations from Supporters		2,907	-	2,907	2,760
Realised gains on disposal of land		156	-	156	227
		<u>3,521</u>	<u>25</u>	<u>3,546</u>	<u>3,739</u>
<b>Total incoming resources</b>		<u>9,900</u>	<u>16,197</u>	<u>26,097</u>	<u>24,006</u>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Fundraising and supporters costs		<u>672</u>	<u>-</u>	<u>672</u>	<u>550</u>
<b>Charitable activities</b>					
Infrastructure		6,166	8,276	14,442	14,773
Soft measures		1,076	9,094	10,170	7,912
		<u>7,242</u>	<u>17,370</u>	<u>24,612</u>	<u>22,685</u>
<b>Governance costs</b>		<u>84</u>	<u>-</u>	<u>84</u>	<u>77</u>
	4	<u>7,998</u>	<u>17,370</u>	<u>25,368</u>	<u>23,312</u>
<b>Net (outgoing) / incoming resources before transfers</b>		1,902	(1,173)	729	694
Gross transfers between funds	16	(1,062)	1,062	-	-
<b>Net movement in funds</b>		<u>840</u>	<u>(111)</u>	<u>729</u>	<u>694</u>
<b>Total funds brought forward at 1 April</b>		<u>3,798</u>	<u>1,096</u>	<u>4,894</u>	<u>4,200</u>
<b>Total funds carried forward at 31 March</b>	16	<u>4,638</u>	<u>985</u>	<u>5,623</u>	<u>4,894</u>

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. All income and expenditure relates to continuing operations.

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

# Balance Sheet at 31 March 2009

	Notes	Unrestricted £'000	Restricted £'000	2009 Total £'000	2008 Total £'000
<b>Fixed Assets</b>					
Tangible assets	8	1,793	1,160	2,953	3,230
<b>Current Assets</b>					
Debtors	9	2,343	-	2,343	2,202
Cash at bank and in hand	10	7,155	5,338	12,493	15,275
		9,498	5,338	14,836	17,477
<b>Creditors: amounts falling due within one year</b>	11	(6,653)	(5,513)	(12,166)	(15,813)
<b>Net current assets</b>		2,845	(175)	2,670	1,664
<b>Net assets</b>		4,638	985	5,623	4,894
<b>Funds</b>					
Restricted	12			985	1,096
Designated	14			3,093	3,150
Unrestricted	15			1,545	648
<b>Total funds</b>				5,623	4,894

The financial statements on pages 17 to 35 were approved by the trustees on 1<sup>st</sup> July 2009 and were signed on their behalf by:



Trustee

# **Cashflow Statement for the year ended 31 March 2009**

	2009 £'000	2008 £'000
Net cash (outflow) from operating activities	<u>(3,418)</u>	<u>(2,312)</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	461	730
Rental receipts	<u>22</u>	<u>22</u>
	<u>483</u>	<u>752</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(39)	(1,454)
Sale of tangible assets	<u>195</u>	<u>563</u>
	<u>156</u>	<u>(891)</u>
<b>Cash (outflow) before financing</b>	<b>(2,779)</b>	<b>(2,451)</b>
<b>Financing</b>		
(Repayment of) / additional interest free loans from supporters	(3)	78
(Decrease) in cash in the year (note 10)	<u><b>(2,782)</b></u>	<u><b>(2,373)</b></u>

	2009 £'000	2008 £'000
<b>Operating activities</b>		
Net incoming resources for the year	729	694
Net return on investments and servicing of finance	<u>(483)</u>	<u>(752)</u>
Net incoming / (outgoing) resources before returns on investments and servicing of finance	246	(58)
Depreciation of fixed assets	68	82
Property impairment	209	-
Realised gains on disposal of land	(156)	(227)
(Increase) in trade debtors	(85)	(149)
(Increase) in sundry debtors and prepayments	(56)	(34)
(Decrease) / increase in trade creditors	(575)	1,349
Increase / (decrease) in taxation and social security	81	(48)
Increase / (decrease) in deferred income	216	(359)
(Decrease) in grants payable to partner organisations and other accruals	(3,392)	(2,906)
Increase in Landfill Tax receipts in advance	26	38
<b>Net cash (outflow) / inflow from operating activities</b>	<u><b>(3,418)</b></u>	<u><b>(2,312)</b></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 2009**

### **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 Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 1985.

#### **(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 is 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 12.

