

Sustrans Limited  
(a company limited by guarantee)  
Annual report  
for the year ended 31 March 1995

Registered no: 1797726

Charity no: 326550



# **Sustrans Limited**

## **Annual report for the year ended 31 March 1995**

	<b>Pages</b>
<b>Executive board and advisers</b>	<b>1</b>
<b>Executive Board Members' report</b>	<b>2 - 4</b>
<b>Report of the auditors</b>	<b>5</b>
<b>Income and expenditure account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8 - 13</b>

## Members of the Executive Board

D Collins (Chairman)  
T Blackburn  
A Haynes  
G Platts  
C Levett  
A Lyon  
J Vinter

## Secretary and registered office

L Semple  
35 King Street  
Bristol  
BS1 4DZ

## Registered Auditors

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

## Solicitors

Osborne Clarke  
30 Queen Charlotte Street  
Bristol  
BS99 7QQ

Lace Mawer  
Castle Chambers  
43 Castle Street  
Liverpool  
L2 9SU

Walker Laird  
7-9 Gilmour Street  
Paisley  
PA1 1DG

## Bankers

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

## **Executive Board Members' report for the year ended 31 March 1995**

The members of the executive board present their report together with the financial statements for the year ended 31 March 1995

### **Company structure**

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

### **Principal activities**

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

### **Review of activities**

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

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

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

### **Future Developments**

The members of the executive board consider the financial position of the company to be satisfactory. It is anticipated that further substantial asset sales will be made in the next years.

Following the year end a substantial grant has been made to the charity by the Millennium Commission towards the development of a national cycle network. The executive board are delighted that the award has been made and are looking forward with enthusiasm to the opportunities this grant will give to funding the charity's objectives.

**Changes in presentation of the financial statements**

Following the introduction of Financial Reporting Standard No 4, 'Capital Instruments' and Financial Reporting Standard No 5 'Reporting the Substance of Transactions', the presentation of the financial statements has been amended, where necessary, to confirm with the new requirements.

**Transfers to reserves**

The surplus of £24,791 for the year will be transferred to reserves.

**Members of the Executive Board**

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

D Collins  
A Haynes  
G Platts  
J Vinter  
C Levett      Appointed 11 June 1994  
A Lyon        Appointed 11 June 1994  
T Blackburn   Appointed 3 December 1994

**Fixed assets**

The company continues to own the Lochwinnoch Loop Line, part of the Paisley Canal Line, and the Kilmacolm Line, out to the south-west of Glasgow, York to Selby railway path, the Foss Islands Railway in York, the Consett and Sunderland route as far east as Washington and the Worthington Branch Line near Derby. Works have been carried out in anticipation of acquiring the Liverpool Loop Line and the Whitehaven and Rowrah railway path, although neither was concluded in the financial year.

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

**Executive Board Members' responsibilities**

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

The executive board members confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1995. The executive board members also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The executive board members are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Auditors**

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

**By order of the executive board**

A handwritten signature in dark ink, appearing to read 'Dab' followed by a stylized flourish.

## Report of the auditors to the members of Sustrans Limited

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

### Respective responsibilities of executive board members and auditors

As described on pages 3 and 4 the company's executive board members are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

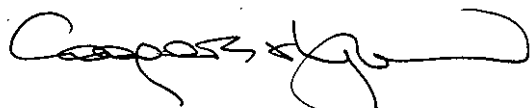
### Basis of opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1995 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors  
Bristol, 20 October 1995

# Income and Expenditure Account for the year ended 31 March 1995

	Notes	1995 £	£	1994 £	£
<b>Income - continuing operations</b>					
Grants receivable and management fees		1,076,533		1,012,062	
Other income:					
Donations		457,922		240,938	
VAT reclaimed		-		152,243	
		<u>1,534,455</u>		<u>1,405,243</u>	
<b>Expenditure - continuing operations</b>					
Project costs		1,233,448		1,210,548	
Other operating costs:					
General		39,549		9,772	
Information		177,727		109,696	
Fundraising		47,537		31,406	
		<u>(1,498,261)</u>		<u>(1,361,422)</u>	
Operating surplus - continuing operations	2	36,194		43,821	
Interest receivable and similar income		465		1,037	
Interest payable and similar charges	4	(11,868)		(20,847)	
		<u>(11,403)</u>		<u>(19,810)</u>	
Surplus for the year		<u>24,791</u>		<u>24,011</u>	
<b>Note of historical cost profits and losses</b>					
Reported surplus for the year		24,791		24,011	
Realisation of revaluation surpluses of previous years on land sold in the year		-		484,709	
Historical cost surplus for the year		<u>24,791</u>		<u>508,720</u>	

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




**Balance sheet  
at 31 March 1995**

	Notes	1995 £	£	1994 £	£
<b>Fixed Assets</b>					
Tangible assets	5	890,430		875,570	
<b>Current Assets</b>					
Debtors	6	298,092		466,449	
Cash at bank and in hand		181,666		163,307	
		<u>479,758</u>		<u>629,756</u>	
Creditors: amounts falling due within one year	7	(474,406)		(634,335)	
<b>Net current assets</b>			5,352		(4,579)
			<u>895,782</u>		<u>870,991</u>
<b>Capital and reserves</b>					
General reserve	10	159,253		134,462	
Revaluation reserve	10	736,529		736,529	
			<u>895,782</u>		<u>870,991</u>

The financial statements on pages 6 to 13 were approved by the Executive Board on 30 September 1995 and were signed on its behalf by:

Executive board member



## **Notes to the financial statements for the year ended 31 March 1995**

### **1 Principal accounting policies**

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

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Expenditure and Grants**

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

Prior to 1 April 1991 all expenditure other than construction materials and labour were shown as company operating costs. In order to more accurately represent the administration costs of the company, company operating costs now include only genuine core costs not attributable to individual funded projects.

