

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Sustrans Limited
(A company limited by guarantee)

Annual report and financial statements for the year ended 31 March 2020

Registered Company Number: 1797726

Registered Charity Number: 326550
SC 039263 (Scotland)



Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Contents

Legal and administrative information	3
Report of the Trustees	5
Independent auditors' report	26
Statement of financial activities	29
Balance sheet	30
Statement of cash flows	31
Notes to the financial statements	32

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Legal and administrative information

Sustrans Limited is a company limited by guarantee and a registered charity governed by its Articles of Association. Sustrans Limited operates under the working name 'Sustrans'.

Registered office

2 Cathedral Square, Bristol BS1 5DD

Charity Number:

326550 (England and Wales)

SC039263 (Scotland)

Company Number:

1797726

Trustees and Directors

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

Lynne Berry	Chair
Helen Simpson (AR)	Vice Chair
Claire Addison (AR)	(resigned 18/09/19)
Edward Condry (E)	
Horace Carter-Allen (AR)	(appointed 06/01/20)
Mark Edgell (AR)	(resigned 15/11/19)
Moray Macdonald (FP)	(appointed 06/01/20)
Catherine Max (AR)	
Stuart Mills (FP) (E)	
Heather Preen (E) (AR)	(appointed 06/01/20)
Oliver Reichardt (FP)	
Frank Swinton (FP)	(appointed 06/01/20)
Fiona Westwood (FP)	

AR = Audit and Risk Committee

FP = Finance and Performance Committee

E = Estates Committee

Company Secretary

Andy Appleby

Executive Directors

Xavier Brice	Chief Executive Officer
Steve Brooks	Executive Director of External Affairs
Susie Dunham	Executive Director of Development
Harry Hayer	Executive Director of People and Organisational Development
John Lauder	Deputy Chief Executive Officer
Sujata McNab	Executive Director of Finance, Governance and Resources
Matt Winfield	Executive Director for England

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Independent auditors

Crowe U.K. LLP
Lypiatt Road, Cheltenham GL50 2QJ

Solicitors

Anthony Collins Solicitors LLP
134 Edmund Street, Birmingham B3 2ES

Veal Wasborough Vizards LLP
Narrow Quay House, Narrow Quay, Bristol BS1 4QA

Burness Paull LLP
50 Lothian Road, Edinburgh EH3 9WJ

McCartney Stewart
1B Paisley Road Renfrew PA4 8JH

Main banker

Lloyds Bank plc
Bristol City Centre Branch, PO Box 1000, BX1 1LT

Other bankers

HSBC Bank plc
3 Temple Quay, Bristol BS1 6DZ

Santander UK plc
12 Baldwin Street, Bristol BS1 1SD

Triodos Bank
Deanery Road, Bristol BS1 5AS

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Report of the trustees

About us

Sustrans is the charity making it easier for people to walk and cycle. We connect people and places, create liveable neighbourhoods, transform the school run and deliver a happier, healthier commute. Sustrans works in partnership, bringing people together to find the right solutions. We make the case for walking and cycling by using robust evidence and showing what can be done. We are grounded in communities and believe that grassroots support combined with political leadership drives real change, fast.

Public benefit

In setting our aims and objectives, carrying out our activities, and reporting on our achievements, we have complied with the requirements of the Charities Act to have due regard to public benefit guidance published by the Charity Commission. The remainder of this report describes how Sustrans has planned and delivered its public benefit.

Strategic report

Our aims and objectives

Our purposes, aims and strategy

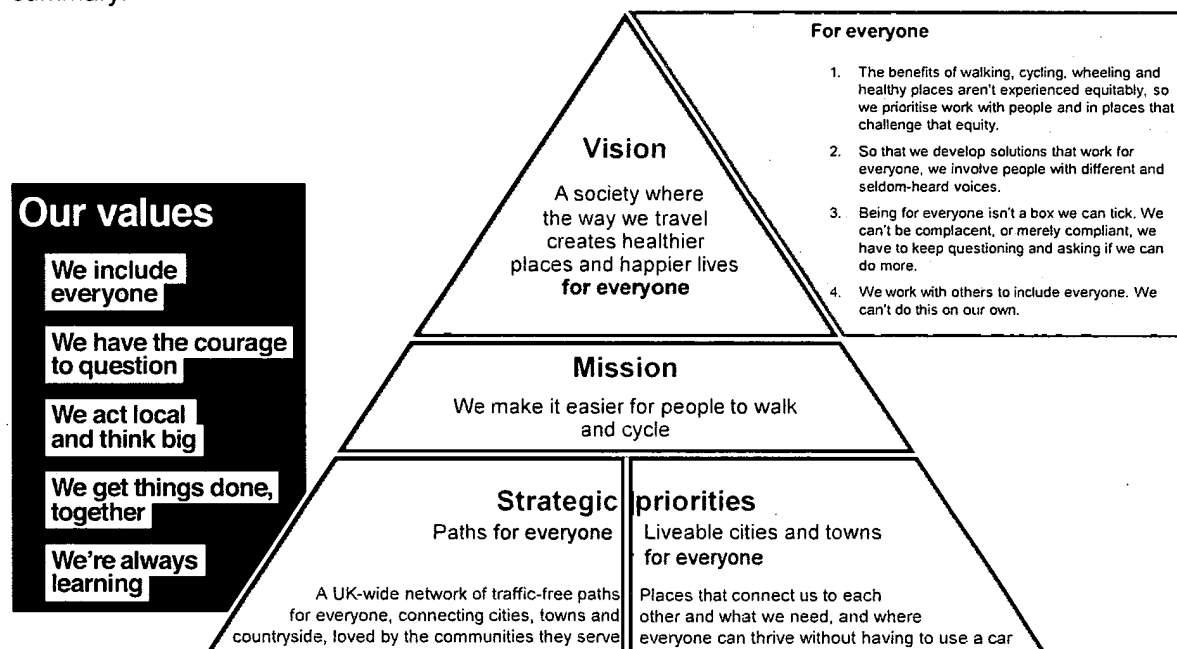
Sustrans' charitable objects, as set out in our articles of association, are

- to promote and encourage, both in the U.K. and overseas, for the public benefit the development in the community and the provision of safe routes, paths and facilities for cycling, walking and other forms of low energy transport and
- to undertake and carry on projects and activities of a charitable nature which will assist in promoting healthy recreation, the protection of the environment and the conservation of energy resources.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

In November 2019 we finalised our five year strategy for 2020-2025. The diagram below is a visual summary.



Our mission is simple: to make it easier for people to walk and cycle. This is in service of a greater vision which ties right back to our charitable objects, defined over 40 years ago and still relevant today. **Our vision** is of a society where the way we travel creates healthier places and happier lives for everyone.

Central to our vision is the idea of **'For Everyone'**. This is about ensuring that the benefits of walking and cycling are enjoyed by everyone equitably.

We know that people, individually, benefit from walking and cycling, and society overall benefits when more of us are walking and cycling. But those benefits are not enjoyed equitably. Making it easier for people to walk and cycle leads to healthier places and happier lives, but not currently for everyone.

Some people are more likely to experience the negative impact of others' travel choices. They face greater barriers to walking, cycling, wheeling and accessing pleasant, healthy places.

If you're physically inactive, depressed, don't have access to a car and the place where you live is polluted and congested, then it being easier to walk, cycle, scoot or wheel, with fewer cars in your neighbourhood, will make a big difference to you.

To guide our work and embed 'For Everyone' in the impact we have, we have set four For Everyone principles:

1. The benefits of walking, cycling, wheeling and healthy places aren't experienced equitably, so we prioritise work with people and in places that challenges that inequity.
2. So that we develop solutions that work for everyone, we involve people with different and seldom-heard voices.
3. Being For Everyone isn't a box we can tick. We can't be complacent, or merely compliant; we have to keep questioning and asking if we can do more.
4. We work with others to include everyone. We can't do this on our own.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Principle 1

The benefits of walking, cycling, wheeling and healthy places aren't experienced equitably, so we prioritise work with people and in places that challenges that inequity.

So, we will work:

- For the benefit of people whose lives are made most unhappy by how we travel;
- In places that have the most potential to be healthier by changing how people travel through them;
- With people whose travel behaviour has a significant impact on the places and people around them; and the partners and organisations that can influence that behaviour.

Principle 2

So that we develop solutions that work for everyone, we involve people with different and seldom-heard voices.

So, we will:

- Go the extra mile to understand the context;
- Bring beneficiary voices in early;
- Create inclusive places; for example, no steps on the Network.

Principle 3

Being for everyone isn't a box we can tick. We can't be complacent, or merely compliant; we have to keep questioning and asking if we can do more.

So, we will:

- Seek feedback / open ourselves up to criticism – ensure our platforms allow opportunities for two-way communication, not just broadcast;
- Go beyond our legal responsibilities in recruitment to achieve a more diverse workforce;
- Work in accordance with the public sector equality duty – even when it doesn't apply to us.

Principle 4

We work with others to include everyone. We can't do this on our own.

So, we will:

- Develop more mutually beneficial partnerships, where we maximise opportunities to learn from each other;
- Take a more active role in convening others and bringing together different perspectives to co-create solutions;
- Challenge and raise the ambitions of our partners, and encourage the same challenge from them.

For Everyone is a cross-cutting strategic theme that is central to both our strategic priorities: Paths for Everyone and Liveable Cities and Towns for Everyone, as well as how we work internally as a charity.