#### **(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. Support costs and costs that cannot be directly attributed to particular headings, have been allocated to activities 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.

Governance 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 not less than cost. It is not the intention of the trustees to dispose of such land.

Tangible fixed assets costing more than £1,500 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 of these assets is not materially different from their cost. Assets not depreciated are subjected to an annual impairment review.

The rates of depreciation utilised are as follows:

NCN Centre refit	10% per annum
Computer Equipment	33.3% per annum
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 Corporation Tax and there is no tax 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. This scheme is available to all staff.

**2 Grant programmes in respect of Partners**

Sustrans is the coordinator of a number of grant programmes which further the development of the National Cycle Network and other projects. During the financial year, funds from the Welsh Assembly, the Scottish Government, the Big Lottery Fund, and the Department for Transport were paid over to Local Authority Partners. Further details of these projects can be found in note 13 to these accounts and on Sustrans website ([www.sustrans.org.uk](http://www.sustrans.org.uk)).

Our Travel Actively project is delivered through a consortium of partners. They are CTC, Ramblers, Leeds University, Cycling Projects, Cornwall & Isles of Scilly PCT, London Cycling Campaign, Living Streets and Walk England.



### 3 Incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	Total 2009 £'000	Total 2008 £'000
<b>Infrastructure</b>				
<b>National Cycle Network</b>				
NCN route development	3,017	-	3,017	4,708
NCN construction funded by Landfill Tax Credits	-	114	114	96
Scottish Government funded NCN enhancement	-	1,552	1,552	2,843
Welsh Assembly Government funded Celtic Trail	-	651	651	513
Grants including Charitable Trusts	-	142	142	175
Maintenance	186	11	197	223
Sculpture	3	34	37	74
Volunteer Ranger Programme	52	82	134	87
National and Regional implementation	932	105	1,037	956
Mapping and publications	304	-	304	292
Route User Monitoring	62	415	477	427
Other NCN Projects	-	-	-	209
	4,556	3,106	7,662	10,603
<b>Connect 2- part funded by Big Lottery Fund</b>				
	15	1,572	1,587	333
<b>Department for Transport funded Links to Schools</b>				
	-	3,344	3,344	1,520
	4,571	8,022	12,593	12,456
<b>Soft measures</b>				
<b>Active Travel</b>				
Active Travel England	146	111	257	137
Active Travel Scotland	2	190	192	56
Active Travel Wales	54	272	326	208
Active Travel UK	-	-	-	217
Travel Actively - part funded by Big Lottery Fund	131	438	569	194
	333	1,011	1,344	812
<b>Bike It</b>				
Bicycle Association / Cycling England / Local Authorities	215	920	1,135	1,137
Cycling Demonstration Towns & City	50	-	50	-
Primary Care Trusts	143	-	143	-
Transport for London	1	142	143	151
Travel Actively - part funded by Big Lottery Fund	164	287	451	203
Welsh National Assembly / Bicycle Association	-	120	120	-
	573	1,469	2,042	1,491
<b>Liveable Neighbourhoods</b>				
	76	124	200	212
<b>School Travel</b>				
School Travel Scotland	2	1,970	1,972	2,702
School Travel Northern Ireland	-	71	71	107
School Travel UK	3	155	158	162
	5	2,196	2,201	2,971
<b>Travel Actively- part funded by Big Lottery Fund</b>				
	-	2,565	2,565	959
<b>Travelsmart</b>				
Travel Actively - part funded by Big Lottery Fund	253	772	1,025	-
Other projects	568	13	581	1,366
	821	785	1,606	1,366
	1,808	8,150	9,958	7,811
	6,379	16,172	22,551	20,267

