

**Sustrans Limited**

**(A company limited by guarantee)**

**Annual report**

**for the year ended 31 March 2001**

**Registered no: 1797726**

**Charity no: 326550**



# **Sustrans Limited**

## **Annual report for the year ended 31 March 2001**

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## Legal and administrative information

### Constitution

Sustrans Limited is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

Charity Number: 326550

Company Number: 1797726

### Trustees and Directors

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

R. Farrant (Chair)

T. Blackburn

L. Blakiston-Houston (appointed 7 July 2001)

D. Collins

J. Chalmers (resigned 31 March 2001)

N. Harding

A. Haynes

C. Levett

G. Platts

J. Rigby

P. Strachan

W. Wright

### Registered auditors

PricewaterhouseCoopers

Chartered Accountants

31 Great George Street

Bristol BS1 5QD

### Solicitors

Osborne Clarke

30 Queen Charlotte Street

Bristol

BS99 7QQ

McCartney Stewart

1B Paisley Road

Renfrew

PA4 8JH

### Chief executive

J. Grimshaw

### Bankers

The Royal Bank of Scotland

Corporate Centre

1 Redcliff Street

Bristol

BS1 6NP

### Executive board

J. Grimshaw

M. Shepherd

S. Talbot-Ponsonby

T. Snowdon

### Secretary and registered office

M. Shepherd

35 King Street

Bristol

BS1 4DZ

## **Report of the Trustees for the year ended 31 March 2001**

The trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 March 2001. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

### **Objectives of the Charity**

Sustrans was registered as a charity on 6 March 1984. Sustrans stands for sustainable transport. The charity works on practical projects to encourage people to walk, cycle and use public transport in order to reduce motor traffic and its adverse effects. Our main activities are:

- Coordination of the National Cycle Network, a 12,000 mile construction project to be completed by 2005.
- Coordination of the Safe Routes to Schools initiative, launched in 1996 to provide routes enabling children to walk and cycle to school.
- Coordination of the "Community Volunteers Rangers Programme", which is creating a network of community volunteer rangers, who 'look after' and promote the use of their local section of the National Cycle Network for walking and cycling.
- Development of other work programmes and initiatives to promote sustainable transport including Safe Routes to Stations, green travel plans, rural travel initiatives and "home zones".
- Provision of a public information service, international promotion and liaison with organisations worldwide.

### **Review of activities and future developments**

This has been a most momentous year for Sustrans. When Sustrans was awarded a £43.5 million Millennium Commission grant to build a 2,500 mile National Cycle Network, there were many that doubted that it could be achieved. But on 21 June 2000, five years of dedication and unfaltering commitment from our staff and the many partners involved in the project culminated in the celebrations to launch a 5,000 mile network of routes. This was double the original prediction and makes the National Cycle Network one of the most successful of all the Millennium projects. The trustees would like to specifically acknowledge the support of the Millennium Commission and the Bicycle Association for the financial support for the project, but also the contribution of our many hundreds of Local Authority and other partners.

During the year 2000 miles of the Network were put in place and we are already working towards our next goal of 12,000 miles by 2005.

In September 2000 we were delighted to be awarded a £7.4 million grant from the New Opportunities Fund. The award is to be used to develop a number of new projects, including routes to green spaces, schools, stations and home zones, focussing on areas of deprivation, both urban and rural. These exciting new projects commence in June 2001 and will run for three years.

The Safe Routes to Schools initiative has also had a very encouraging year, in which we have seen many years' hard work come to fruition. It has been particularly heartening to see government at a local and national level taking Safe Routes to Schools into the heart of their own policies. The information service, providing information to schools, communities, local authorities and other partners, is part-funded by the National Lottery Charities Board (now the Community Fund) and has been a major catalyst for the development of school travel plans and the introduction of many safe routes in and around schools.

In the year we also commenced work a new project, Safe Routes to Stations. Sustrans aims to upgrade 30 links to stations per year over the next three years to improve access for both walkers and cyclists. Much of last year has been spent liaising with the Department of the Environment, Transport and the Regions, Railtrack, train operating companies and local authorities to identify stations for the project. The programme will be formally launched in 2001.