For Everyone is at the heart of our five **values** that guide us in everything that we do:

- We include everyone
- We have the courage to question
- We act local and think big
- We get things done, together
- We're always learning

Our **two strategic priorities** are how we will achieve our mission, and ultimately our vision.

The first of these is **Paths for Everyone**. It was clearly defined in 2018 following our wide-ranging and collaborative review of our role as custodian of the National Cycle Network.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

As custodians of the National Cycle Network (NCN), Sustrans has a responsibility to steward this iconic national asset so that more and different types of people can enjoy it, today and into the future. Working with our supporters and volunteers, and partners across government and the public sector, and other charities we set a shared goal for the Network:

Our goal is to develop a UK-wide network of traffic-free paths for everyone, connecting cities, towns and countryside, loved by the communities they serve.

It has taken over 20 years to deliver 5,000 miles of traffic free infrastructure; we have now set ourselves, and our partners, the target of doubling this by 2040: over 10,000 miles of traffic-free or segregated routes. The remainder of the Network will be turned into quiet-way routes, where speed limits are low, and walking and cycling can take priority. Where there is no other solution to improving the Network, as a last resort, we will de-designate sections. By 2040 the entire Network will be of a good or very good standard.

Through increasing the number of traffic-free routes, reducing speed limits, redesigning/removing all barriers, improving signage and wayfinding, the Network will become safer and more accessible for everyone. It will better meet the needs of those who are disabled or less physically active, women, new cyclists, children, parents with buggies, wheelchair users, and many more people beyond. Fundamentally, we want to make it easier and more enjoyable for more and different people to use the Network.

Our second priority is creating **Liveable Towns and Cities for Everyone**. This was developed during 2019/20. Since 1977, Sustrans has been leading the campaign to tackle car dominance on our streets, and we have been at the forefront of offering millions of people across the country sustainable and active alternatives to the car. Yet over the last four decades, car ownership and traffic levels in our cities and towns has continued to grow. We know this cannot continue. The climate crisis gives us just a decade to radically transform how we move. The solution is simple: we need fewer vehicles on our streets, and more people walking, cycling, scooting and wheeling everyday journeys.

Our goal is to help shape places that connect us to each other and what we need, and where everyone can thrive without having to use a car.

To achieve that goal over the next five-years we will:

- Raise ambition for change by enabling and encouraging ambitious leadership by urban leaders and governments; providing the mandate for bringing about the change that needs to happen. We will bring stakeholders with different backgrounds and agendas together to question the status quo.
- Demonstrate change by putting our experience, expertise and evidence into practice, and work with others to make it easier for people to walk and cycle. We demonstrate what is possible by providing the opportunity for people to see, experience and be inspired.
- Amplify voices for change by working with local communities to help them shape their areas and engage citizens and stakeholders in asking for the change we want to see. We will ensure that those disadvantaged by the status quo have their voice heard in demanding change.
- Provide a credible voice in shaping the future of cities and towns.

Over the years, Sustrans has pioneered work to improve the walkability and cycle-friendliness of our towns and cities. Working with our supporters, partners and the wider public we have developed a set of principles for what makes a town or city more liveable for everyone:

- Has social connection at its heart
- Has most of what you need just a short walk away
- Has roots and celebrates its unique character

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

- Is easy for everyone to move around healthily in
- Has clean air and green space for all to live and play in

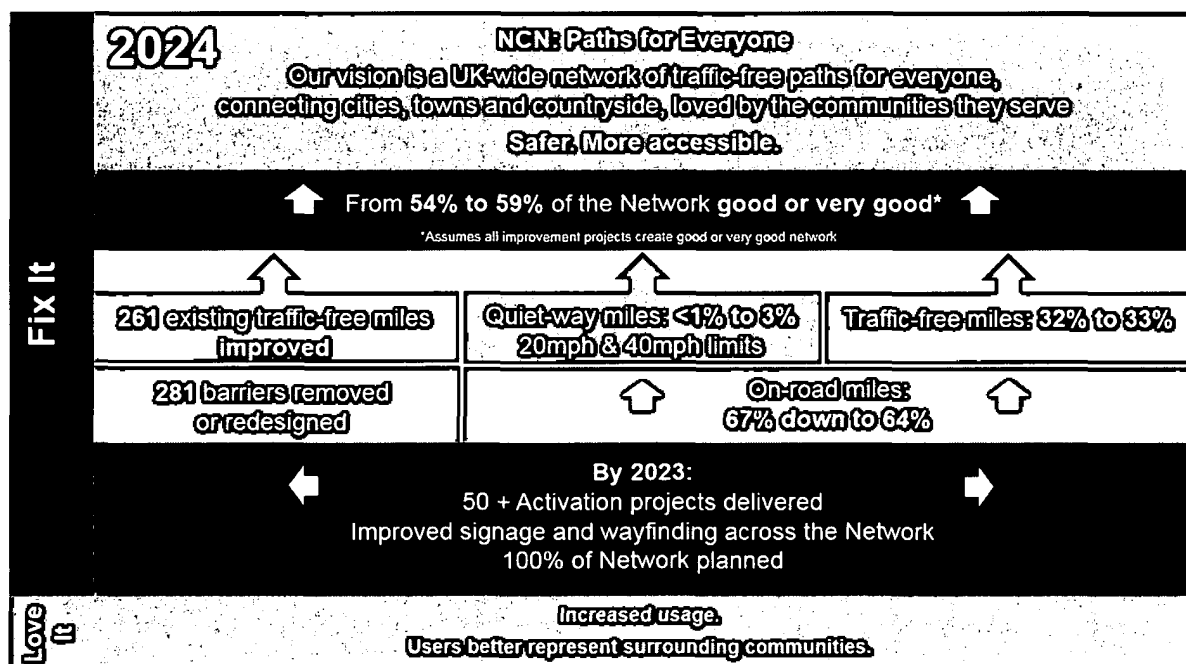
Achieving our goals, from the overarching vision, down to the goal for each strategic priority will further our legal objects, providing safe facilities for walking and cycling, and other forms of low-energy transport, whilst also promoting healthy recreation, the protection of the environment and the conservation of energy resources.

Our 2019/20 business plan objectives and targets

Impact against our two strategic priorities

In 2019/20 our two main objectives were to develop our new liveable cities and towns priority – as outlined above – and to start to deliver on the ambitions set out in our 'Paths for Everyone' report, which was published in November 2018.

We defined five-year targets for the Network, which include our published 2023 ambitions, as set out in the 'Paths for Everyone' report:



Delivery of these targets is through specific projects owned by teams across Sustrans and is covered in achievements and performance below.

Ensuring financial sustainability

As part of our financial strategy, we have committed to diversifying our income streams, and increasing our charitable income so that we can deliver more of what we want to do as a Charity. We also agreed that where we are delivering consultancy-type projects we will seek to ensure that we maximise surpluses to reinvest into our charitable objectives. Both of these areas of focus formed part of our income generation strategy, which was developed in 2019/20.

Enabling assets and capabilities

We also focussed on developing the assets and capabilities that we needed to have in place to deliver in our longer-term strategy, to live our values and to realise our vision. This has meant

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

developing new strategies around our brand, our estate, IT and income generation, and continuing to develop how we measure the impact that we are having.

How we deliver our objectives

We deliver our objectives through a number of different types of activity.

We manage grant programmes to fund partner organisations to deliver their own walking and cycling projects. The policy of grant awards is to invest in projects that fit within Sustrans' strategic vision and objectives and are able to clearly demonstrate impact and value. We have specific written procedures for each of our grant programmes, which reflect our funders' requirements and the objectives of the grant programme. These procedures are guided by our own governance arrangements and our delegated authority framework. All of our grant award procedures include a robust application process, and rigorous assessment through an appropriately skilled and representative advisory panel. Formal funding agreements are in place for all approved grant awards.

We have quality assurance processes in place to ensure that schemes which are funded through our grant programmes meet our specifications and quality standards. In some cases, we also advise and support the design and delivery of projects that benefit from grant funding that we provide.

We also carry out projects with and on behalf of partner organisations. These projects range from working with communities to design solutions to make it easier for them to walk and cycle, conducting feasibility studies for infrastructure proposals, providing advice to partners, and helping enthuse and educate children around the benefits of walking and cycling as part of daily life.

We conduct research and carry out studies to demonstrate the impact of interventions to make it easier for people to walk and cycle; both our own projects and those of partner organisations. This in turn helps to improve the impact of those projects.

We work to influence government policy and funding for walking and cycling at all levels in the UK, including the UK Government, the devolved national governments, city regions, combined authorities, and local authorities.

We also promote walking and cycling to the general public, including the National Cycle Network which we are custodians of. We do this directly ourselves and increasingly through partner organisations.

We also manage our own estate, which carries sections of the National Cycle Network. These are managed to make it easy for people to walk, cycle and enjoy them, and also as ecological sites.

Our people

Sustrans is committed to reducing inequality, valuing diversity, enabling inclusion, and ensuring all people are treated with dignity and respect. We believe that these are essential attributes of any Charity that seeks to promote valuable and lasting change in our society.

The majority of our activity is carried out by our employed workforce. At March 2020 we employed 666 people. This represents a growth of 18% compared to the previous year.

Our staff are based across the UK, with 80% working from 14 office-bases and 20% working remotely. Approximately 35% of staff are on fixed-term contracts aligned to time-limited funding. Our female:male ratio is 51:49. 7.5% of staff have a self-reported disability and 6% of staff are non-white.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

7% of staff are LGBTQ.

We have much more to do to improve the diversity of our workforce. We have active Equality Diversity and Inclusion groups across the Charity, and they will be closely involved as we look to accelerate the embedding of our For Everyone Principles through 2020 and beyond.