## 4 Analysis of total resources expended

	Direct staff costs £'000	Support costs £'000	Other direct costs £'000	Total 2009 £'000	Total 2008 £'000
<b>Cost of generating funds</b>					
Fundraising and supporters	139	-	533	672	550
<b>Costs in furtherance of the charity's objects</b>					
<b>Infrastructure</b>					
<b>National Cycle Network</b>					
NCN route development	487	11	2,314	2,812	5,008
NCN construction funded by Landfill Tax Credits	-	-	114	114	96
Scottish Government funded NCN enhancement	-	-	1,552	1,552	2,843
Welsh Assembly Government funded Celtic Trail	-	-	651	651	513
Maintenance	362	20	544	926	967
Sculpture	41	1	29	71	85
Volunteer Ranger Programme	285	11	146	442	309
National and Regional implementation	1,421	60	431	1,912	1,938
Public information	172	-	18	190	225
Information to local authorities and other partner bodies	90	-	20	110	136
Mapping and publications	102	4	194	300	218
Route User Monitoring	250	11	178	439	448
Other NCN Projects	-	-	-	-	132
	3,210	118	6,191	9,519	12,918
<b>Connect 2- part funded by Big Lottery Fund</b>	638	4	937	1,579	335
<b>Department for Transport funded Links to Schools</b>	49	2	3,293	3,344	1,520
	3,897	124	10,421	14,442	14,773
<b>Soft measures</b>					
<b>Active Travel</b>					
Active Travel England	122	-	55	177	144
Active Travel Scotland	73	2	113	188	52
Active Travel Wales	177	6	155	338	230
Active Travel UK	28	5	12	45	262
Travel Actively - part funded by Big Lottery Fund	287	10	281	578	183
	687	23	616	1,326	871
<b>Bike It</b>					
Bicycle Association / Cycling England / Local Authorities	836	29	95	960	1,109
Cycling Demonstration Towns & City	20	1	36	57	-
Primary Care Trusts	65	3	90	158	-
Transport for London	90	4	66	160	146
Travel Actively - part funded by Big Lottery Fund	292	10	248	550	203
Welsh National Assembly / Bicycle Association	55	1	65	121	5
	1,358	48	600	2,006	1,463
<b>Liveable Neighbourhoods</b>	157	5	76	238	225
<b>School Travel</b>					
School Travel Scotland	191	6	1,813	2,010	2,696
School Travel Northern Ireland	31	2	93	126	119
School Travel UK	131	5	13	149	155
	353	13	1,919	2,285	2,970
<b>Travel Actively- part funded by Big Lottery Fund</b>	116	2	2,450	2,568	966
<b>Travelsmart</b>					
Travel Actively - part funded by Big Lottery Fund	249	8	850	1,107	-
Other projects	161	8	471	640	1,417
	410	16	1,321	1,747	1,417
	3,081	107	6,982	10,170	7,912
<b>Costs in furtherance of the charity's objects</b>	6,978	231	17,403	24,612	22,685
<b>Governance costs</b>					
Costs of Trustee travel and accommodation	-	-	15	15	12
Apportionment of staff and support costs	25	-	28	53	51
Audit fees	-	-	14	14	12
Trustees' indemnity insurance	-	-	2	2	2
	25	-	59	84	77
<b>Total Resources Expended</b>	7,142	231	17,995	25,368	23,312

## 5 Summary of Practical Projects

	2009			2008		
	Income £'000	Expenditure £'000	Surplus / (deficit) £'000	Income £'000	Expenditure £'000	Surplus / (deficit) £'000
<b>Infrastructure</b>						
<b>National Cycle Network</b>						
NCN route development	3,017	2,812	205	4,708	5,008	(300)
NCN construction funded by Landfill Tax Credits	114	114	-	96	96	-
Scottish Government funded NCN enhancement	1,552	1,552	-	2,843	2,843	-
Welsh Assembly Government funded Celtic Trail	651	651	-	513	513	-
Grants including Charitable Trusts	142	-	142	175	-	175
Maintenance	197	926	(729)	223	967	(744)
Sculpture	37	71	(34)	74	85	(11)
Volunteer Ranger Programme	134	442	(308)	87	309	(222)
National and Regional implementation	1,037	1,912	(875)	956	1,938	(982)
Public information	-	190	(190)	-	225	(225)
Information to local authorities and other partner bodies	-	110	(110)	-	136	(136)
Mapping and publications	304	300	4	292	218	74
Route User Monitoring	477	439	38	427	448	(21)
Other NCN Projects	-	-	-	209	132	77
	7,662	9,519	(1,857)	10,603	12,918	(2,315)
<b>Connect 2- part funded by Big Lottery Fund</b>	1,587	1,579	8	333	335	(2)
<b>Department for Transport funded Links to Schools</b>	3,344	3,344	-	1,520	1,520	-
	12,593	14,442	(1,849)	12,456	14,773	(2,317)
<b>Soft measures</b>						
<b>Active Travel</b>						
Active Travel England	257	177	80	137	144	(7)
Active Travel Scotland	192	188	4	56	52	4
Active Travel Wales	326	338	(12)	208	230	(22)
Active Travel UK	-	45	(45)	217	262	(45)
Travel Actively - part funded by Big Lottery Fund	569	578	(9)	194	183	11
	1,344	1,326	18	812	871	(59)
<b>Bike It</b>						
Bicycle Association / Cycling England / Local Authorities	1,135	960	175	1,137	1,109	28
Cycling Demonstration Towns & City	50	57	(7)	-	-	-
Primary Care Trusts	143	158	(15)	-	-	-
Transport for London	143	160	(17)	151	146	5
Travel Actively - part funded by Big Lottery Fund	451	550	(99)	203	203	-
Welsh National Assembly / Bicycle Association	120	121	(1)	-	5	(5)
	2,042	2,006	36	1,491	1,463	28
<b>Liveable Neighbourhoods</b>	200	238	(38)	212	225	(13)
<b>School Travel</b>						
School Travel Scotland	1,972	2,010	(38)	2,702	2,696	6
School Travel Northern Ireland	71	126	(55)	107	119	(12)
School Travel UK	158	149	9	162	155	7
	2,201	2,285	(84)	2,971	2,970	1
<b>Travel Actively- part funded by Big Lottery Fund</b>	2,565	2,568	(3)	959	966	(7)
<b>Travelsmart</b>						
Travel Actively - part funded by Big Lottery Fund	1,025	1,107	(82)	-	-	-
Other projects	581	640	(59)	1,366	1,417	(51)
	1,606	1,747	(141)	1,366	1,417	(51)
	9,958	10,170	(212)	7,811	7,912	(101)
	22,551	24,612	(2,061)	20,267	22,685	(2,418)

