

**Sustrans Limited**  
**(a company limited by guarantee)**  
**Annual report**  
**for the year ended 31 March 1999**

Registered no: 1797726

Charity no: 326550



# **Sustrans Limited**

## **Annual report for the year ended 31 March 1999**

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# **Sustrans Limited**

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## **Members of the Board**

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

## **Secretary and registered office**

L Semple  
35 King Street  
Bristol  
BS1 4DZ

## **Registered Auditors**

PricewaterhouseCoopers  
Chartered Accountants  
Bull Wharf  
Redcliff Street  
Bristol  
BS1 6QR

## **Solicitors**

Osborne Clarke  
30 Queen Charlotte Street  
Bristol  
BS99 7QQ

McCartney Stewart  
1B Paisley Road  
Renfrew  
PA4 8JH

## **Bankers**

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

**Directors' report  
for the year ended 31 March 1999**

The members of the Board present their report together with the financial statements for the year ended 31 March 1999.

**Company structure**

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

**Principal activities**

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

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

**Review of activities**

The financial year 1998/99 has been one of major progress for the Company and the National Cycle Network. At March 1999, 1784 miles of the Network had been constructed and open for use. The Steering Committee of the National Cycle Network (whose responsibility it is to review and co-ordinate progress) have approved grants to the project, the majority to our many partners, of £29.5 million against a total project spend of £137.6 million. This represents some 76% of the Network to be completed and the project is ahead of target. The majority of expenditure is made by our partners and does not appear in the accounts of the Company.

There has been rapid progress in many parts of the Kingdom and the following long distance routes have been opened in the year:

Route 65:	White Rose Route - Middlesbrough & Hull
Route 75:	Greenock, Glasgow & Edinburgh
Route 9:	Kingfisher Trail - Northern Ireland
Route 3:	West Country Way - Bristol & Padstow
Route 4:	Severn & Thames - Gloucester-Newbury

These routes are fully signed and maps are available for the public.

The project continues to capture the imagination of the public and once again we have achieved a significant increase in the number of our supporters - at March 1999 totalling 35,812, an increase of 5,450 in the year.

One of the year's greatest achievements has been the progress of the Safe Routes to Schools project.

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

During the year a 'sister charity', Railway Paths Ltd was formed to take over from British Rail over 200 linear miles of disused railways. As one of the charitable objectives of Railway Paths Ltd is to support the operations of Sustrans, these disused railways have been made available for the development of cycle paths as part of the National Cycle Network. The integrity of the corridors will also be protected for future public transport use wherever relevant.

### **Future Developments**

The coming year will see major advances for the company and the National Cycle Network. Much of the Network will be completed and fully signed within the financial year and made ready for the formal opening of the Network planned for June 2000. The Company is now confident that over 3,500 miles of cycle route will be completed for the opening celebrations, some 1,000 miles more than we contracted to achieve in the award of grant from the Millennium Commission. The proposed 2005 Network has now increased from 6,500 miles to 9,000 miles due to the support of local authorities and others.

The Board has put in hand a careful review of options for the future, and the next 5 years in particular to shape the Company's programme from the end of the Millennium Grant era.

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

### **Transfer of funds**

The net incoming resources of £343,441 (1998: £478,437) for the year will be transferred to reserves. Of these reserves £468,200 has been utilised on the acquisition of land (net of grants received) essential to the construction of the National Cycle Network.

At 31 March 1999 the company held total reserves of £1,899,857 of which £628,249 was held as restricted funds. These restricted reserves are set aside to meet the obligations required by agreements between the company and the relevant Local Authorities where funds are utilised to meet the future maintenance and construction liabilities on disused railway lines owned by the company. These restricted funds have reduced by £147,607 in the year because of expenditure on maintenance.