In September 2019 we asked our staff 20 questions about their experience as a member of staff at Sustrans. The results from the survey are extremely positive. The 'employee net promoter score' (eNPS) examines the question 'how likely are you to recommend Sustrans as a place to work?' and gives an indication of levels of engagement within the workforce. Our eNPS increased from +22 (2017) to +36 (2018) to +39% (September 2019), putting Sustrans in the top third of all employers in all sectors for staff experience and engagement. The Happiness Index, who administered the survey, see an average of +5% across organisations.

We also deliver our objectives through over 3,500 volunteers who give their time and energy to educate and inform the general public about walking and cycling, to help maintain and promote the National Cycle Network, and in support of many of our projects in towns and cities across the UK.

During the last financial year volunteers recorded over 34,000 hours for Sustrans.

Our volunteers, alongside our staff, partners, community groups and supporters play a key role in actively enabling both our strategic priorities. Contributing to our mission we know their involvement has a direct impact on our key outcomes of stronger social connection, improved physical health and improved wellbeing.

Our 2020 national volunteer survey reported the outcomes volunteering for Sustrans has directly on our volunteers:

- 39% feel closer to their community (59% no change)
- 33% increased their physical activity (66% no change)
- 34% improved their wellbeing (66% no change)

Our 2020 national volunteer survey reported a significant improvement in the Net Promoter Score- How likely are you to recommend Sustrans to friends and family as a good organisation to volunteer for? This score has risen by 8% in two years since the last survey in 2018, from a negative score of -6% to +2%. Further analysis identifies the relationship between this improved engagement against feeling more valued, informed, and being provided a clear vision and direction by Sustrans.

Our 'What makes a happy volunteer' report, published January 2020, provides a detailed analysis to see what Sustrans needs to do to get a more positive engagement score in the future and improve the proportion of volunteers who report increased physical activity, wellbeing and sense of community as a result of volunteering.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Our achievements and performance

Paths for Everyone

In 2019/20 we have made real, tangible progress on realising our Paths for Everyone vision.

Working with partners we have delivered 9 activation projects across the year, and secured funding for nearly all of the 55 projects outlined in our report back in November 2018 (at which time only a handful had funding). Like the National Cycle Network, the completed projects cover the breadth of the UK. Our first was in Ledaig on the west coast of Scotland; a new stretch of traffic-free greenway connecting the rural communities of North Connel and Benderloch, Argyll and Bute, and improving the popular trans-Scotland visitor route, the Caledonian Way. This was made possible through grant funding from Transport Scotland. The second was a new two-mile off-road route connecting the towns of Haverfordwest and Narbeth in Wales. More recently we opened an improved section of traffic-free route on the white cliffs between Dover and Folkestone in Kent, made possible with funding by Highways England and delivered in partnership with the National Trust.

We have also made it easier for people to see where the Network goes, by moving from a sub-optimal map on our website to detailed and rigorous Ordnance Survey mapping.

We partnered with the supermarket Asda to reach a broader number of potential users for the Network, through their 'Tour de Fun' summer promotion, aimed at families holidaying at home, where selected family-friendly routes were highlighted to help people get active close to where they live.

Paths for Everyone – year 1 performance

Ref	Metric	2019/20 performance
1	Number of existing traffic-free miles improved	21 miles
2	Number of on-road miles to traffic-free delivered	17 miles
4	Number of barriers re-designed or removed	31
5	Total network miles planned	2,487
6	Improved % of network categorised as good or very good	Unable to track consistently due to delays in finalising new ArcGIS mapping system.
7	Improved prompted recognition of the National Cycle Network	Reduced to 23%.
8	Improved recognition of Sustrans as the charity behind the National Cycle Network	Maintained at 42%

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Liveable Cities and Towns

In 2019/20 we successfully defined our Liveable Cities and Towns priority – as outlined in the strategy section above. We did this through engagement with multiple stakeholders, including our beneficiaries – citizens in towns and cities. We've also delivered impact through urban projects in cities and towns across the UK, raising ambition for change, demonstrating change and amplifying voices for change.

In the West Midlands we showed we could make a real difference to the lives of some of the most lonely and isolated older people in Tyburn. Our Age Friendly Tyburn audit report was described as "an exemplar of best practice in terms of how to engage a community in auditing their local built environment and how to produce a comprehensive document capable of garnering wide support for its implementation."

In the North West we have worked with residents, Transport for Greater Manchester, and Manchester City Council to reduce the negative impact of vehicle traffic in local streets in Levenshulme. In Liverpool we have worked in partnership with the Freshfield Trust to improve streets around schools, with temporary road closures and permanent changes, co-created with pupils and local residents, making it easier for children and their families to walk and cycle to school.

In Scotland we have worked with Transport Scotland, local authorities, Scottish Canals, and a range of other partners to change the nature of urban space. We delivered a variety of infrastructure and 'smarter choices' work across each of our nine focus cities and towns, as well as in other communities. Places for Everyone is Scotland's primary grant-making vehicle for active travel infrastructure, with multi-year, multi-million pound projects active in 2019/20 in eight of the nine focus cities and towns. In 2019/20, grants have been awarded for 282 projects, across 106 partners. While we have experienced some delays to our delivery of these projects due to COVID-19 restrictions, we have continued to deliver our impact across Scotland. Award winning Street Design and Pocket Places projects in Glasgow and Stirling delivered improved social connections and enhanced liveability, in areas of high deprivation, through extensive citizen engagement and co-design. The Communities team engaged residents in areas of high deprivation in Edinburgh with active travel projects, and has successfully delivered e-cargo bikes for last-mile deliveries in multiple settings in Edinburgh, Aberdeen and Inverness. I Bike, our Active Travel Hubs, and workplaces engagement all amplified voices for change, improved liveability, and helped make it possible for everyone to meet their daily needs without having to rely on a car.

In Northern Ireland we completed the successful EU Interreg project CHIPS (Cycle Highways Innovation Project) programme, achieving high participation and attracting attention through successful delivery of Cycle to Work Day, Active Travel Challenge and Awards Ceremony, and Work Place Champions event.

Our biggest ever Big Pedal

This year our UK-wide inter-school active travel competition saw almost 2,300 schools taking part, and over 750,000 pupils logging 3.8m journeys from Penzance to the Isles of Skye. This was combined with the biggest ever coordinated School Streets programme in the UK. We closed streets to traffic – and opened them to children – at 40 schools over the two week period. Together with a survey on teacher's attitudes to banning cars outside schools (they want to) this drove significant press coverage – every daily newspaper, numerous TV slots, and substantial social media interest. Where we did open up streets to children it also helped create a better environment for them and their parents to get to school on foot, scooter or cycle. This has not been about us coming up with radical new solutions or doing this alone. This speaks to our value of 'getting things done together'. School Streets was not invented by us but we have used our local relationships with schools, local authorities and communities, a partnership with the charity Playing Out, and leveraged our existing Big Pedal brand to spread them across the UK.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Policy and influencing successes to make it easier for everyone to walk and cycle

A lot of our policy and influencing work is done behind the scenes and with other organisations. There have been some notable achievements across the UK to progress our agenda and our Charitable Objects but we cannot claim sole credit. Partnership is key.

In May this year the UK government announced the intention to spend £2bn on active travel in England. This represents a step-change in investment for our agenda. We worked closely with partners in the Walking and Cycling Alliance: an informal group of active travel NGOs to influence the government at the highest level, building on many years of tireless policy work and relationship building.

In Wales we helped provide the evidence that resulted in the decision to not build the M4 relief road, including working with the Future Generations Commissioner, New Economics Foundation and University of West of England to publish a 'Transport Fit for Future Generations' report detailing how the £1.4bn could be better spent on active travel and public transport.

In Scotland we have helped shape the second Strategic Transport Projects Review (STPR2) and continue to make the case for continued long-term investment in walking and cycling. We have also helped Transport Scotland shape the nation's Active Travel Framework which provides an integrated policy approach to improving the uptake of walking and cycling.

Not all of our work here is behind the scenes. In 2019 we published our third series of the Bike Life reports. This includes the largest attitudinal survey to walking and cycling in the UK, and is developed in conjunction with 13 cities across the UK and Ireland – with the inclusion of Dublin for the first time this year. This rigorous work is co-funded by the cities and made possible through long-term funding support from the Freshfield Foundation. This year the report found that over half of city residents agree that there are too many people driving in their area, and well over half agree that restricting through-traffic on local residential streets would make their area a better place to live and work.

Our response to COVID-19

Shortly after agreeing our new Business Plan for 2020-25, Sustrans, and the whole of UK society was turned upside down by the COVID-19 pandemic.

We prioritised the safety and wellbeing of our employees and volunteers and worked closely with our partners as we all adapted to lockdown and new ways of working. By the end of the first week of lockdown 96% of the Sustrans workforce were working from home. Throughout the pandemic the number one objective has been ensuring that we look after ourselves and each other and stay safe.

Covid-19 did affect our ability to deliver the impact we had planned for the year. Restrictions on travel and construction has resulted in projects being delayed, and the closure of schools meant our school-based engagement activity switched to on-line support and activities. But we have kept working, and our teams have kept making a difference, including working with partners to help ensure that the UK Government continued to allow cycling and walking through lockdown and that cycle shops remained open. We have looked after Sustrans but also looked out to support wider society at a time of need.