Our information services to the public and to our many partners continues to grow apace, reflecting the very heavy demands placed upon it. In the peak week last year we received 2,500 telephone calls and emails and 29,700 website visits. A busy week! During the year we added 13 new maps to our award winning range of maps, launched a new magazine for supporters and launched the enormously popular book, "The Official Guide to the National Cycle Network". In the summer of 2001 we will be launching a new GIS based website providing vast amounts of information on cycling, route information and other attractions.

The trustees wish to record the overwhelming contribution of the many thousands of **volunteers** who have contributed to our success and achievements this year. Without this enormous input our achievements would have been diminished and certainly much less fun. We estimate the launch events in June 2000 to have attracted 500,000 people on to the Network in the week of celebration. During the year we received a three-year grant from the Community Fund to part-fund the development of our Community Volunteer Rangers Programme. We have now appointed and trained over 1,000 Rangers, who 'look after' sections of route, encourage and monitor usage, arrange events etc. This programme will continue to grow and develop over the next three years.

The collection of artworks on the National Cycle Network is the UK's longest display of public art, open and accessible to everyone. During the year we worked on more than 100 sites with over 50 artists, some internationally renowned and others community based. Artworks create memorable landmarks. They foster public support and ownership of the path and its surroundings. We are pleased to announce that we have been successful with three applications to Regional Arts Lottery Programme (RALP) to work with communities to place artworks on routes at the Spenn Valley, Bath to Radstock and Folkestone to Dover. These projects will run for the next two/three years. In June 2001 we launched our arts programme in London to celebrate our success to date and launch our programme of work for the next five years.

The trustees also wish to record the progress and achievements in new areas of work, particularly work on rural initiatives, home zones, health and our continually influential international work.

## **Income Generation**

Income to the charity continues to grow at a healthy level. The charity would like to thank its now 40,000 supporters for their continuously generous support, both financial and other. Income from supporters grew to £1,845k (a growth of 20%) in the year, generosity which underpins the efforts of the organisation to continue to achieve real change to the environment.

The Millennium Commission project is now driving to a most satisfactory conclusion, with a very high level (£12,038k) of grants being claimed on behalf of our many partners in the year.

Income from the provision of services on practical projects achieved £3,859k, reflecting the high level of construction and other activities in the year. Approximately 2,000 miles of completed route has been added to the National Cycle Network during the year.

## **Reserves**

The trustees continue to review the reserves of the Charity on an annual basis as part of the planning process for the organisation. During the year the trustees have added to the level of designated funds primarily to reflect the longer term requirements for the continued development and use of the National Cycle Network. The purpose of the designated funds is identified in Note 14 to the accounts. The Charity also has a number of restricted funds, the details of which are disclosed in Note 13 to the accounts.

The trustees have established a policy level for unrestricted reserves of three months of 'total resources expended'. This was concluded following consideration of the nature of and risks inherent within the income streams of the organisation, its working capital requirements and the need for a financial buffer to ensure continuity of operation. The current level of general reserves is equivalent to approximately one month of 'resources expended' (disregarding the grants awarded to partner bodies) and so the trustees will aim to add to these reserves in coming years.

## **Governance and risk management**

The trustees are appointed by the members of the Company and serve for a period of three years, which is renewable. The trustees, together with the Executive Board, identify the skills, experience, geographical location etc required amongst members of its Board of trustees and advertise widely from its supporters and project partners. The trustees meet at least four times a year, usually for two days to review strategy and performance and to agree operating plans and annual budgets. The Finance Committee, Maintenance Committee and Strategy Committee are made up of trustees and staff to consider specific issues delegated to them by the trustees.

Company and charity 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 charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

The trustees have overall responsibility for ensuring that the charity has appropriate systems and controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposal;
- proper records are maintained and financial information used within the charity or for publication is reliable;
- the charity complies with relevant accounting standards.

As part of its normal planning procedures the trustees, together with the Executive Board, carry out a 'risk mapping' exercise, which is reviewed annually. This 'risk mapping' procedure consists of three processes:

- a brainstorm of all risks the Charity may face in its normal operations for the year ahead
- an assessment of the likelihood of these risks occurring, together with an assessment of the 'damage' that could be caused. This yields a 'priority rating' of risks
- establishing procedures, actions and systems to mitigate those risks identified and to minimise any potential impact on the Charity, should any of those risks materialise.