As part of its reserves policy the Board has also set aside, as designated funds, additional funds of £700,000 to cover future maintenance liabilities and to contribute to the net cost of the acquisition of land in the next financial year which is essential to the development of the National Cycle Network. As development and usage of the National Cycle Network grows the Board recognise that the company's responsibility for long-term maintenance also increases. The Board intends to add to these designated funds as the scale of the National Cycle Network increases.

The remaining £546,371 of reserves is unrestricted. The Board consider that this level of free reserves is adequate to meet the working capital needs of the company for the coming financial year, but intend to increase these reserves to give the company greater flexibility to meet the requirements of future anticipated growth. This growth will arise from the increasing scale of the National Cycle Network and the company's anticipated increase in construction activities.

### **Members of the Board**

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

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

### **Fixed assets**

The Company continues to own land including a number of disused railway lines, on which it has constructed cycle routes, in various parts of the United Kingdom. During the financial year a number of parcels of land essential to the construction of the National Cycle Network were acquired at a cost (net of grants) of £573,447.

The land not required for routes and available for disposal by the company was revalued by the Board at 31 March 1990. The revaluation was on the basis of offers received for such land, or estate agents' valuations of land. The Board is of the opinion that such land can be sold without detriment to the company's objectives. In all cases the funds so realised form part of the company's income for the completion of projects, the restoration of railway bridges and for the future maintenance of the former railway structures, all as provided for in the terms of agreement between Sustrans, the former British Rail and the respective local authorities. These agreements and their attached assets are reflected as restricted funds in these accounts.

## **Directors' responsibilities**

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

The Board members confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1999. The Board members also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis. The Board members also confirm that they have complied with the Charities S.O.R.P. (Statement of Recommended Practice) except as disclosed in the notes to the accounts under principal accounting policies on page 11.

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

## **Auditors**

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998 and resolution to appoint the new firm, PricewaterhouseCoopers, as auditors to the company was approved by the Board on 19th September 1998.

**By order of the Board**



Secretary

## **Report of the auditors to the trustees of Sustrans Limited**

We have audited the financial statements on pages 7 to 21 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11-13.

### **Respective responsibilities of directors and auditors**

The trustees who are also directors of Sustrans Limited for the purpose of the Company Law are responsible for preparing the Annual Report, including, as described on page 5, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the report of the trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

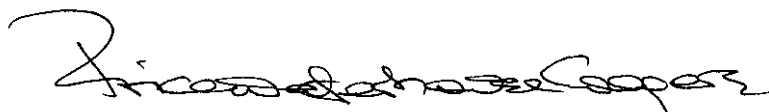
### **Basis of audit opinion**

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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1999 and of its net incoming resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Chartered Accountants and Registered Auditors  
Bristol 20 September 1999



# Sustrans Limited

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## Statement of Financial Activities for the year ended 31 March 1999