## 6 Net (outgoing) / incoming resources

	2009 £'000	2008 £'000
<b>These are stated after charging:</b>		
Fees payable for audit	14	12
Fees payable for other services pursuant to legislation	4	3
Fees payable for taxation services	8	-
Depreciation of tangible fixed assets	68	82
Board costs	17	14
Operating leases rentals:		
land and buildings	196	99
other	38	16

Board costs of £16,685 (2008: £13,551) includes provision of trustee liability insurance of £1,838 (2008: £1,838). The remaining costs include travel and other expenses paid on behalf of 11 Trustees for attendance at Board and other meetings, together with other Board meeting costs not attributable to individual Trustees. The trustees of the Charity are not paid.

## 7 Staff Costs

The average full time equivalent number of employees during the year was:

	2009 Number	2008 Number
<b>Infrastructure</b>	<b>139</b>	<b>122</b>
<b>Soft measures</b>		
Active Travel	24	10
Bike It	49	26
Liveable Neighbourhoods	5	6
School Travel	14	15
Travel Actively- part funded by Big Lottery Fund	2	1
Travelsmart	17	18
	<b>111</b>	<b>76</b>
<b>Support functions</b>	<b>20</b>	<b>17</b>
	<b>270</b>	<b>215</b>

The average number of employees during the year was:

	2009 Number	2008 Number
<b>Infrastructure</b>	<b>150</b>	<b>136</b>
<b>Soft measures</b>		
Active Travel	25	10
Bike It	50	26
Liveable Neighbourhoods	6	6
School Travel	14	14
Travel Actively- part funded by Big Lottery Fund	2	1
Travelsmart	36	40
	<b>133</b>	<b>97</b>
<b>Support functions</b>	<b>20</b>	<b>17</b>
	<b>303</b>	<b>250</b>

Staff costs (for the above persons):

	2009 £'000	2008 £'000
Wages and Salaries	6,441	4,959
Social Security costs	615	476
Employer's pension contributions	86	66
	<b>7,142</b>	<b>5,501</b>

The number of employees whose emoluments fell within the range £70,000 to £80,000 during the year was one (2007/08; nil). The number of employees whose emoluments fell within the range £60,000 to £70,000 during the year was nil (2007/08; two)

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

## 8 Tangible fixed assets

	Freehold Land and Buildings £'000	NCN Centre Refit £'000	IT Equipment £'000	Plant & Machinery £'000	Total £'000
<b>Cost</b>					
At 1 April 2008	3,046	200	146	83	3,475
Additions	15	-	13	11	39
Disposals	(39)	-	(14)	(5)	(58)
At 31 March 2009	<u>3,022</u>	<u>200</u>	<u>145</u>	<u>89</u>	<u>3,456</u>
<b>Depreciation</b>					
At 1 April 2008	-	85	103	56	244
Charge for year	-	20	31	17	68
Property impairment	209	-	-	-	209
Disposals	-	-	(14)	(4)	(18)
At 31 March 2009	<u>209</u>	<u>105</u>	<u>120</u>	<u>69</u>	<u>503</u>
<b>Net book amount</b>					
At 31 March 2009	<u>2,813</u>	<u>95</u>	<u>25</u>	<u>20</u>	<u>2,953</u>
At 31 March 2008	<u>3,046</u>	<u>115</u>	<u>43</u>	<u>27</u>	<u>3,231</u>