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

## **Transfer of funds**

Total funds balances have increased in the year to £3,174k, of which £678k is unrestricted. This represents approximately one month of the current levels of expenditure (after dissemination of grants to our partner bodies). The major movement in the year was the increase in designated funds to £2,053k. The trustees created a 'fixed asset fund' in the year (£639k) to assist in identifying those funds that are not 'free funds', but tied up in fixed assets. The trustees also designated a further £300k towards the acquisition of land for the future development of the National Cycle Network.

**Connected Charities**

Railway Paths Limited was established as a Charity in May 1998 to take ownership of a number of disused railway lines from British Rail. One of the objectives of Railway Paths Limited is to make these lines available to Sustrans for development for public use as walking and cycling routes.

Under the guidelines of the Charities' S.O.R.P. Railway Paths Limited is a 'connected charity' as some of its members are common to Sustrans. During the year a number of disused railway lines owned by Railway Paths Limited have been incorporated into the National Cycle Network and routes have been built by Sustrans and its partners. Sustrans, through its regional management structure, was contracted by Railway Paths Limited to carry out maintenance on its land amounting to £10k in the year. The trustees acknowledge the important contribution made by Railway Paths Limited to the achievements in the year.

**Auditors**

A resolution to re-appoint the auditors, PricewaterhouseCoopers, will be proposed at the annual general meeting.

**By order of the Board of trustees**



Company Secretary



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

We have audited the financial statements on pages 8 to 22.

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

The directors who also act as trustees for the charitable activities of Sustrans Limited are responsible for preparing the Annual Report. As described on page 5, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

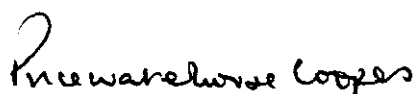
### **Basis of audit opinion**

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 charitable company's affairs at 31 March 2001 and of its net incoming resources, including its income and expenditure, and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors  
Bristol

12 July 2001

# Statement of Financial Activities for the year ended 31 March 2001

		Unrestricted Funds	Restricted Funds	Total Funds 2001 £000	Total Funds 2000 £000
Income and expenditure	Notes	£000	£000	£000	£000
<b>Incoming resources</b>					
Millennium Commission Grants for NCN project		1,075	-	1,075	1,716
Millennium Commission grants receivable in respect of partners	2	-	12,038	12,038	6,480
Income from practical projects	3	2,791	1,068	3,859	3,222
Donations from Supporters		1,845	-	1,845	1,533
Grants including Charitable Trusts	4	1,161	146	1,307	998
Mapping & Publications income		468	-	468	316
Interest received and rental income		126	59	185	84
Realised gains on disposal of land		233	-	233	357
<b>Total incoming resources</b>		<b>7,699</b>	<b>13,311</b>	<b>21,010</b>	<b>14,706</b>
<b>Resources expended</b>					
<b>Cost of generating funds</b>					
Fundraising and supporters costs		413	-	413	359
<b>Direct charitable expenditure</b>					
Practical projects	5	3,295	1,434	4,729	4,120
Millennium Commission grants payable to partner bodies	2	-	12,039	12,039	6,480
National & Regional Implementation	5	1,171	-	1,171	1,558
Information	5	1,303	-	1,303	1,372
Safe Routes to Schools project	5	-	187	187	190
Support Costs	5	223	-	223	197
Management & Administration	5	59	-	59	43
<b>Total resources expended</b>		<b>6,464</b>	<b>13,660</b>	<b>20,124</b>	<b>14,319</b>
<b>Net incoming resources before transfers</b>		<b>1,235</b>	<b>(349)</b>	<b>886</b>	<b>387</b>
Transfers between funds	13	(110)	110	-	-
<b>Net incoming resources</b>		<b>1,125</b>	<b>(239)</b>	<b>886</b>	<b>387</b>
<b>Fund balances at 1 April 2000</b>	13, 14 and 15	<b>1,606</b>	<b>681</b>	<b>2,287</b>	<b>1,900</b>
<b>Fund balances at 31 March 2001</b>		<b>2,731</b>	<b>442</b>	<b>3,173</b>	<b>2,287</b>

All income and expenditure relates to continuing operations.