Income and expenditure	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 1999 £	Total Funds 1998 £
<b>Incoming resources</b>					
Millennium Commission Grants for construction and project costs	2	1,690,599	-	1,690,599	1,492,619
Construction (inc. maintenance & sculptures)		1,530,524	28,110	1,558,634	949,818
Reports & Surveys		165,383	-	165,383	200,204
Donations from Sustrans Supporters		1,464,401	-	1,464,401	1,125,607
Grants from Charitable Trusts:-					
Safe Routes to Schools		-	128,693	128,693	79,852
Other		231,016	-	231,016	208,916
Other Grants & Corporate Donations		454,921	-	454,921	290,952
Mapping & Publications income		224,719	-	224,719	222,429
Interest received and rental income		47,341	21,411	68,752	50,667
Realised gains on disposal of land		31,250	-	31,250	105,000
Millennium Commission Grants					
- Receivable in respect of partners	2	-	4,885,782	4,885,782	1,626,590
- Payable to partners	2		(4,885,782)	(4,885,782)	(1,626,590)
<b>Total incoming resources</b>		<u>5,840,154</u>	<u>178,214</u>	<u>6,018,368</u>	<u>4,726,064</u>
<b>Resources expended</b>					
<b>Direct charitable expenditure</b>					
Construction (inc. maintenance & sculptures)	2	2,037,916	196,257	2,234,173	1,603,179
Reports & Surveys	2	165,180	-	165,180	168,378
National & Regional Implementation	2	1,593,520	-	1,593,520	1,329,889
Public Information	2	390,688	-	390,688	341,839
Provision of Information to Local Authorities and other Partner Bodies	2	162,596	-	162,596	164,033
Mapping & Publications	2	335,744	-	335,744	205,988
Safe Routes to Schools		-	129,564	129,564	82,610
Ride the Net		237,247	-	237,247	-
	3	<u>4,922,891</u>	<u>325,821</u>	<u>5,248,712</u>	<u>3,895,916</u>
<b>Other expenditure</b>					
Management & Administration		40,362	-	40,362	21,708
Fundraising & Supporter Costs		361,139	-	361,139	301,060
Board Costs		9,334	-	9,334	9,182
Finance Costs	6	15,380	-	15,380	19,761
		<u>426,215</u>	<u>-</u>	<u>426,215</u>	<u>351,711</u>
<b>Total resources expended</b>	3	<u>5,349,106</u>	<u>325,821</u>	<u>5,674,927</u>	<u>4,247,627</u>
<b>Net incoming resources before transfers</b>	4	491,048	(147,607)	343,441	478,437
Transfers between funds	11	-	-	-	-
<b>Net incoming resources</b>	13	<u>491,048</u>	<u>(147,607)</u>	<u>343,441</u>	<u>478,437</u>
Fund balances at 1 April 1998		<u>780,560</u>	<u>775,856</u>	<u>1,556,416</u>	<u>1,077,979</u>
<b>Fund balances at 31 March 1999</b>	11	<u>1,271,608</u>	<u>628,249</u>	<u>1,899,857</u>	<u>1,556,416</u>

All income and expenditure relates to continuing operations.

**Note of historical cost surpluses**

	<b>Unrestricted funds £</b>	<b>Restricted Funds £</b>	<b>Total 1999 £</b>	<b>Total 1998 £</b>
Reported net incoming resources for the year	491,048	(147,607)	343,441	478,437
Realisation of tangible fixed assets revaluation gains of previous year	-	7,530	7,530	5,200
Historical cost surpluses/deficits	<u>491,048</u>	<u>(140,077)</u>	<u>350,971</u>	<u>483,637</u>

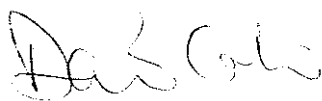
# Sustrans Limited

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## Balance sheet at 31 March 1999

	Notes	£	1999 £	£	1998 £
<b>Fixed Assets</b>					
Tangible assets	7		1,541,190		1,019,515
<b>Current Assets</b>					
Debtors	8	3,489,457		1,557,964	
Cash at bank and in hand		2,270,632		1,826,168	
		<u>5,760,089</u>		<u>3,384,132</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(5,101,422)</u>		<u>(2,779,454)</u>	
<b>Net current assets</b>			<u>658,667</u>		<u>604,678</u>
<b>Total assets less current liabilities</b>			<u>2,199,857</u>		<u>1,624,193</u>
<b>Creditors: amounts falling due after more than one year</b>	10		<u>(300,000)</u>		<u>(67,777)</u>
<b>Net assets</b>			<u>1,899,857</u>		<u>1,556,416</u>
<b>Funds</b>					
Restricted	12		628,249		775,856
Designated	13		725,237		428,534
Unrestricted	14		<u>546,371</u>		<u>352,026</u>
<b>Total funds</b>	11		<u>1,899,857</u>		<u>1,556,416</u>

The financial statements on pages 7 to 21 were approved by the Board on 18th September 1999 and were signed on its behalf by:



Board member

# Sustrans Limited

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## Cashflow statement for the year ended 31 March 1999

	1999 £	1998 £
<b>Net cash inflow from operating activities</b>	<b>771,183</b>	<b>1,360,308</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	60,394	42,875
Interest paid	(41)	-
Rental receipts	8,358	7,792
	<b>68,711</b>	<b>50,667</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets (net of grants received)	(618,199)	(247,051)
Sale of tangible assets	46,780	130,200
	<b>(571,419)</b>	<b>(116,851)</b>
<b>Cash inflow/(outflow) before financing</b>	<b>268,475</b>	<b>1,294,124</b>
<b>Financing</b>		
Increase in long term loans	300,000	-
Interest free loans from supporters	(124,011)	(12,367)
	<b>175,989</b>	<b>(12,367)</b>
<b>Increase/(decrease) in cash in the year</b>	<b>444,464</b>	<b>1,281,757</b>
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>		
	1999 £	1998 £
<b>Operating activities</b>		
Net incoming resources for the year	343,441	478,437
Net return on investments and servicing of finance	(68,711)	(50,667)
Net incoming resources before returns on investments and servicing of finance	274,730	427,770
Depreciation of fixed assets	49,744	48,989
Increase in trade debtors	(2,054,928)	(413,941)
Decrease in sundry debtors and prepayments	123,435	15,755
Increase in trade creditors	207,060	(6,730)
Increase in other creditors including taxation	23,681	17,281
Increase in accruals	45,148	56,931
Increase in payments in advance	183,075	256,937
Increase in grants payable to partner organisations	1,235,889	362,887
Increase in Landfill Tax receipts in advance	751,127	662,207
Decrease in mobilisation payments	(1)	-
Decrease in mobilisation payments, falling due after more than one year	(67,777)	(67,778)
<b>Net cash inflow from operating activities</b>	<b>771,183</b>	<b>1,360,308</b>

## **Notes to the Financial Statements for the year ended 31 March 1999**

### **1 Principal accounting policies**

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

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, as modified by the revaluation of certain fixed assets.

#### **Expenditure, Grants and Donations**

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

Invoicing outstanding and grants claimable on the Company's construction and other expenditure to the year end have been included in these accounts. In some cases payments have been made in advance of expenditure or an initial mobilisation payment received. In these cases the element of payment in advance has been included in creditors.

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

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

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

construction of the National Cycle Network by Sustrans' partners are not reflected in these accounts. The directors believe that expenditure by partner bodies amounted to some £28,075,380.

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

### **Management fees**

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

### **Tangible fixed assets**

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

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

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

Receipts from the sale of land are credited to revenue as they are received or become unconditionally due. Where such land has previously been revalued the appropriate adjustment is made in the note of historical cost surpluses and deficits.

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

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

The rates of depreciation utilised are as follows:

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

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

### **Funds Accounting**

**Restricted Funds** - The major project of the Company is the design, development and construction of the National Cycle Network. Any income identified specifically for other projects by the donor or by the terms of an appeal are treated as restricted funds. Likewise funds established through agreements with local authorities and British Rail for the future maintenance and development of specific routes are restricted funds. The assets and liabilities attached to these agreements form part of these funds as does any income arising from the use of the assets.

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

### **Maintenance**

The company has a maintenance liability over a number of disused railways where it owns the land and structures upon it. A planned maintenance policy is adopted with routine maintenance expenditure being funded from Restricted funds and Designated funds as appropriate. Maintenance liabilities are provided for as and when they are identified.

### **Taxation**

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

### **Operating leases**

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

## **2 Millennium Commission Grants**

In December 1995, the Company entered into an agreement for Grant with the Millennium Commission for the construction of 2,500 miles of cycle route throughout the UK. The majority of the Grant awarded is claimed on behalf of our many partners in the project and is identified in the Statement of Financial Activities as matching incoming and outgoing resources.