Fixed assets held in restricted funds total £1.16m and comprise the National Cycle Network Centre (£1.00m), plus land holdings in Scotland, Yorkshire, and Derbyshire (£0.16m).

## 9 Debtors

	2009 £'000	2008 £'000
Trade Debtors	2,197	2,112
Sundry Debtors and prepayments	146	90
	<u>2,343</u>	<u>2,202</u>

## 10 Cash

The cash balances of £12,493k are made up of the following:

	2009 £'000	2008 £'000
<b>Unrestricted Balances</b>		
General funds held at the end of the financial year	7,155	9,914
<b>Restricted Funds</b>		
Construction and maintenance funds	547	527
DfT Links to Schools Restricted Fund	3,914	3,155
Celtic Trail Restricted Fund	-	1,160
Landfill Tax Credit Accounts – funds held for the future construction of 15 projects on the NCN	485	459
Other Restricted Funds	392	60
	<u>5,338</u>	<u>5,361</u>
<b>Total Cash Balances</b>	<u><u>12,493</u></u>	<u><u>15,275</u></u>

## 11 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	1,571	2,146
Tax and social security	381	300
Interest free loans from supporters for land purchase	167	170
Grants payable to partner organisations & other accruals	8,092	11,484
Deferred Income	1,470	1,254
Landfill Tax receipts in advance	485	459
	<u><u>12,166</u></u>	<u><u>15,813</u></u>

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

<b>Deferred Income (Inc Landfill Tax receipts in advance)</b>	2009 £'000	2008 £'000
Deferred income at 1 April 2008	1,712	2,033
Amounts released from previous years	(1,341)	(1,670)
Incoming resources deferred in 2008/09	1,584	1,349
Deferred income at 31 March 2009	<u><u>1,955</u></u>	<u><u>1,712</u></u>

## 12 Restricted funds

		Movement in resources			Balance 31
		Balance 1	Incoming	Outgoing	March 2009
		April 2008			
	Notes	£'000	£'000	£'000	£'000
Transfers from / (to) Unrestricted funds					
£'000					
<b>Infrastructure</b>					
<b>National Cycle Network</b>					
Consett & Sunderland Railway Path		226	20	(63)	-
Paisley to Kilwinning and Kilmacolm		-	4	(30)	26
York to Selby Railway Path		148	1	(23)	-
Worthington Railway Path - Derby		-	-	(56)	56
<b>Construction and Maintenance Funds</b>	(i)	374	25	(172)	82
Spen Valley Maintenance Fund	(ii)	-	10	(30)	20
Devon Viaducts Maintenance Fund	(iii)	1	1	(2)	-
The National Cycle Network Centre	(iv)	682	-	(31)	-
NCN construction funded by Landfill Tax Credits	(v)	-	114	(114)	-
Scottish Government funded NCN enhancement	(vi)	-	1,552	(1,552)	-
Welsh Assembly Government funded Celtic Trail	(vii)	-	651	(651)	-
Grants including Charitable Trusts	(viii)	-	142	(142)	-
Sculpture	(ix)	-	34	(34)	-
Volunteer Ranger Programme	(x)	-	82	(82)	-
National and Regional implementation	(xi)	-	105	(105)	-
Route User Monitoring	(xii)	-	415	(439)	24
		1,057	3,131	(3,354)	126
<b>Connect 2- part funded by Big Lottery Fund</b>	(xiii)	-	1,572	(1,578)	6
<b>Department for Transport funded Links to Schools</b>	(xiv)	-	3,344	(3,344)	-
		1,057	8,047	(8,276)	132
<b>Soft measures</b>					
<b>Active Travel</b>					
Active Travel England	(xv)	-	111	(177)	66
Active Travel Scotland	(xvi)	23	190	(188)	-
Active Travel Wales	(xvii)	-	272	(338)	66
Active Travel UK	(xviii)	-	-	(45)	45
Travel Actively - part funded by Big Lottery Fund	(xix)	11	438	(578)	129
		34	1,011	(1,326)	306
<b>Bike It</b>					
Bicycle Association / Cycling England / Local Authorities	(xx)	-	920	(960)	40
Cycling Demonstration Towns & City	(xxi)	-	-	(57)	57
Primary Care Trusts	(xxii)	-	-	(158)	158
Transport for London	(xxiii)	5	142	(160)	13
Travel Actively - part funded by Big Lottery Fund	(xxiv)	-	287	(550)	263
Welsh National Assembly / Bicycle Association	(xxv)	-	120	(121)	1
		5	1,469	(2,006)	532
<b>Liveable Neighbourhoods</b>	(xxvi)	-	124	(124)	-
<b>School Travel</b>					
School Travel Scotland	(xxvii)	-	1,970	(2,010)	40
School Travel Northern Ireland	(xxviii)	-	71	(126)	55
School Travel UK	(xxix)	-	155	(149)	(6)
		-	2,196	(2,285)	89
<b>Travel Actively- part funded by Big Lottery Fund</b>	(xxx)	-	2,565	(2,568)	3
<b>Travelsmart</b>					
Travel Actively - part funded by Big Lottery Fund	(xxxi)	-	772	(772)	-
Other projects	(xxxii)	-	13	(13)	-
		-	785	(785)	-
		39	8,150	(9,094)	930
		1,096	16,197	(17,370)	1,062
					985