**Balance Sheet at 31 March 2001**

	Notes	2001		2000	
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Tangible assets	7		1,324		1,589
<b>Current Assets</b>					
Debtors	8	1,844		4,065	
Cash at bank and in hand	9	<u>4,496</u>		<u>3,423</u>	
		6,340		7,488	
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,191)</u>		<u>(6,490)</u>	
<b>Net current assets</b>			<u>2,149</u>		<u>999</u>
<b>Total assets less current liabilities</b>			<u>3,473</u>		<u>2,588</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(300)</u>		<u>(300)</u>
<b>Net assets</b>			<u>3,173</u>		<u>2,288</u>
<b>Funds</b>					
Restricted	13		442		681
Designated	14		2,053		1,024
Unrestricted	15		<u>678</u>		<u>583</u>
<b>Total funds</b>			<u>3,173</u>		<u>2,288</u>

The financial statements on pages 8 to 22 were approved by the trustees on 7 July 2001 and were signed on its behalf by:

Trustee

*Richard Farwell*

# **Cashflow statement for the year ended 31 March 2001**

	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
Net cash inflow from operating activities	<b><u>439</u></b>	<b><u>828</u></b>
<b>Returns on investments and servicing of finance</b>		
Interest received	176	62
Interest paid	-	-
Rental receipts	<u>9</u>	<u>22</u>
	<b><u>185</u></b>	<b><u>84</u></b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets (net of grants received)	(286)	(534)
Sale of tangible assets	<u>743</u>	<u>795</u>
	<b><u>457</u></b>	<b><u>261</u></b>
<b>Cash inflow before financing</b>	<b><u>1,081</u></b>	<b><u>1,173</u></b>
<b>Financing</b>		
Increase in long term loans	-	-
Decrease in interest free loans from supporters	<u>(8)</u>	<u>(21)</u>
	<b><u>(8)</u></b>	<b><u>(21)</u></b>
<b>Increase in cash in the year</b>	<b><u>1,073</u></b>	<b><u>1,152</u></b>

	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
<b>Operating activities</b>		
Net incoming resources for the year	886	388
Net return on investments and servicing of finance	<u>(185)</u>	<u>(84)</u>
Net incoming resources before returns on investments and servicing of finance	701	303
Depreciation of fixed assets	41	48
Realised gains on disposal of land	(233)	(357)
(Increase)/decrease in trade debtors	2,220	(589)
Decrease in sundry debtors and prepayments	1	13
Increase/(decrease) in trade creditors	112	(116)
Decrease in other creditors including taxation	(1)	(35)
Increase/(decrease) in accruals	(106)	193
Increase/(decrease) in payments in advance	(329)	38
Increase/(decrease) in grants payable to partner organisations	(1,653)	861
Decrease in Landfill Tax receipts in advance	(314)	(98)
Increase/(decrease) in mobilisation payments	-	566
<b>Net cash inflow from operating activities</b>	<b><u>439</u></b>	<b><u>828</u></b>

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

## Notes to the Financial Statements for the year ended 31 March 2001

### 1 Principal accounting policies

#### (a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (S.O.R.P.), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards. The comparative figures for the year 2000 in the Statement of Financial Activities have been amended to reflect the requirements of the SORP.

#### (b) Fund Accounting

**Unrestricted funds** are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

**Designated funds** comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in Note 14 to the financial statements.

**Restricted Funds** - The major project of the 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.

#### (c) Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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 Company has met the conditions of the relevant project, at which point the creditor is released to income over the life of the project.

**(d) Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on the basis of the head count. Non-recoverable VAT is attributed to the heading of cost where the expenditure is incurred.

All expenditure up to the year end payable 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.

Fund raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include personal, I.T., finance and administration costs. Management and administrations costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**(e) Tangible fixed assets**

The cost to the 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'.

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 trustees to dispose of such land.

Tangible fixed assets costing more than £500 are capitalised and included at cost.

Depreciation is calculated to write off the cost of tangible fixed assets over their expected useful lives on a straight line basis. Freehold land 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

**(f) 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. Significant short-term maintenance liabilities are provided for as and when they are identified.