The Millennium Commission Grants paid to the Company represent:-

- an average contribution of 21% of total project cost for construction undertaken directly by the Company.
- a contribution to the design, development, negotiation, provision of information, mapping implementation, etc, costs undertaken by the Company amounting to £1,274K in the financial year.

### 3 Analysis of Total Resources Expended

	Notes	Staff costs £'000	Other £'000	Depreciation £'000	Total £'000
<b>Direct charitable expenditure</b>					
Construction, maintenance & sculpture		718,068	1,504,706	11,399	2,234,173
Reports & surveys		121,800	39,753	3,627	165,180
National & regional implementation		221,418	1,350,858	21,244	1,593,520
Provision of information to the public		77,038	311,577	2,073	390,688
Provision of information to local authorities and other partners		88,395	72,128	2,073	162,596
Mapping and publications		60,878	271,239	3,627	335,744
Safe routes to schools		76,294	51,716	1,554	129,564
Ride the Net			237,247		237,247
		<u>1,363,891</u>	<u>3,839,224</u>	<u>45,597</u>	<u>5,248,712</u>
<b>Other expenditure</b>					
Management and Administration		27,686	11,640	1,036	40,362
Fundraising		88,416	269,614	3,109	361,139
Board Costs	(i)	-	9,334	-	9,334
Finance Costs		-	15,380	-	15,380
		<u>116,102</u>	<u>305,968</u>	<u>4,145</u>	<u>426,215</u>
<b>Total resources expended</b>		<u>1,479,993</u>	<u>4,145,193</u>	<u>49,742</u>	<u>5,674,927</u>

- (i) The Board costs include expenditure of £1,456 on the provision of trustees liability insurance.

In the financial year the Company incurred expenditure of £36,500 and received a Scottish Cycle Challenge grant of £18,000 for its project at Rouken Glen Park, East Renfrewshire.

### 4 Net incoming resources

The net incoming resources is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets	49,744	48,989
Auditors' remuneration	7,500	7,500
Hire of other assets - operating leases	<u>4,176</u>	<u>2,538</u>



## 5 Staff costs

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

**By Activity**

	1999 Number	1998 Number
Based at Bristol office	43	38
Based at Regional offices	27	28
On sites	17	17
	<u>87</u>	<u>83</u>
	1999	1998
<b>Staff costs (for the above persons)</b>		
Wages and salaries	£1,354,595	£1,250,821
Social Security costs	<u>£125,398</u>	<u>£115,321</u>
	<u>£1,479,993</u>	<u>£1,366,142</u>

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

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

## 6 Interest payable and similar charges

	1999 £	1998 £
Bank overdraft	<u>41</u>	<u>-</u>

Other finance costs are made up of bank charges.

**7 Tangible fixed assets**

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 1998	958,611	194,409	18,631	1,171,651
Additions	1,146,895	43,152	1,600	1,191,647
Less Grants	(573,488)	-	-	(573,448)
Net Additions	<u>573,447</u>	<u>43,152</u>	<u>1,600</u>	<u>618,199</u>
Disposals	<u>(46,780)</u>	<u>-</u>	<u>-</u>	<u>(46,780)</u>
<b>At 31 March 1999</b>	<b><u>1,485,278</u></b>	<b><u>237,561</u></b>	<b><u>20,231</u></b>	<b><u>1,743,070</u></b>
<b>Depreciation</b>				
At 1 April 1998	-	137,255	14,881	152,136
Charge for year	<u>-</u>	<u>47,014</u>	<u>2,730</u>	<u>49,744</u>
<b>At 31 March 1999</b>	<b><u>-</u></b>	<b><u>184,269</u></b>	<b><u>17,611</u></b>	<b><u>201,880</u></b>
Net book value				
<b>At 31 March 1999</b>	<b><u>1,485,278</u></b>	<b><u>53,292</u></b>	<b><u>2,620</u></b>	<b><u>1,541,190</u></b>
At 31 March 1998	<u>958,611</u>	<u>57,154</u>	<u>3,750</u>	<u>1,019,515</u>