- (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.
- (ii) The Spen Valley Maintenance Fund has been established with contributions from Kirklees Metropolitan Borough Council. In 2008 the Fund was converted into a creditor, making provision for future maintenance of the structures on the walking and cycling route on the previously disused railway line.

- (iii) Devon Viaducts – established with a lease of Easements, relating to 3 viaducts in Devon, with Devon County Council. The Fund is established to make provision for future maintenance of the 3 viaducts.
- (iv) In the financial year to 31 March 2004 the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. The payments shown here are non-capital expenditure. The full Millennium Commission grant was for £605,000, and now that the redevelopment of the building is complete has been drawn down in full.
- (v) The Charity is a registered 'Environmental Body' with Entrust, the regulator of the Landfill Tax Community Fund. The Charity has received funding through the scheme for construction of various projects on the National Cycle Network. During the year we received 2 grants from the Lancashire Environment Fund and 1 from BIFFA. We paid out the BIFFA grant and 2 others.
- (vi) Following on from the successful completion of works funded by the Scottish Executive / Scottish Government since 2002/03, the Charity was awarded a further grant of for 2008/09.
- (vii) Work was completed in 2008/09 of "phase 2" of the Celtic Trail in South Wales. This project brought together funding from a variety of sources including the Welsh Assembly and the Welsh European Funding Office. 11 (2008; 7) grants were paid out to partner organisations during the year totalling £1,811k. Funding for the Celtic Trail is received in advance and the value of the grants paid out during the year was higher than the income received. The creditor has decreased accordingly.
- (viii) We are grateful to all the Charitable Trusts from whom funding has been received during the year.
- (ix) During the financial year the Charity has worked on 3 (2008: 10) sculpture projects on the National Cycle Network. We are grateful to the Calouste Gulbenkian Foundation and the Wellcome Trust for their support of the Arts programme.
- (x) The National Community Volunteer Rangers Programme is now in its seventh year. We now have in place over 2,500 volunteers, who 'look after' sections of the National Cycle Network and liaise with local communities to encourage use of the Network through arranging events. The volunteer Ranger programme in Wales is funded by WCVA, and the Big Lottery Fund.
- (xi) Funding continued from the National Assembly for Wales towards the activities of the Charity within Wales.
- (xii) Sustrans' Research and Monitoring Unit has received funding from The Department for Transport and Scottish Government to continue measuring the usage of routes. A range of data sources are used. These include continuous cycle counters, route user surveys, manual user counts, other user surveys, and central government data sources.
- (xiii) Connect2 is a project made up of 79 schemes across the UK, aiming to solve problems of severance. This might mean building a foot or cycle bridge over a river or railway, creating a pleasant path that will become the first option people think of for shorter journeys in their area. Connect2 was one of the projects competing for a single £50 million pound grant from the Big Lottery Fund's "Living Landmarks: The People's Millions" competition. Connect 2 won the public TV vote in December 2007.
- (xiv) During the financial year the charity was awarded a grant of £3.5m from the Department for Transport for the continuation of its "Links to Schools" program. This project will provide links to over 300 schools.
- (xv) Active Travel programmes in Cornwall, Hyndburn, Luton and Milton Keynes which finished this year were funded by Active England.
- (xvi) The Active Travel project in Scotland has been funded by the Scottish Government.
- (xvii) In Wales the Active Travel programme has been made possible by funding from the Welsh Assembly and the Sports Council.