**(g) Taxation**

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

**(h) 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 both incoming resources and resources expended. The amount paid to partners in the year was £12,038k.

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 £951k in the financial year.

### 3 Income from practical projects

	Unrestricted £000	Restricted £000	Total 2001 £000	Total 2000 £000
<b>Direct charitable income</b>				
Construction projects	2,267	231	2,498	2,168
Construction projects funded by Landfill Tax Credits		781	781	687
Reports and surveys	133	-	133	138
Sculpture activities	333	-	333	191
Maintenance	58	56	114	38
	<u>2,791</u>	<u>1,068</u>	<u>3,859</u>	<u>3,222</u>

### 4 Grant income, including charitable trusts and other project income

	Notes	Unrestricted £000	Restricted £000	Total 2001 £000	Total 2000 £000
Safe Routes to Schools					
- project income		49	66	115	167
- charitable trusts		-	80	80	25
Other grants from charitable trusts		232	-	232	318
Other grants and corporate donations	(i)	880	-	880	488
		<u>1,161</u>	<u>146</u>	<u>1,307</u>	<u>998</u>

- (i) Included in other grants is a contribution of £50k from the National Assembly for Wales towards the cost of our office in Cardiff and our activities within Wales.



## 5 Analysis of total resources expended

	Staff costs £000	Other direct costs £000	Other allocated costs £000	Total 2001 £000	Total 2000 £000
Fundraising costs	125	277	11	413	359
Practical Projects:					
Rangers	31	44	10	85	-
Construction	334	3,017	56	3,407	3,015
Sculpture	-	297	-	297	321
Maintenance	34	446	-	480	379
Surveys and reports	89	19	12	120	145
Land and legal costs	13	161	-	174	260
Other Projects	58	100	8	166	-
	<u>559</u>	<u>4,084</u>	<u>86</u>	<u>4,729</u>	<u>4,120</u>
Millennium Commission grants, payable to partners	-	12,039	-	12,039	6,480
National and Regional implementation	700	379	92	1,171	1,558
Information:					
Public information	79	316	8	403	482
Information to local authorities and other partner bodies	64	36	7	107	145
Mapping and publications	97	405	13	515	386
Ride the net opening events	43	235	-	278	359
	<u>283</u>	<u>992</u>	<u>28</u>	<u>1,303</u>	<u>1,372</u>
Safe Routes to Schools	78	102	7	187	190
Support costs	118	94	11	223	197
Management & administration	25	32	2	59	43
<b>Total Resources Expended</b>	<u>1,888</u>	<u>17,999</u>	<u>237</u>	<u>20,124</u>	<u>14,319</u>
				<b>2001</b>	<b>2000</b>
				<b>£000</b>	<b>£000</b>
Other direct costs include:					
Audit				8	8
Other accounting advice and specific grant audits				2	1
Depreciation of tangible fixed assets				41	48
Board costs (i)				7	12
Operating leases rentals:					
land and buildings				58	59
other				3	4

(i) Board costs include £1,312 (£1,470) on the provision of trustee liability insurance.

## 6 Staff Costs

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

### By Activity

	2001 Number	2000 Number
Based in Bristol office	55	52
Based at Regional offices	29	26
On sites	23	20
	<u>107</u>	<u>98</u>
	2001 £000	2000 £000
Staff costs (for the above persons):		
Wages and Salaries	1,738	1,593
Social Security costs	150	135
	<u>1,888</u>	<u>1,728</u>

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

No employee earned £50,000 per annum or more.

## 7 Tangible fixed assets

	Freehold land and buildings £000	Fixtures and Fittings £000	Motor Vehicles £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2000	1,557	262	20	1,839
Additions	472	21	35	528
less Grants	(243)			(243)
Net Additions	<u>229</u>	<u>21</u>	<u>35</u>	<u>285</u>
Disposals	(510)			(510)
At 31 March 2001	<u>1,276</u>	<u>283</u>	<u>55</u>	<u>1,614</u>
<b>Depreciation</b>				
At 1 April 2000		230	19	249
Charge for year		30	11	41
At 31 March 2001		<u>260</u>	<u>30</u>	<u>290</u>
Net book value				
At 31 March 2001	<u>1,276</u>	<u>23</u>	<u>25</u>	<u>1,324</u>
At March 2000	<u>1,557</u>	<u>31</u>	<u>1</u>	<u>1,589</u>

The amount of fixed assets at valuation is matched by the fixed asset values in the restricted funds (see Note 13).