In light of the Covid-19 situation, the Trustees believe that the Charity's financial resources and contingency planning is sufficient to ensure the ability of the Charity to continue as a going concern for the foreseeable future and therefore the financial statements have been prepared on this basis.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Fundraising

In addition to our funded work, Sustrans relies on voluntary income and retail sales to achieve its mission. Our main source of voluntary income is from individual donors, in particular our loyal base of regular givers, the majority of whom we recruit face to face on the National Cycle Network. In 2019/20 we were able to increase the number of active donors to 34,000 whilst maintaining an overall attrition rate of 9% on our regular giving file. We also achieved an increase in the average monthly gift for existing and new regular givers. This year we ran our face to face activity year round, rather than closing down over the winter as had previously been the case, readying ourselves for expansion and investment for growth. In addition, we ran two fundraising appeals, with our winter appeal being a digital only test appeal. We successfully tested across social channels and emails, achieving targets and gaining learning for future activity.

Our face to face fundraising was, of course, affected by the COVID-19 pandemic. Since mid-March we have been unable to carry out our normal fundraising activities. We are looking to reinstate these as soon as practically and safely possible. We have included an estimate of the impact of this cessation of activity in our financial forecasts. Fortunately, the loyalty of our supporters is likely to protect us from any significant financial impact in this regard. The renewed interest in our agenda as a result of the uptake in walking and cycling during the pandemic will also provide us with an opportunity to reach out to new and different potential donors.

Our legacy income continues to grow with only a small percentage of legacies coming from our notified pledges, showing there is room for growth in the medium term with a modest amount of investment. We were successful in securing restricted donations from a number of grant making trusts and major donors and are re-focusing our efforts in these areas of fundraising to deliver growth in line with our fundraising strategy. Despite performance issues after an upgrade, our online retail shop remains a key income stream. Engaging with an audience distinct from our donors, we received 14,000 orders in 2019/20. Our pocket maps range continues to see an increase in sales and net profit.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Streamlined Energy and Carbon Reporting (SECR)

Sustrans is committed to the continuous improvement of its environmental performance, as part of our overall goal of implementing the principles of sustainable development in all areas of our work. Sustrans is committed at the very least to compliance with applicable governmental requirements, and in addition we will optimise resources and go on investigating ways of reducing resource use and minimising environmental impact. We will also encourage our partners and suppliers to do the same.

Our aim is to ensure that environmental objectives are integrated into relevant business objectives in a cost-effective manner. Sustrans wishes to set standards of environmental best practice above and beyond relevant legislation in all its activities throughout the organisation within the resources available.

2019/20 is the first year that the data in the table below has been reported. Fuel used has been collated from expenditure records and converted to emissions using standard UK Government conversion factors.

	Fuel used (kWh)	Conversion factor used	Associated Greenhouse gas emissions (KgCO ₂ e)
Electricity (kWh)	270,698	0.23314	63,111
Natural gas (kWh)	66,130	0.18387	12,159
Fuel for vehicles and site equipment (kWh)	431,323	0.24057	103,763
	768,151		179,033
FTE staff			536
Intensity ratio - Emissions per FTE			334
UK energy use covers all of the charity's activities. Energy used in employee commuting, business travel, outsourced activities and disposal of waste is excluded. Associated Greenhouse gases have been calculated using the UK Government GHG Conversion Factors for Company Reporting. In the reporting period all staff and volunteers were encouraged to travel in a sustainable way wherever practical. Employees walk and cycle wherever practicable, longer journeys are by train, with car, taxi and air used only by exception.			

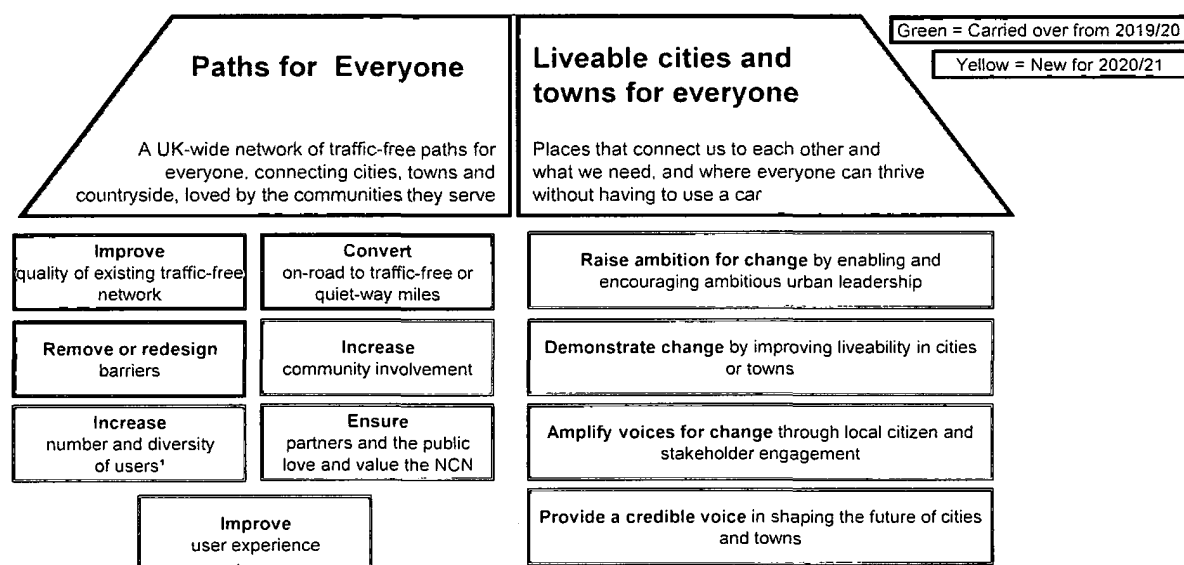
Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Our plans for the future

Business plan 2020-25

We entered the financial year 2020/21 with clear objectives under both our strategic priorities, as shown below. Behind these sit detailed plans for all of our directorates, and a refreshed set of enabling priorities to help us deliver our objectives.



Planning for a 'new normal' post COVID-19

Given the impact of COVID-19 we re-evaluated our business plan in what, remains a rapidly changing and challenging environment. We concluded that our objectives were as relevant and important as ever; however, we are recalibrating our 2020/21 targets to take into account the significant changes brought about by the pandemic. Our ambitions remain high, and we believe we have an even more important contribution to make to UK society.

The pandemic is leading nearly everyone and all organisations to a 'new normal'. We had planned to examine and improve our operating model in 2020/21. The impact of COVID-19 and the lockdown it led to has been to accelerate this work. The financial outlook is more challenging whilst the relevance of our agenda has increased. At the same time we have adapted quickly to very different ways of working, with our offices little used. The need for increased clarity, agility, financial resilience and sustainability, whilst delivering the impact set out in our strategy is greater than ever. So alongside responding to a rapidly changing business-as-usual, improvements to our operating model are at the heart of a comprehensive sustainability and impact plan.

Accelerating 'for Everyone'

Our For Everyone principles are good and strong, and underpin our strategy. Developed in May 2019 they have underpinned many of the targets in our latest 2020-25 business plan. The Black Lives Matter protests have recently thrown issues of racism and structural inequality into sharp relief, and caused us to further question our progress in embedding our principles.

We are not satisfied with the progress we have made, and over the next 18 months we will be accelerating our work in this area. We will set targets and track progress, with a view to having made a significant difference to the Charity and how we work by December 2021. We cannot do this

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

ourselves, and will be looking to external individuals and organisations to advise and challenge us whilst galvanising the whole organisation so that 'For Everyone' runs through everything we do.

Financial review

Sustrans is funded through a mixture of government grants, fundraising activity, and paid contracted activities which deliver our objectives. There is investment in our agenda in all four nations of the United Kingdom, and by local authorities across the country. The income that we generate is spent efficiently to deliver the best possible impact. As well as providing funding to others through our grants programmes, we also work in partnership with communities, and with local and national governments to deliver projects and programmes that make it easier for people to walk and cycle. We invest our fundraising income into managing the parts of the National Cycle Network that we own, and in supporting our unfunded activities, such as our influencing and campaigning activity.

Our financial performance in 2019/20

We had strong financial performance in 2019/20, generating a net increase in funds of £62k. This was significantly better than we had planned, against a budgeted deficit of £690k, which included specific investments in our enabling activities, such as developing our income generation, land and estates and IT strategies, as well as investment in brand and profile and measuring our impact.

Part of the reason for our strong performance against our plan relates to a £20m grant (over two years) from the Department for Transport, which was announced after we had set the budget for the year, and significantly reduced the risks in the budget relating to our teams in England. As a result of this grant, and additional grant receipts from Transport Scotland, and the phasing of outgoings relating to these programmes, we held higher than normal levels of cash during the year, yielding much greater than planned levels of investment income. We were also fortunate to receive a large restricted donation of £280k during the year, for which we had not budgeted.

Principal funding sources in 2019/20

Our principal funding sources are government grants. In 2019/20 we received £41M from Transport Scotland, £3M from the Department for Transport, £0.5M from the Welsh government and £0.5M from government departments in Northern Ireland.

Fundraising contributed £4.1M to our income in 2019/20, of which £0.3M was restricted.

The balance of our funding comes from contractual activity, mostly with local authorities and other public bodies.

Our future financial picture

Sustrans, like most other organisations, has felt the impact of COVID-19 in terms of its financial position. At the start of 2020/21 a number of our projects and programmes were paused, meaning that we could not draw down funding. The Government Coronavirus Job Retention Scheme has helped us to mitigate some of this financial impact.