- (xviii) Active Travel is a project that aims to raise the profile of cycling and walking as a cost-effective form of health promotion. In England, the programme is supported by the Dept. of Health.
- (xix) Active Travel officers across England are funded through the Big Lottery Fund's Wellbeing programme, as part of the Travel Actively portfolio of projects. The project in Ashington is part funded by Northern Rock Foundation.
- (xx) Building on the outstanding success of Sustrans' Bike It project, piloted in 2004, the programme now employs 40 officers, five supervisors, one support officer and a national manager. Each officer works to promote cycling in 10 schools across England and Wales. The Bicycle Association, Cycling England and Local Authorities fund 18 officers in England.
- (xxi) The Cycling Demonstration Towns & City funding pays for 2 officers in England.
- (xxii) Primary Care Trusts fund 7 officers in England.
- (xxiii) Transport for London fund 2 officers in London.
- (xxiv) The BIG Lottery Fund's Wellbeing Programme, as part of the Travel Actively Portfolio and Local Authorities fund 9 officers in England.
- (xxv) National Assembly of Wales & Bicycle Association fund 2 officers in Wales.
- (xxvi) DIY Streets, part of our Liveable Neighbourhoods programme, funded with the help of Esmée Fairbairn Foundation, is a new project being piloted in 10 communities in the UK helping residents to redesign their own streets to make them safer and more attractive places to live.
- (xxvii) Our School Travel programme in Scotland has benefited from the support of the Scottish Government. The funding has enabled us to carry out training and support to the network of School Travel Co-ordinators and provide training to school champions. In addition we have been able to supplement the information service developed across the UK with Scotland-specific case studies, newsletters and information sheets. Another key area of work developed with this funding has been policy and partnership work with key national organisations in Scotland and the Scottish Government.
- (xxviii) Northern Ireland Schools is funded under the Northern Ireland Programme for Building Sustainable Prosperity, European Structural Funds 2000-2006. The project aims to work with a number of schools across Northern Ireland to produce school travel plans and reduce the number of car journeys made to those schools.
- (xxix) School Travel is a national project run by Sustrans to encourage safe cycling and walking to school. The programme has been supported by the Department for Transport and a small number of Charitable Trusts.
- (xxx) Grants paid to our Partners in the Big Lottery Fund's Wellbeing programme, as part of the Travel Actively portfolio of projects.
- (xxxi) TravelSmart projects in Watford, Exeter and Lowestoft are part-funded by the Big Lottery Fund's Wellbeing programme, as part of the Travel Actively portfolio of projects.
- (xxxii) TravelSmart works with households offering tailor-made information and support, enabling people to walk, cycle and use public transport more often. It delivers measurable and sustained reductions in car use by enabling people to make a few changes to their daily travel choices when and where it suits them best. This year a TravelSmart project in Inverness was funded by the Scottish Government.