## 8 Debtors

	2001	2000
	£000	£000
Trade Debtors	1,834	4,054
Sundry Debtors and prepayments	<u>10</u>	<u>11</u>
	<u>1,844</u>	<u>4,065</u>

## 9 Cash

The cash balances of £4,495,641 are made up of the following:-

	2001	2000
	£000	£000
<b>Restricted Funds</b>		
Total Maintenance Accounts	411	387
Millennium Commission Fund – grants payable to partner bodies	435	158
Landfill Tax Credit Accounts – funds held for the future construction of 29 projects on the NCN	1,030	1,347
Other Restricted Funds	<u>53</u>	<u>149</u>
	1,929	2,041
<b>Unrestricted Balances</b>		
Mobilisation payment from the Millennium Commission was repaid in May 2001	600	600
General funds held at the end of the financial year	1,967	782
<b>Total Cash Balances</b>	<u>4,496</u>	<u>3,423</u>

## 10 Creditors: amounts falling due within one year

	2001	2000
	£000	£000
Trade creditors	565	453
Other creditors including tax and social security	52	53
Accruals	307	413
Payments in advance	403	732
Mobilisation payments (i)	634	634
Interest free loans from supporters for land purchase	120	128
Grants payable to partner organisations	1,108	2,761
Landfill Tax receipts in advance	<u>1,002</u>	<u>1,316</u>
	<u>4,191</u>	<u>6,490</u>

- (i) These mobilisation payments include an advance of £600k from the Millennium Commission to assist with the working capital requirements of the National Cycle Network project. This advance was repaid in May 2001.

## **11 Creditors: amounts falling due after more than one year**

	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
Long-term loan	<u><b>300</b></u>	<u><b>300</b></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. This loan is due for repayment on 14 February 2004.

## **12 Movement of funds**

	<b>Restricted</b>	<b>Designated</b>	<b>Unrestricted</b>	<b>2001</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
1 April 2000	681	1,024	583	<b>2,287</b>
Net incoming/outgoing resources	(349)	(646)	1,881	<b>886</b>
Transfer/new designations	110	1,675	(1,785)	<b>-</b>
At 31 March 2001	<u><b>442</b></u>	<u><b>2,053</b></u>	<u><b>678</b></u>	<u><b>3,173</b></u>

## 13 Restricted funds

	Notes	Movement in resources				Balance 31 March 2001 £000
		Balance 1 April 2000	Incoming	Outgoing	Transfers from Unrestricted funds	
		£000	£000	£000	£000	
Consett & Sunderland Railway Path		154	9	75	-	88
Paisley to Kilwinning and Kilmacolm		238	49	191	-	96
York to Selby Railway Path		289	24	55	-	258
Worthington Railway Path - Derby		-	1	46	45	-
<b>Construction and maintenance funds</b>	(i)	<u>681</u>	<u>83</u>	<u>367</u>	<u>45</u>	<u>442</u>
Safe Routes to Schools	(ii)	-	146	187	41	-
Millennium Commission Grants payable to partner organisations	(iii)	-	12,038	12,038	-	-
Projects funded by Landfill Tax Credits	(iv)	-	813	813	-	-
Other Projects	(v)	-	206	206	-	-
National Volunteer Ranger Programme	(vi)	-	25	49	24	-
<b>Total restricted funds</b>		<u>681</u>	<u>13,311</u>	<u>13,660</u>	<u>110</u>	<u>442</u>