We now continue to benefit from investment in our agenda – not least through emergency walking and cycling infrastructure measures being implemented across the UK. We have a number of key funding streams – notably our government-funded programmes – which also offer us financial protection in the near term. Our healthy reserves balance further mitigates any remaining financial risks.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

The economic uncertainty for the whole country means that we have recognised we have further financial risks in relation to 2021/22. We are optimistic, however, given that all UK governments are recognising the importance of walking and cycling to the recovery from the pandemic. But we are not complacent. We are working to bolster our fundraising operations so that we have a secure core of funding that will enable us to continue to deliver our charity's objectives should other income sources start to reduce. We are actively planning to ensure that we can react quickly to changing financial risks, and opportunities, in a sustainable way.

Principal risks and uncertainties

The Board recognises a number of key risks and uncertainties, and reviews these periodically to understand what mitigation measures have been put into place, and the impact of these measures on the likelihood and severity of the risks. The principal risks considered by the trustees are:

1. Our capacity and capability to deliver the impact that we want to see: We are working on our recruitment strategies to ensure that we can become an employer of choice and build greater diversity across our teams. We routinely review our pay policy to ensure that it is transparent and fair. We treat our staff kindly, and offer flexibility which allows a good work-life balance, and we have created a great place to work, which is reflected in our annual staffing survey results. We are also developing relationships with partners who can support the delivery of our work.
2. COVID-19 impacts on Sustrans' ability to deliver its strategic priorities: Our business plan for 2020/21 is in place and teams are working across the charity to deliver against this. We have ongoing contracted work that is fully aligned to our strategy, and there is evidence of new opportunities for impact and increased relevance of Sustrans' agenda. Work is also underway to review our operating structures and align our teams to deliver our strategy in a financially sustainable way.
3. The loss of one or more of Sustrans' major funding sources – exacerbated by the current economic uncertainty of COVID-19: We proactively engage in working closely with our key funders. We are working to maximise our various unrestricted income streams to protect us against the loss of a major funding source. We are working to develop our operating model so that we are better able to respond effectively to financial opportunities and risks. We have designated reserves to ensure that the Charity can remain operational in the event of the sudden loss of a significant source of funding. There is political support UK-wide for Sustrans' agenda, including funding pledges from the UK Government.
4. The impact of extreme weather and other damage to the Network: We routinely inspect our network, and we have set aside part of our annual budget to address urgent repair issues, alongside a comprehensive programme of planned maintenance. We have a specific designated fund of £1M to deal with emergency repairs outside of our normal budgets.
5. The proper safeguarding of children and adults with whom we are working: We have reviewed and updated our safeguarding procedures, and provide training to all of our staff and volunteers who work with children and vulnerable adults. We have arranged additional training for our trustees on their roles and responsibilities in safeguarding which took place in September 2020. We have a team of designated safeguarding officers who oversee our safeguarding processes. We work closely with schools and other organisations to ensure that we are reporting safeguarding concerns appropriately, and we report on safeguarding matters routinely to our trustees.
6. Ensuring the physical and mental well-being and health and safety of employees during the COVID-19 pandemic and the easing of lockdown: Following the UK Government guidelines,

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

plans were put in place to ensure all employees were able to work effectively from home. Employee wellbeing continues to be a priority, and a homeworking group has been set up to support the physical and mental wellbeing of our teams, as well as practical issues arising from homeworking. We are undertaking a review of all our offices with a view to supporting a partial, limited return to workplaces once it is safe to do so. All offices will have office COVID-19 risk assessments in place.

Our reserves policy

On the basis of the assessed risks facing the Charity, the Trustees have reviewed the level of reserves required in line with the guidance issued by the Charity Commission. The Trustees recognise the need to ensure that the reserves held enable financial stability, are adequate to meet working capital requirements and can safeguard the Charity's current commitments against fluctuations in income levels, particularly in the current uncertain economic climate.

The Trustees have set aside £1,000K designated funds to ensure that routes which are well used, and owned by Sustrans could be re-instated in the event of severe and unexpected damage. The details of the 'NCN Repairs' fund can be found in Note 12 to the financial statements.

The fixed asset fund of £1,306K has been set up to facilitate the identification of those funds that require time to be made liquid and should therefore be excluded from the freely available reserves calculation. It represents the net book value of tangible fixed assets, except for those that form part of Restricted Funds. The change in the fixed asset fund over the year arises from the net change in unrestricted tangible fixed assets during this year.

The restructure fund of £2,856K has been set up to cope with a scenario in which Sustrans has to restructure to reduce activities significantly because of a lack of funding but retain a core activity which could be funded by continuing charitable donations. The basis of calculation of the fund has been revised this year but remains based upon FTE staff numbers.

Available reserves are those unrestricted and undesignated funds which are available to be spent by the Charity in line with its strategy. Available reserves are released by the Trustees on an annual basis for inclusion in the business planning process, up to a maximum amount of £1M per annum.

In the financial year available reserves increased by £745K (2019 decreased by £967K) to £2,710K at 31 March 2020. This increase is due to the annual surplus of £62K, the decrease to designated funds of £896K, and movements on restricted funds of £213K.

The Trustees consider the current level of available reserves to be adequate, and they will continue to review the deployment of reserves above the level needed for the reserves policy.

Our investment policy

We 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. In addition, given the potential calls on free reserves, it is imperative that funds are tied-up for no longer than 12 months. Over the year, we have sought to minimise the exposure of the charity by holding funds with four banks. Given the wider economic climate this policy is under constant review.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Fundraising

Our approach to fundraising and conforming to recognised standards

Sustrans is, and always has been, committed to employing a transparent and ethical approach to fundraising activities. We are registered with the Fundraising Regulator and fully adhere to the Code of Fundraising Practice.

Our staff are trained in accordance with the Fundraising Regulator's code and this ensures that our fundraising activities are neither intrusive nor persistent. Our fundraising promise further demonstrates our clear commitment to how we treat our donors:

- We will commit to high standards
- We will be clear, honest, open and respectful
- We will be fair and reasonable
- We will be accountable and responsible.

Personal data and consent

Our donors' personal data is held in accordance with the requirements of General Data Protection Regulations (GDPR). All data is held securely and only for as long as required. We will never sell or share donors' details with other organisations to use for their own purposes, other than when we are required to do so by law.

We make every effort to ensure that our fundraising activity never feels unreasonably intrusive, persistent or pressurised, but rather focuses on inspiring support and celebrating the impact of fundraised income. Donors can manage their permissions online or by calling our supporter service centre. We always respect the wishes of donors who do not wish to receive fundraising communications, including those who have registered with the Fundraising Preference Service.

Fundraising complaints

Our ethical and open approach to fundraising is reflected in the low number of fundraising complaints that we have received (18 in 2019/20). Any complaint received about our fundraising activities is carefully handled and responded to following our clear fundraising complaints policy.

Face-to-face fundraising

A major strand of our fundraising activity uses face-to-face fundraisers to recruit new donors on the National Cycle Network. All our face-to-face fundraisers are trained and managed directly by Sustrans. The company 'Inspired People' is used to recruit agency staff.

Our fundraisers receive in-depth training and are always required to be friendly, professional and never engage in actions that could be construed as pressurising or manipulative. Our team of fundraisers are supervised by a team leader, who assesses their performance and conduct on a daily basis. Ongoing coaching and formal performance reviews are conducted with all of our fundraisers.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Structure, governance and management

Governing document

Sustrans is a registered charity in England, Wales and Scotland, and a private company limited by guarantee. It is governed by its Board of Trustees operating under the terms of the Articles of Association as amended 5 December 2012.

Charity Governance Code

Sustrans supports the principles of good governance set out in the Charity Governance Code for larger charities, and will continue to review the charity's practice against the Code's requirements as part of an approach of continuous improvement of governance arrangements.

Recruitment and appointment of trustees

The Trustees 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 the Executive, identify the skills, experience and background required of the Trustees to ensure that the board is able to deliver its duties, and to support and challenge the Executive. Sustrans is committed to diversity and inclusiveness in the widest sense, and welcomes applications from everyone.

During the year, four new Trustees joined the Board. The recruitment process was managed by a search agency, Morgan Hunt, on behalf of the Board. Applicants were shortlisted and interviewed by a panel of Trustees and appointed based upon their skills, competencies and experience.

Trustee induction and training

The induction for new Trustees includes the provision of a Trustee Handbook containing key documentation, one-to-one meetings with key people, site/project visits, and attending an externally provided Trustee induction and refresher training.

Trustees have appraisals with the Chair of the Board, this enables any training and development needs to be identified and addressed. All Trustees receive periodic updates and guidance on their role as Trustees of the charity.

Conflicts of interest

Each Trustee is required to disclose potential or actual conflicts of interest to the Chair for inclusion in the register of interests and also at Board or Committee meetings if relevant.

Role of the trustees

The Trustees meet at least six times a year, to review strategy and performance, agree operating plans and annual budgets, and to meet with and hear from stakeholders and employees. Sub-groups of the Trustees form the Finance and Performance Committee, the Audit and Risk Committee and the Estates Committee, which meet as required, typically quarterly. The members of these committees are shown on page 3.

Trustees monitor and have overall responsibility for:

- approving the overall strategy and annual budget of the organisation, ensuring the

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

allocation of the necessary resources to achieve the objectives defined in the business plan;

- ensuring that the Charity has appropriate systems of controls, financial and otherwise;
- keeping proper accounting records which comply with the Companies Act 2006 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 establishing 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.