For the freehold land and buildings at valuation:

	£
<b>Historical cost</b>	
At 1 April 1998	343,621
Additions	573,447
Disposals	<u>(39,250)</u>
<b>At 31 March 1999</b>	<b><u>877,818</u></b>

## 8 Debtors

	1999 £	1998 £
Trade Debtors	3,465,479	1,410,551
Sundry debtors and prepayments	23,978	147,413
	<u>3,489,457</u>	<u>1,557,964</u>

## 9 Creditors: amounts falling due within one year

	1999 £	1998 £
Trade creditors	568,557	361,497
Other creditors including tax and social security	87,941	64,260
Accruals	220,620	175,472
Payments in advance	695,111	512,036
Mobilisation payments	67,777	67,778
Interest free loans from supporters for land purchase	148,550	272,561
Grants payable to partner organisations	1,899,532	663,643
Landfill Tax Receipts in Advance	1,413,334	662,207
	<u>5,101,422</u>	<u>2,779,454</u>

## 10 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Long-term loan	300,000	-
Mobilisation payments received in advance	-	67,777
	<u>-</u>	<u>67,777</u>

The long-term loan is from the Charities Aid Foundation - Investors in Society. Investors in Society is a special trust set up by Charities Aid foundation to provide affordable loan and guarantee finance to charities for capital investment and to smooth uneven cash flows. It is funded by donations and loans from individuals, companies, trusts and other organisations. The loan is for five years and unsecured.

The mobilisation payments refer to grants received in advance for the construction of the National Cycle Network, and is being released over the life of the project.

## 11 Movement of funds

	Restricted £	Designated £	Unrestricted	1999 Total £	1998 Total £
1 April 1998	775,856	428,534	352,026	1,556,416	1,077,979
Net incoming/(outgoing) resources	(147,607)	(3,297)	494,345	343,441	478,437
Transfers/New designations	-	300,000	(300,000)	-	-
At 31 March 1999	628,249	725,237	546,371	1,899,857	1,556,416

## 12 Restricted funds

	Notes	Movement in resources			Balance 31 March 1999 £
		Balance 1 April 1998 £	Incoming £	Outgoing £	
Consett & Sunderland Railway Path		238,069	3,155	40,613	200,611
Mirehouse & Rowrah Railway Path		22,469	480	27,105	(4,156)
Paisley to Kilwinning and Kilmacolm		357,597	32,866	68,431	322,032
York to Selby Railway Path		163,121	12,094	43,553	131,662
Worthington Railway Path		(2,642)	926	16,555	(18,271)
Construction and maintenance funds	(i)	778,614	49,521	196,257	631,878
Safe Routes to Schools	(ii)	(2,758)	128,693	129,564	(3,629)
Millennium Commission Grants payable to partner organisations	(iii)	-	4,885,782	4,885,782	-
Total restricted funds		775,856	5,063,996	5,211,603	628,249

- (i) The construction and maintenance funds cover the routes acquired from the British Railways Property Board over which the company has a maintenance liability as a result of agreements with the relevant Local Authorities. The funds are made up of land not required for the company's operations and the net current assets arising from the maintenance activities of the funds. The land, which the company intends to dispose of, was revalued at March 1990.
- (ii) Safe Routes to Schools is a national project run by Sustrans to encourage the provision of safe cycling and walking routes around schools. It consists of a demonstration project in partnership with four local authorities - City of York, Leeds City, Colchester Borough and Hampshire County - and an information project to support schemes run by local authorities. Work undertaken includes the provision of technical support, training seminars, newsletters and an information telephone hotline. (In addition several hundred schools are being linked with the National Cycle Network - these costs fall under construction costs and national and regional implementation).
- (iii) These receipts and payments represent grants claimed from the Millennium Commission on behalf of partner organisations involved in the development and construction of the National Cycle Network.