- (i) The construction and maintenance funds cover the routes acquired from the British Railways Property Board over which the company has a maintenance liability as a result of agreements with the relevant Local Authorities. The funds are made up of land not required for the company's operations and the net current assets arising from the maintenance activities of the funds.
- (ii) Safe Routes to Schools is a national project run by Sustrans to encourage the provision of safe cycling and walking routes around schools. The National Lottery Charities Board (now renamed the Community Fund) provided a three-year grant towards our work which includes the provision of technical support, training seminars, newsletters and an information hotline. This information and support programme operates throughout the UK. During the financial year grants received from the Community Fund totalled £66k. This grant concludes in June 2001.
- In addition, several hundreds of schools are being linked with the National Cycle Network - this expenditure is included under construction costs and national and regional implementation within these accounts.
- (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.
- (iv) The company is a registered 'Environmental Body' with Entrust the regulator of the Landfill Tax Credit scheme. The company has received funding through the scheme for construction of various projects on the National Cycle Network. During the financial year construction took place on 30 projects.
- (v) This expenditure relates to a number of projects on the National Cycle Network in Berkshire funded by contributions.
- (vi) The National Lotteries Charities Board (now renamed the Community Fund) has awarded a three-year grant towards this programme. We now have in place over 1000 volunteers, who 'look after' sections of the National Cycle Network and liaise with local communities to encourage use of the Network through arranging events etc.

At the end of the year we received £15k from the Coalfields Regeneration Trust to part fund a community development post in the financial year 2001/2002. As this income is specifically for the next financial year, it has been included within creditors deferred income.

## 14 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 2000 £000	Incoming £000	Outgoing £000	New designations £000	Balance 31 March 2001 £000
Malcolm Smith Travel Bursary	(i)	24	-	9	-	15
Land acquisition fund	(ii)	500	243	754	811	800
Long-term Maintenance fund	(iii)	500	36	161	225	600
Fixed asset fund	(iv)	-	-	-	639	639
		<u>1,024</u>	<u>279</u>	<u>924</u>	<u>1,675</u>	<u>2,054</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 in the year to £800k. During the financial year, £754k including all associated legal costs, was expended on the acquisition of land for the National Cycle Network. During the year 5,000 miles of the Network was formally opened and it is planned that a further 5,000 miles be completed by 2005. As the support of the Millennium Commission for the project ceases in 2001, the trustees have designated further funds for the future acquisition of land essential to the completion of the National Cycle Network. The trustees would like to establish a fund balance which would cover two years of future expenditure and therefore recognise the need to designate further funds in future years.
- (iii) The long term maintenance fund has been increased by £100k 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.
- (iv) The fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets except for those that form part of restricted funds - see Note 13.

## 15 Unrestricted funds

The unrestricted funds of the Company have increased in the year to £678k. This represents approximately 1 month of expenditure at current levels of activity (disregarding the payment of grants to be paid to our partner bodies). This level of unrestricted funds is considered adequate for the coming financial year. The trustees have adopted a policy level of resources of 3 months to provide flexibility of working capital and a sufficient 'buffer' to ensure continuity of activities in the longer term. This policy level is continually reviewed as part of the Company's planning process.

## 16 Analysis of net assets between funds

	Restricted £000	Unrestricted £000	Total funds £000
Fund balances at 31 March 2001 are represented by:			
Tangible fixed assets	686	638	1,324
<b>Current assets:</b>			
Bank	1,929	2,567	4,496
Debtors	<u>741</u>	<u>1,103</u>	<u>1,844</u>
	2,670	3,670	6,340
Current liabilities	(2,914)	(1,277)	(4,191)
Creditors – amounts falling due after more than one year	-	(300)	(300)
<b>Total net assets</b>	<u><u>442</u></u>	<u><u>2,731</u></u>	<u><u>3,173</u></u>

## 17 Share capital

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

## 18 Financial commitments

	Other Assets		Land and buildings	
	2001 £000	2000 £000	2001 £000	2000 £000
Expiring within one year	3	2	-	2
Expiring within two to five years	-	-	58	61
Expiring in more than five years	-	-	-	-
	<u><u>3</u></u>	<u><u>2</u></u>	<u><u>58</u></u>	<u><u>63</u></u>

## **19 Legal Charges**

Over a number of years Sustrans has acquired disused railway lines in England and Scotland and these acquisitions have been covered by a fixed charge in favour of the appropriate authority. The legal charges which are in existence are as follows:

- The Company's land situated at Naburn, Escrick and Riccall, North Yorkshire is covered by a fixed charge in favour of Selby District Council
- 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.