The Executive

The day-to-day running of the Charity is delegated to the Chief Executive, who in turn delegates specific responsibilities to members of the Executive Team. The Trustees set out delegated authority through the Delegated Authority Framework, which is reviewed annually.

The senior executive committee is the Executive team, which recommends strategies to the Board for approval. During the year, Executive team meetings were held monthly, with interim fortnightly calls and additional meetings as required. Their purpose is to review the performance of the Charity's work, and to address any issues and opportunities arising with regards to finance, health and safety, risk management, resourcing and programmes of delivery and influencing work.

The Executive ensures that appropriate structures and processes are in place to enable effective oversight, scrutiny and decision making across the organisation, that there is accountability for those decisions and that there is effective leadership of, and communication with, staff across the organisation.

Management of risk

The Trustees have revised their risk policy during the year, to ensure that the arrangements are robust and provide for effective systems and processes to identify, assess, and escalate risks and the management of risk. As part of this policy review, the Trustees have reflected on their risk appetite in relation to a number potential areas of risk for Sustrans, in order to inform the control measures and other mitigation measures put in place.

The Executive reviews the risk register on a monthly basis, and tracks the movement of risk rating and the implementation of mitigation measures. The Executive escalates risks for the review of the Board and its Committees as deemed necessary. The Audit and Risk Committee reviews the effectiveness of the risk management processes, and reviews the entire Executive risk register at least annually.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Sustrans Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In line with Charities' best practice, Sustrans' Trustees conducted an exercise to ensure that the criteria for charities, set out in the Charities Act 2011 are met. The Trustees have concluded that:

- Sustrans' purposes remain charitable
- Sustrans satisfies the public benefit test.

The Trustees act in good faith to make decisions, the outcome of which, they consider will most likely be to promote the success of the charitable company both in current periods and in the long term.

In discharging their duties above, the Trustees carefully consider amongst other matters, the impact on and interests of other stakeholders in the charitable company and factor these into their decision making processes.

Employees

Trustees receive information on various staff metrics. The Trustees are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The Trustees keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and also provide training and development opportunities where they are considered of benefit to the organisation and its employees. Using recruitment and development strategies, the Trustees seek to attract and retain talented staff. The policy regarding disabled persons is set out in the Report of the Trustees as well as further detail regarding communication with employees.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Customers

We act to service our customer's needs to the highest standards and work quickly to resolve any isolated disagreements that may arise from time to time.

Suppliers

The charitable company seeks to pay all suppliers any undisputed amounts due and that conform with billing requirements within agreed terms.

Community and the environment

The charitable company recognises the importance of its environmental responsibilities and has policies aimed at reducing any potential detrimental environmental impact of its activities.

Standards and conduct

The charitable company has a series of defined codes of practice regarding ethical standards and the conduct of business. These are clearly communicated to every staff member and adherence to which is expected and enforced.

Statement of disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the 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 two of its members are common to Sustrans. Xavier Brice, Sustrans' Chief Executive, and Mike Babbitt, Sustrans' Head of Network Development were also Trustees of Railway Paths Limited during the year.

During the year, costs were incurred and recharged on behalf of Railway Paths Ltd totalling £95K (2019: £115K). Equally, costs were incurred by Railway Paths Ltd on behalf of Sustrans Ltd and recharged totalling £40K (2019: £32K). At year end, a balance of £40K (2019: £82K) remained outstanding.

In the final quarter of the year the two charities began charging for actual time spent by employees on the other Charity's activities. Sustrans charged Railway Paths £18K for Finance, HR, Legal and Land management services. Railway Paths charged Sustrans £38K for Bridge and Estate management services.

By order of the Board of Trustees who approve the Strategic Report as Directors.



Lynne Berry OBE
24 September 2020

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Independent auditor's report to the members and trustees of Sustrans Limited

Opinion

We have audited the financial statements of Sustrans Limited for the year ended 31 March 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

1 October 2020

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Statement of Financial Activities for the year ended 31 March 2020

(Including Income and Expenditure account)

Note ref.	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
Income from:				
	3,786	328	4,114	3,695
2 Donations and legacies	12,483	46,169	58,652	41,802
Charitable activities	732	-	732	188
Investments	17,001	46,497	63,498	45,685
Total				
Expenditure on:				
	1,300	-	1,300	863
3 Raising funds	15,734	46,402	62,136	45,157
Charitable activities	17,034	46,402	63,436	46,020
Total				
5 Net income / (expenditure)	(33)	95	62	(335)
Transfers between funds	(118)	118	-	-
Net movement in funds	(151)	213	62	(335)
Reconciliation of funds:				
Total funds brought forward	8,023	1,517	9,540	9,875
Total funds carried forward	7,872	1,730	9,602	9,540

The notes on pages 32 to 48 are an integral part of these financial statements.

All gains and losses recognised in the year are included in the Statement of Financial Activities.
All income and expenditure relates to continuing operations.

There is no difference between the net income / (expenditure) for the years stated above and their historical cost equivalents.

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20**Balance Sheet at 31 March 2020**

Note ref.		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2020 £'000	Total Funds 2019 £'000
	Fixed Assets:				
7	Tangible assets	1,306	1,053	2,359	2,316
	Current Assets				
	Stock	218	-	218	239
8	Debtors	7,212	-	7,212	5,633
	Cash at bank and in hand	7,360	94,772	102,132	82,547
	Total current assets	14,790	94,772	109,562	88,419
	Creditors: amounts falling due within one year				
9		(8,224)	(94,095)	(102,319)	(81,195)
	Net current assets	6,566	677	7,243	7,224
	Total net assets	7,872	1,730	9,602	9,540
	The funds of the charity:				
11	Restricted income funds			1,730	1,517
12	Designated funds			5,162	6,058
	Unrestricted funds			2,710	1,965
	Total unrestricted funds			7,872	8,023
	Total charity funds			9,602	9,540

The notes on pages 32 to 48 are an integral part of these financial statements.

The financial statements on pages 29 to 48 were approved by the trustees on 24 September 2020 and were signed on their behalf by:



Lynne Berry OBE
Chair

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Statement of cash flows for the year ended 31 March 2020

	2020 £'000	2019 £'000
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	62	(335)
Adjustments for:		
Depreciation charges	86	50
Interest from investments	(732)	(188)
(Profit) on the sale of fixed assets	-	(107)
Decrease in stocks	21	15
(Increase) / decrease in debtors	(1,579)	415
Increase in creditors	21,124	54,144
Net cash provided by operating activities	18,982	53,994
Cash flows from investing activities:		
Interest from investments	732	188
Proceeds from the sale of property, plant and equipment	28	111
Purchase of property, plant and equipment	(157)	(123)
Decrease in investments	-	3,000
Net cash provided by investing activities	603	3,176
Change in cash and cash equivalents in the reporting period	19,585	57,170
Cash and cash equivalents at the beginning of the reporting period	82,547	25,377
Cash and cash equivalents at the end of the reporting period	102,132	82,547

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

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

1. Principal accounting policies

a. Basis of Preparation

The financial statements have been prepared under the historical cost convention in UK pounds sterling. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for charities, which is based on the Financial Reporting Standard (FRS) 102 effective from 1st January 2015, the Charities Act 2011, the Companies Act 2006, the Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared on a going concern basis and accounting policies have been applied consistently. The financial statements have been prepared on the basis that it is a public benefit entity under FRS 102.

b. Going Concern

Sustrans, like most other organisations, has felt the impact of COVID-19 in terms of its financial position. At the start of 2020/21 a number of our projects and programmes were paused, meaning that we could not draw down funding. The Government Coronavirus Job Retention Scheme has helped us to mitigate some of this financial impact. We now continue to benefit from investment in our agenda – not least through emergency walking and cycling infrastructure measures being implemented across the UK. We have a number of key funding streams – notably our government-funded programmes – which also offer us financial protection in the near term. Our healthy reserves balance further mitigates any remaining financial risks. The economic uncertainty for the whole country means that we have recognised we have further financial risks in relation to 2021/22. We are optimistic, however, given that all UK governments are recognising the importance of walking and cycling to the recovery from the pandemic. But we are not complacent. We are working to bolster our fundraising operations so that we have a secure core of funding that will enable us to continue to deliver our charity's objectives should other income sources start to reduce. We are actively planning to ensure that we can react quickly to changing financial risks, and opportunities, in a sustainable way.

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of approval of these financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements. The Trustees have considered specifically the financial risks associated with the COVID-19 pandemic and current economic uncertainty. The Trustees consider that Sustrans has the flexibility to respond to any unexpected fluctuations in income levels, and has adequate reserves and operational provisions to manage the loss of major funding streams.

c. 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 12 to the financial statements.

Restricted Funds - Income restricted to a specific purpose is treated as restricted funds. The description and purpose of these restricted funds are provided in Note 11.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

d. Incoming resources

Income is recognised in the statement of financial activities (SoFA) when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities.

Income is only recognised when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the Charity.
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity.
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

If any of these criteria are not met but the cash has been received, then the income is deferred.