# 13 Restricted income by major funding source

	Total	Big Lottery Fund: ATC	Big Lottery Fund: Connect 2	DTT: Links to Schools	DTT: other	Scottish Govn.	Welsh Assembly	Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Infrastructure</b>								
<b>National Cycle Network</b>								
Consett & Sunderland Railway Path	20							20
Paisley to Kilmanning and Kilmacolm	4							4
York to Selby Railway Path	1							1
Worthington Railway Path - Derby	-							-
Construction and Maintenance Funds	25							25
Spenn Valley Maintenance Fund	10							10
Devon Viaducts Maintenance Fund	1							1
The National Cycle Network Centre	-							-
NCN construction funded by Landfill Tax Credits	114							114
Scottish Government funded NCN enhancement	1,552					1,552		
Welsh Assembly Government funded Celtic Trail	651						651	
Grants including Charitable Trusts	142							142
Sculpture	34							34
Volunteer Ranger Programme	82					26	34	22
National and Regional implementation	105						105	
Route User Monitoring	415		13	108	63	233		
	3,131	-	13	108	63	1,811	790	348
<b>Connect 2- part funded by Big Lottery Fund</b>	1,572		1,572					
<b>Department for Transport funded Links to Schools</b>	3,344			3,344				
	8,047	-	1,585	3,450	63	1,811	790	348
<b>Soft measures</b>								
<b>Active Travel</b>								
Active Travel England	111							111
Active Travel Scotland	190					190		
Active Travel Wales	272						173	99
Active Travel UK	-							-
Travel Actively - part funded by Big Lottery Fund	438	438						
	1,011	438	-	-	-	190	173	210
<b>Bike It</b>								
Bicycle Association / Cycling England / Local Authorities	920				920			
Cycling Demonstration Towns & City	-							-
Primary Care Trusts	-							-
Transport for London	142							142
Travel Actively - part funded by Big Lottery Fund	287	287						
Welsh National Assembly / Bicycle Association	120				40		80	
	1,469	287	-	-	960	-	80	142
<b>Liveable Neighbourhoods</b>	124							124
<b>School Travel</b>								
School Travel Scotland	1,970					1,970		-
School Travel Northern Ireland	71							71
School Travel UK	155				100			55
	2,196	-	-	-	100	1,970	-	126
<b>Travel Actively- part funded by Big Lottery Fund</b>	2,565	2,515		50				
<b>Travelsmart</b>								
Travel Actively - part funded by Big Lottery Fund	772	772						
Other projects	13					13		-
	785	772	-	-	-	13	-	-
	8,150	4,012	-	50	1,060	2,173	253	602
	16,197	4,012	1,585	3,500	1,123	3,984	1,043	950

## 14 Designated funds

	Notes	Balance 1 April 2008 £'000	Incoming £'000	Outgoing £'000	New designations £'000	Balance 31 March 2009 £'000
Land acquisition fund	(i)	300	156	(109)	(47)	300
Long-term Maintenance fund	(ii)	800	-	(755)	955	1,000
Fixed asset fund	(iii)	2,050	57	(314)	-	1,793
		<u>3,150</u>	<u>213</u>	<u>(1,178)</u>	<u>908</u>	<u>3,093</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 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 31 March 2009, 12,460 miles of the Network were completed.
- (ii) Owing to the continuing success of the National Cycle Network and the consequent increase in distance 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 to the extent that they are not funded in other ways. This fund is in addition to the Restricted funds identified in Note 13(i) to these accounts. The trustees note expenditure of £755k in the year in this Designated Fund together with expenditure in the Restricted Funds (see Note 12(i)) of £172k. The trustees have created new designations totalling £955k in the year.
- (iii) 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. Fixed assets held in restricted funds total £1.16m (please see the Balance Sheet), and comprise the National Cycle Network Centre (£1.00m), plus land holdings in Scotland, Yorkshire, and Derbyshire (£0.16m). The decrease in the fixed asset fund over the year arises from the net decrease in unrestricted tangible fixed assets during this period.

## 15 Unrestricted funds

The unrestricted funds of the Charity have increased in the year to £1.5m. This represents approximately 8.9 weeks of unrestricted expenditure (£174k per week) at current levels of activity. 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 Movement of funds

	Unrestricted	Designated	Total	Restricted	Total 2009	Total 2008
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April	648	3,150	3,798	1,096	4,894	4,200
Net incoming/(outgoing) resources	2,867	(965)	1,902	(1,173)	729	694
Transfer/new designations	(1,970)	908	(1,062)	1,062	-	-
At 31 March	<u>1,545</u>	<u>3,093</u>	<u>4,638</u>	<u>985</u>	<u>5,623</u>	<u>4,894</u>

The transfers totalling £1,062k into Restricted Funds are explained in Note 12. The trustees created new designations totalling £908k. Explanations of these new designations are included within Note 14 to these accounts.

## 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 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other Assets	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Expiring within one year	5	10	38	16
Expiring within one to five years	160	129	-	-
Expiring in more than five years	31	-	-	-
	<u>196</u>	<u>139</u>	<u>38</u>	<u>16</u>

## **19 Legal Charges**

Over a number of years Sustrans acquired disused railway lines in England which were covered by a fixed charge in favour of the appropriate authority. The legal charges in existence are as follows:

- Land situated at Naburn, Escrick and Riccall, North Yorkshire is covered by a fixed charge in favour of Selby District Council
- 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.

We received a grant of £605k from the Millennium Commission towards the acquisition of the National Cycle Network Centre. A fixed charge over this building was added to the existing Debenture in October 2005.