Grants claimable on the company's expenditure to the year end have been included in these accounts. In some cases the grants have been made in advance of expenditure or an initial mobilisation payment received. In these cases the element of payment in advance has been included in creditors.

#### **Management fees**

Management fees agreed on projects are credited to the company and debited to project costs over the life of the project regardless of when they are received. Management fees not previously agreed are credited as they are received.

#### **Cash flow statement**

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

## **Tangible fixed assets**

The cost to the company of freehold land and buildings purchased and of plant and office equipment is capitalised. Any deficits on the construction of cycle routes where grants do not cover costs are not capitalised but are written off to revenue.

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

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

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

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives on the straight line basis. No depreciation is written off freehold land as the members of the executive board are of the opinion that the market value has not changed materially.

The rate of depreciation used for motor vehicles and computing equipment is 30% pa and for other plant and machinery 15% pa.

## **Donations**

They are credited to revenue as they are received by the registered office of the charity.

## **Reserves**

The surplus for the year shows the extent to which grants have covered project costs, and how management fees and donations have covered central overhead costs.

## **Taxation**

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

## **Operating leases**

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

## 2 Operating surplus

The operating surplus is stated after charging:

	1995 £	1994 £
Depreciation of tangible fixed assets	4,943	3,921
Staff costs - note 3	482,765	404,566
Auditors' remuneration	3,600	3,500
Hire of plant and machinery	101,000	100,000

## 3 Staff costs

The average weekly number of employees during the year was:

By Activity

	1995 Number	1994 Number
Office based	25	20
On sites	15	15
	<u>40</u>	<u>35</u>
	1995 £	1994 £
Staff costs (for the above persons)		
Wages and salaries	442,138	366,195
Social Security costs	40,627	38,371
	<u>482,765</u>	<u>404,566</u>

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

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

## 4 Interest payable and similar charges

	1995 £	1994 £
On the bank overdraft:		
repayable within five years, not by instalments	11,868	20,847

**5 Tangible fixed assets**

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 1994	863,095	25,569	10,931	899,595
Additions	10,230	9,373	200	19,803
<b>At 31 March 1995</b>	<u>873,325</u>	<u>34,942</u>	<u>11,131</u>	<u>919,398</u>
<b>Depreciation</b>				
At 1 April 1994	-	14,322	9,703	24,025
Charge for year	-	4,361	582	4,943
<b>At 31 March 1995</b>	<u>-</u>	<u>18,683</u>	<u>10,285</u>	<u>28,968</u>
<b>Net book value</b>				
At 31 March 1995	<u>873,325</u>	<u>16,259</u>	<u>846</u>	<u>890,430</u>
At 31 March 1994	<u>863,095</u>	<u>11,247</u>	<u>1,228</u>	<u>875,570</u>

**6 Debtors**

	1995 £	1994 £
Grants receivable	249,085	128,450
Sundry debtors and prepayments	49,007	23,117
Balance of land sale receivable	-	300,000
VAT receivable	-	14,882
	<u>298,092</u>	<u>466,449</u>

**7 Creditors: amounts falling due within one year**

	1995 £	1994 £
Mobilisation payments and grants received in advance	258,093	152,734
Bank overdraft (secured - see note 9)	6,760	296,878
Trade creditors	172,893	136,939
Other creditors including tax and social security	28,131	29,184
Loan from member of the company	-	9,500
Accruals	8,529	9,100
	<u>474,406</u>	<u>634,335</u>

The loan was unsecured, interest free and was repaid during the year.

## 8 Share capital

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

## 9 Legal charges

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

Additionally, the company's land situated at Naburn, Escrick and Riccall, North Yorkshire is covered by a fixed charge in favour of Selby District Council and the land on the Consett to Sunderland Railway is covered by a fixed charge in favour of Derwentside and Chester-le-Street District Councils and Sunderland Borough Council. Land forming the track bed of part of the disused railway in Cumbria is covered by a fixed charge in favour of Copeland Borough Council.

## 10 Movement on reserves

	1995 £	1994 £
<b>Revaluation reserve</b>		
Balance brought forward	736,529	1,221,238
Transfer to general reserve	-	(484,709)
Balance carried forward	<u>736,529</u>	<u>736,529</u>
<b>General reserve</b>		
Balance brought forward	134,462	(374,258)
Surplus in year	24,791	24,011
Transfer from revaluation reserve	-	484,709
Balance carried forward	<u>159,253</u>	<u>134,462</u>
<b>Total reserves</b>	<u>895,782</u>	<u>870,991</u>

**11 Contingent liabilities**

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

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

**12 Transactions with officers of the company**

Included within other debtors is a loan for £1,500 to an officer of the company.