- Donations – Donations are accounted for in the year in which they are receivable.
- Legacies – For legacies, entitlement is taken as the earlier of: the date on which the Charity is aware that probate has been granted; the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made; or when a distribution is received from the estate.
- Grants receivable – Grants from government bodies and other sources are received for specific projects and are recognised in accordance with their individual terms and conditions. Income is recognised when the Charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

e. 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 full time equivalent staff numbers. 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 financial statements. 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 regulations.

f. Tangible assets

Tangible fixed assets costing more than £2,000 are capitalised and included at cost. Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives on a straight-line basis. The rates of depreciation utilised are as follows:

IT Equipment	25% per annum
Plant and machinery	25% per annum

Freehold land and buildings are not depreciated because (a) it is the Trustees' intention to hold the assets for the long term and (b) their residual value is at least equal to the carrying value. Assets not depreciated are subjected to an annual impairment review.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

g. Key sources of estimation uncertainty

Preparation of the financial statements requires management to make estimates and judgements. The items in the financial statements where the most significant estimates and judgements have been made are:

- Allocation of support activity costs: see accounting policy (1e) for details of the estimations applied;
- Valuation of tangible fixed assets: see accounting policy (1f) for details of the estimate of useful economic lives applied and consideration of impairment;
- Valuation of debtors with regards to making an assessment for impairment: see accounting policy (1d).

h. Stocks

The Charity holds stocks of maps which are recognised at cost, and adjusted (where applicable) for any loss of service potential.

i. Maintenance

The Charity has a maintenance obligation 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 there is a constructive obligation.

j. Taxation

The company, which is a registered Charity, is entitled to taxation exemptions on all income and gains properly applied for its charitable purposes.

k. 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 financial statements as incurred. This scheme is available to all staff.

l. Related Party Transactions

As described in the Report of the Trustees on page 25, Sustrans Ltd has a connected Charity called Railway Paths Ltd. During the year, costs were incurred and recharged on behalf of Railway Paths Ltd totalling £95K (2019: £115K). Equally, costs were incurred by Railway Paths Ltd on behalf of Sustrans Ltd and recharged totalling £40K (2019: £32K). At year end, a balance of £40K (2019: £82K) remained outstanding.

Sustrans charged Railway Paths £18K for Finance, HR, Legal and Land management services. Railway Paths charged Sustrans £38K for Bridge and Estate management services.

Railway Paths Limited - Registered Company Number:	3535618	
Registered Charity Number:	1070003	SC039256 (Scotland)

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

m. Operating leases

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis.

n. Grants

Grants payable in furtherance of the Charity's objects are recognised when the commitment is communicated to the grant recipient or when payment is due in accordance with the terms of the contract, which is normally upon providing evidence of the project work being undertaken.

o. Address and country of incorporation

Legal and administrative information is shown on page 3 of this document.

p. Volunteers

The Charity benefits from gifts in kind in the form of volunteer time and unclaimed out of pocket expenses. As per the Charity SORP, these are not recognised in the accounts as they cannot be reliably valued, but further information is provided in the Trustees' annual report on page xxx

q. Financial instruments

The Charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r. Redundancies

Termination payments are accounted for in the period an obligation is made or liability incurred.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

2. Income for Charitable Activities

	Unrestricted £'000	Restricted £'000	Total 2020 £'000	Total 2019 £'000
Central	746	824	1,570	1,441
England	6,992	3,224	10,216	5,403
London	2,387	159	2,546	2,057
Northern Ireland	789	249	1,038	1,062
Scotland	945	41,434	42,379	31,021
Wales	624	279	903	818
	12,483	46,169	58,652	41,802

3. Expenditure on Charitable Activities

	Activities undertaken directly £'000	Grant funding of activities (to institutions)* £'000	Support costs £'000	Total 2020 £'000	Total 2019 £'000
Central	2,296	20	806	3,122	2,518
England	9,279	608	1,397	11,284	7,149
London	2,571	30	514	3,115	2,858
Northern Ireland	1,232	-	244	1,476	1,368
Scotland	12,913	27,649	1,549	42,111	30,278
Wales	838	-	190	1,028	986
	29,129	28,307	4,700	62,136	45,157

*See note 16 on page 43.

4. Analysis of support costs

	Brand and Marketing £'000	Chief Executive and Governance £'000	Development £'000	Finance £'000	Information Technology £'000	HR and support services £'000	Total 2020 £'000	Total 2019 £'000
Raising funds	12	8	9	17	14	20	80	85
Central	124	80	92	171	139	200	806	720
England	214	139	160	297	241	346	1,397	1,412
London	79	51	59	109	89	127	514	549
Northern Ireland	38	24	28	52	42	60	244	266
Scotland	238	154	177	329	267	384	1,549	1,314
Wales	29	19	22	41	33	46	190	165
Total 2020	734	475	547	1,016	825	1,183	4,780	4,511
Total 2019	537	483	905	852	418	1,316	4,511	

All of these teams, including our Brand and Marketing team and our Development team, support the

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

delivery of our charitable activities across the UK.

5. Net income

	2020 £'000	2019 £'000
This is stated after charging:		
Governance costs (the Trustees of the Charity are not paid):		
Travel and associated expenses incurred by staff and 13 (2019: 11) Trustees for attendance at meetings	14	14
Fees payable for statutory audit	20	18
Provision of trustee liability insurance	2	2
	36	34
Fees payable to the auditors for assurance services other than statutory audit	5	2
Depreciation of tangible fixed assets	86	50

6. Staff costs

Average full time equivalent (FTE) number of employees	2020 number	2019 number
Raising funds	7.8	8.0
Support costs	46.9	44.3
Charitable Activities		
Central	83.7	71.6
England Midlands	43.8	45.3
England North	48.8	46.7
England South	58.3	55.2
London	49.9	50.9
Northern Ireland	23.7	24.7
Scotland	151.7	123.6
Wales	21.5	18.3
	536.1	488.6

The average head count (number of staff employed) during the year was 591 (2019: 550)

Staff costs (for the above persons):	2020 £'000	2019 £'000
Wages and Salaries	15,998	14,538
Social Security costs	1,515	1,306
Employer's pension contributions	983	454
	18,496	16,298

Statutory redundancy payments totalling £51k (2019: £4k) were made during the year.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

The following number of employees received emoluments falling within the following ranges:	2020 Number	2019 Number
£60,000 to £69,999	1	4
£70,000 to £79,999	4	2
£80,000 to £89,999	1	-
£110,000 to £120,000	1	1

The remuneration shown above is the only employee benefit received by key management personnel. The salary of the Chief Executive is set by the Board of Trustees. Other roles are scored according to the Hay Job Evaluation system and graded accordingly.

The key management personnel are considered to be the Executive team, and during the year, total remuneration paid to them was £740K in aggregate (2019: £799K).

7. Tangible assets

	Freehold Land and Buildings £'000	NCN Centre Refit £'000	IT Equipment £'000	Plant and Machinery £'000	Total £'000
Cost					
At 1 April 2019	2,169	259	202	271	2,901
Additions	10	-	3	144	157
Disposals	-	(259)	(6)	(16)	(281)
At 31 March 2020	2,179	-	199	399	2,777
Accumulated depreciation					
At 1 April 2019	-	230	177	178	585
Charge for year	-	-	12	74	86
Disposals	-	(230)	(6)	(17)	(253)
At 31 March 2020	-	-	183	235	418
Net book amount					
At 31 March 2020	2,179	-	16	164	2,359
At 31 March 2019	2,169	29	25	93	2,316

Tangible fixed assets held in restricted funds total £1,053K (2019: £1,082K) and comprise the National Cycle Network Centre £903K (2019: £932K), and land holdings in Yorkshire £150K (2019: £150K).

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

8. Debtors

	2020 £'000	2019 £'000
Trade Debtors	5,008	4,093
Accrued Income	1,801	1,093
Sundry Debtors and prepayments	403	447
	7,212	5,633

9. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	3,386	1,356
Payments received on account for contracts or performance related grants	96,026	78,192
Accruals	1,460	541
Taxation and social security	1,447	1,066
Other creditors	-	40
	102,319	81,195

Reconciliation of payments received on account for contracts or performance related grants

Brought forward as at 1 April 2019	78,192
Released in the year	(34,697)
New balances deferred	52,531
Carried forward as at 31 March 2020	96,026

The new balances deferred in the year of £52.5M includes funding from the Department for Transport (£2.1M) and Transport Scotland (£59.1M). Of the Transport Scotland funds received, £11.1M was released in the year.

10. Financial instruments

	2020 £'000	2019 £'000
Financial Assets		
Cash	102,132	82,547
Accrued Income	1,801	1,093
Trade debtors (settlement amount after trade discount)	5,008	4,093
Financial Liabilities		
Trade creditors (settlement amount after trade discount)	(3,386)	(1,356)
Accruals	(1,460)	(541)

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

11. Restricted income funds

		Balance 1 April 2019	Income	Expenditure	Transfers from Unrestricted funds	Balance 31 March 2020
	Note	£'000	£'000	£'000	£'000	£'000
Consett & Sunderland Railway Path		13	3	(73)	57	-
Paisley to Kilwinning and Kilmacolm		93	4	(2)	-	95
York to Selby Railway Path		441	11	(36)	27	443
Worthington Railway Path - Derby		-	-	(28)	28	-
Mirehouse Railway Path		13	-	(18)	5	-
Historic railway path funds	(1)	560	18	(157)	117	538
National Cycle Network Centre	(2)	485	-	(35)	-	450
Kirklees maintenance fund	(3)	100	-	-	-	100
Two Tunnels maintenance fund	(4)	164	-	-	-	164
Catterick maintenance fund	(5)	22	-	-	-	22
Frome's missing link donations	(6)	12	-	-	-	12
Track of the Ironmasters		-	120	(121)	1	-
Castleford Greenway	(7)	122	-	-	-	122
Lune Valley Cycleway	(8)	52	231	(23)	-	260
Beadnell to Dunston Steads	(9)	-	40	(8)	-	32
Asda Parklet	(10)	-	25	(1)	-	24
Camel Trail access improvements	(11)	-	6	-	-	6
		957	422	(188)	1	1,192
Central		-	844	(844)	-	-
England		-	3,096	(3,096)	-	-
London		-	159	(159)	-	-
Northern Ireland		-	249	(249)	-	-
Scotland		-	41,430	(41,430)	-	-
Wales		-	279	(279)	-	-
		-	46,057	(46,057)	-	-
		1,517	46,497	(46,402)	118	1,730