### 13 Designated funds

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

	Notes	Balance 1 April 1998	New designations	Utilised/ released	Balance 31 March 1999
		£	£	£	£
Malcolm Smith Travel Bursary	(i)	28,534	-	3,297	25,237
Land acquisition fund	(ii)	200,000	100,000	-	300,000
Long-term Maintenance fund	(iii)	200,000	200,000	-	400,000
		<u>428,534</u>	<u>300,000</u>	<u>3,297</u>	<u>725,237</u>

- (i) The Malcolm Smith Travel Bursary fund arises from a legacy from Professor Malcolm Smith, a long time supporter of Sustrans. The travel bursary is utilised to enable staff to visit overseas projects.
- (ii) The land acquisition fund has been increased by £100,000 in the year. The fund is created to contribute, in part, to the acquisition of land in the next two years which is essential to the development of the National Cycle Network. During the financial year 1998/99 the Company bought land costing (net of grants) £423,448.
- (iii) The long term maintenance fund has been increased by £200,000 in the year. Because of the success of the National Cycle Network and the increasing mileage of route established, the Board recognise the need to provide for the future maintenance of that route on land owned by the company or where it has accepted a maintenance responsibility. The Board intend to make further designations to this fund out of unrestricted funds as the scale of the National Cycle Network, and any resultant maintenance responsibility, increases.

### 14 Unrestricted funds

The unrestricted funds of the Company have increased to £546,371 in the financial year. These unrestricted funds represent 18 working days of expenditure at current levels of activity. The Board intends to add to these unrestricted funds to provide greater flexibility of working capital and to facilitate the growth in activities planned in the next financial year.

## 15 Analysis of net assets between funds

	Restricted £	Unrestricted £	Total funds £
Fund balances at 31 March 1999 are represented by:			
Tangible fixed assets	668,748	872,442	1,541,190
Current assets	2,142,521	3,617,568	5,760,089
Current liabilities	(2,183,020)	(2,918,402)	(5,101,422)
Creditors - amounts falling due after more than one year	-	(300,000)	(300,000)
<b>Total net assets</b>	<b>628,249</b>	<b>1,271,608</b>	<b>1,899,857</b>
<b>Unrealised gains included above</b>			
Tangible fixed assets			
<b>Reconciliation of movements of unrealised gains:</b>			
Unrealised gains at 1 April 1998	614,990		614,990
Less: gains on disposals in year	(7,530)		(7,530)
<b>Unrealised gains at 31 March 1999</b>	<b>607,460</b>		<b>607,460</b>

## 16 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.

## 17 Financial commitments

At 31 March 1999 the company had annual commitments under non cancellable operating leases as follows:

	Land and buildings	
	1999 £	1998 £
Expiring within one year	-	4,110
Expiring within two to five years	33,536	5,962
Expiring in more than five years	24,714	24,714
	<b>58,250</b>	<b>34,786</b>

**18 Legal Charges**

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

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

The Camerton Bridge (Workington) is covered by a fixed charge in favour of Allendale Borough Council. The Worthington Branch Line is covered by a fixed charge in favour of Derbyshire County Council and Leicestershire County Council. The Foss Island branch line is covered by a fixed charge in favour of the City of York.

In December 1995 the company entered into a debenture with the Millennium Commission giving a floating charge over the assets of the company, excluding real property, as part of the agreement for grants from the Millennium Commission.

**19 Connected Charities**

During the year Railway Paths Ltd was established as a Charity to take ownership of a number of disused railway lines from British Rail. One of the objects of Railway Paths is to make these lines available to Sustrans for public use as walking and cycling routes.

Under the rules of the Charities' SORP Railway Paths is a 'connected charity' as some of its members are common to Sustrans. There have been no material transactions between the two companies in the year to 31 March 1999.