- 1) The historic railway path funds cover routes acquired from BRB (Residuary) Ltd. Agreements with the relevant Local Authority state that income arising from the land must be ring-fenced to that land. Where unrestricted funds have been spent on these routes these are shown as transfers in to the fund.
- 2) In the financial year to 31 March 2004 the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. A grant for £605,000 was received from the Millennium Commission to assist with the purchase. An appeal to supporters and trusts raised a further £332K. This restricted fund is used to maintain the building.
- 3) A maintenance fund from Yorkshire Water to be spent on the network within Kirklees.
- 4) A fund restricted to the long-term maintenance of the Two Tunnels in Bath.
- 5) Funds received for the long-term maintenance of the Connect 2 project at Catterick, Yorkshire.
- 6) Donations held for a 'missing link' in Frome, Somerset.
- 7) Funds received in 2017/18 from the Railway Heritage Trust for the viaduct and greenway phases connecting to the Castleford Greenway in Yorkshire.
- 8) Funds received from a major donor for the Lune Valley Cycleway in Lancashire.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

- 9) Funds received from a major donor to review off-road alternatives for the NCN 1 between Beadnell and Dunstan Steads in Northumbria.
- 10) A donation received from a major supermarket to create a pocket park near the NCN 66 in Leeds.
- 11) Funds received from a donor for access improvement works on the Camel Trail in Cornwall.

12. Designated funds

	Note	Balance 1 April 2019	Income	Expenditure	Transfers	Balance 31 March 2020
		£'000	£'000	£'000	£'000	£'000
NCN repairs fund	(1)	1,000	-	-	-	1,000
Fixed asset fund	(2)	1,234	-	(86)	158	1,306
Restructure fund	(3)	3,824	-	-	(968)	2,856
		6,058	-	(86)	(810)	5,162

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

- 1) There is a risk that there could be damage to the NCN which falls outside of the affordability provided by normal land management and maintenance budgets. The Trustees have set aside £1M designated funds to ensure that routes which are well used, and owned by Sustrans could be repaired and re-instated in the event of severe and unexpected damage.
- 2) The fixed asset fund has been set up to facilitate the identification of those funds that require time to be made liquid and should therefore be excluded from the freely available reserves calculation. It represents the net book value of tangible fixed assets, except for those that form part of Restricted Funds. The change in the fixed asset fund over the year arises from the net change in unrestricted tangible fixed assets during this year.
- 3) The restructure fund has been set up to cope with a scenario in which Sustrans has to restructure to reduce activities significantly because of a lack of funding but retain a core activity which could be funded by continuing charitable donations. The basis of calculation of the fund has been revised this year. It is based upon FTE staff numbers.

13. Limitation by guarantee

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.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

14. Financial commitments

	2020 £'000	2019 £'000
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
(i) not later than one year;	339	316
(ii) later than one year and not later than five years	192	227
	<u>531</u>	<u>543</u>
Lease payments recognised as an expense	<u>455</u>	<u>307</u>

15. Legal Charges

In December 1995 the Charity entered into a debenture with the Millennium Commission giving a floating charge over the assets of the Charity as part of the agreement for grants from the Millennium Commission. In the financial year to 31 March 2004 the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. A grant for £605,000 was received from the Millennium Commission to assist with this purchase. A charge over the building was created, in addition to the existing Debenture held by the Commission, in October 2005.

When the Millennium Commission was abolished in November 2006 these charges transferred to its successor, the Big Lottery Fund. In August 2014 the Big Lottery Fund released Sustrans from the floating charge, but the fixed charge over the building in central Bristol remains.

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 (now Durham County Council) 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 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 Council

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

16. Grants paid to institutions

During the reporting period grants of more than £100k have been paid to the following institutions as reimbursement for project delivery:

	2020 £'000	2019 £'000
Scottish Canals	5,796	1,039
City of Edinburgh Council	3,609	1,566
Glasgow City Council	2,768	3,420
Stirling Council	1,117	694
Scottish Borders Council	911	490
East Renfrewshire Council	840	345
Orkney Islands Council	809	168
Dumfries & Galloway Council	759	453
Central Scotland Green Network	748	119
Perth and Kinross Countryside Trust	731	79
The Mull & Iona Community Trust	714	-
Fife Council	658	2,027
Argyll & Bute Council	603	417
Highland Council	536	598
West Lothian Council	511	211
Dundee City Council	469	413
North Ayrshire Council	461	348
Falkirk Council	458	1,086
Aberdeen City Council	427	1,249
East Dunbartonshire Council	343	615
SEPA	309	-
Govia Thameslink Railway	289	-
Islay Community Access Group	282	-
Renfrewshire Council	277	173
Transport for Edinburgh Ltd	275	-
East Lothian Council	272	344
Falkland & Newton of Falkland Community Council	205	95
Highlands and Islands Enterprise	167	-
South Ayrshire Council	142	287
Aberdeenshire Council	125	57
East Ayrshire Council	110	35
RSPB Scotland	107	382
HiTrans	100	187
First Transpennine Express Ltd	100	-
Peebles Community Trust	100	-

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

17. Grants received from government bodies

During the reporting period grants of more than £100k were received from government bodies in relation to a wide number of projects that fall under the Charity's objectives as outlined in the Trustee's Report. The granting government bodies were:

	2020	2019
	£'000	£'000
Transport Scotland	41,404	29,054
Department for Transport	2,274	305
Other local government	268	91
Welsh Government	240	130
Pembrokeshire County Council	160	-
Heritage Lottery Fund	111	134

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

18. Comparative notes from 2018/19 financial statements – statement of financial activities

Note ref.		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2019 £'000
	Income from:			
	Donations and legacies	3,695	-	3,695
2	Charitable activities	9,703	32,099	41,802
	Investments	188	-	188
	Total	13,586	32,099	45,685
	Expenditure on:			
	Raising funds	863	-	863
3	Charitable activities	13,028	32,129	45,157
	Total	13,891	32,129	46,020
5	Net expenditure	(305)	(30)	(335)
	Transfers between funds	(164)	164	-
	Net movement in funds	(469)	134	(335)
	Reconciliation of funds:			
	Total funds brought forward	8,492	1,383	9,875
	Total funds carried forward	8,023	1,517	9,540

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

19. Comparative notes from 2018/19 financial statements – balance sheet

Note ref.		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2019 £'000
	Fixed Assets:			
7	Tangible assets	1,234	1,082	2,316
	Current Assets			
	Stock	239	-	239
8	Debtors	5,633	-	5,633
	Investments	0	-	0
	Cash at bank and in hand	81,651	896	82,547
	Total current assets	87,523	896	88,419
9	Creditors: amounts falling due within one year	(80,734)	(461)	(81,195)
	Net current assets	6,789	435	7,224
	Total net assets	8,023	1,517	9,540
	The funds of the charity:			
11	Restricted income funds			1,517
12	Designated funds			6,058
	Unrestricted funds			1,965
	Total unrestricted funds			8,023
	Total charity funds			9,540

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

20. Comparative notes from 2018/19 financial statements – restricted funds

		Balance 1 April 2018	Income	Expenditure	Transfers	Balance 31 from March 2019
	Note	£'000	£'000	£'000	Unrestricted funds £'000	£'000
Consett & Sunderland Railway Path		-	97	(84)	-	13
Paisley to Kilwinning and Kilmacolm		86	7	-	-	93
York to Selby Railway Path		440	25	(37)	13	441
Worthington Railway Path - Derby		-	-	(26)	26	-
Mirehouse Railway Path		41	-	(28)	-	13
Historic railway path funds	(1)	567	129	(175)	39	560
National Cycle Network Centre	(2)	498	-	(13)	-	485
Kirklees maintenance fund	(3)	100	-	-	-	100
Two Tunnels maintenance fund	(4)	185	-	(21)	-	164
Catterick maintenance fund	(5)	22	-	-	-	22
Frome's missing link donations	(6)	11	-	-	1	12
Track of the Ironmasters		-	144	(146)	2	-
Castleford Greenway	(7)	-	-	-	122	122
Lune Valley Cycleway	(8)	-	56	(4)	-	52
		816	200	(184)	125	957
Central		-	416	(416)	-	-
England		-	770	(770)	-	-
London		-	90	(90)	-	-
Northern Ireland		-	146	(146)	-	-
Scotland		-	30,077	(30,077)	-	-
Wales		-	271	(271)	-	-
		-	31,770	(31,770)	-	-
		1,383	32,099	(32,129)	164	1,517

Descriptions of funds are given under note 11.

Sustrans Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019/20

Notes to the financial statements

21. Comparative notes from 2018/19 financial statements – designated funds

	Note	Balance 1 April 2018	Income	Expenditure	Transfers	Balance 31 March 2019
		£'000	£'000	£'000	£'000	£'000
NCN repairs fund	(1)	1,000	-	-	-	1,000
Fixed asset fund	(2)	1,159	-	(44)	119	1,234
Restructure fund	(3)	3,401	-	-	423	3,824
		<u>5,560</u>	<u>-</u>	<u>(44)</u>	<u>542</u>	<u>6,058</u>

Descriptions of funds are given under note 12.