

**Railway Paths Limited**  
**(A company limited by guarantee)**

**Annual report and financial statements**  
**for the year ended 31 March 2012**

Registered Company Number:	3535618
Registered Charity Number:	1070003 SC039256 (Scotland)



# **Railway Paths Limited**

## **Annual report for the year ended 31 March 2012**

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## **Legal and administrative information**

### **Constitution**

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

Charity number        1070003 (England & Wales)  
                              SC039256 (Scotland)

Company number.    3535618

### **Trustees and Directors**

The Trustees serving during the year and since the year end were as follows.

Greg Beecroft  
Chris Curling (resigned 14 Oct 2011)  
Huw Davies  
John Palmer  
Malcolm Shepherd  
Ian White (Chair)

### **Secretary and registered office**

Andy Appleby  
2 Cathedral Square  
College Green  
Bristol BS1 5DD

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory  
Auditors  
31 Great George Street  
Bristol BS1 5QD

### **Solicitors**

Osborne Clarke  
2 Temple Back East  
Temple Quay  
Bristol BS1 6FA

McCartney Stewart  
1B Paisley Rd  
Renfrew PA4 8JH

### **Bankers**

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

Other bankers  
Barclays Bank plc  
40-42 Queen Square  
Bristol BS1 4QP

Lloyds Banking Group plc  
21 Prince Street  
Bristol, BS99 7JG

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

Santander UK plc  
1st Floor, Alliance House  
12 Baldwin Street,  
Bristol, BS1 1SD

## **Report of the trustees for the year ended 31 March 2012**

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 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in 2005, the Companies Act 2006 and the Charities Act 2011 in preparing the annual report and financial statements of the Charity. The legal and administration information on page 1 forms part of this report

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

The Charity was established to take ownership of disused railway lines from BRB (Residuary) Ltd, formerly Rail Property Ltd. The main aims and objectives are:

- The preservation, restoration, maintenance and protection for public benefit of the structures and buildings on the land owned by the Charity
- To make available for public benefit routes, roads and paths suitable for walking, cycling, horse riding and wheelchair use
- To support, promote and encourage the charitable activities of Sustrans Ltd registered charity number 326550
- The Charity also has an undertaking with the Secretary of State to safeguard for potential future public transport use the disused railway lines in its ownership.

The Charity's strategy for achieving its main aims and objectives is to maintain, through prudent management, the asset portfolio of the organisation in order to ensure its long-term viability. All of the structures are routinely inspected in line with the "Management of Highway structures" code of practice (publication date September 2005). In addition, the Charity works closely but independently with Sustrans in order to maximise the benefit of its asset holdings to the public.

### **Key performance indicators**

#### **Bridge condition scoring**

When an inspection is undertaken a condition grade is reviewed and updated for the structure. This is based on five categories ranging from A for "Very Good" through to E for "Bad".

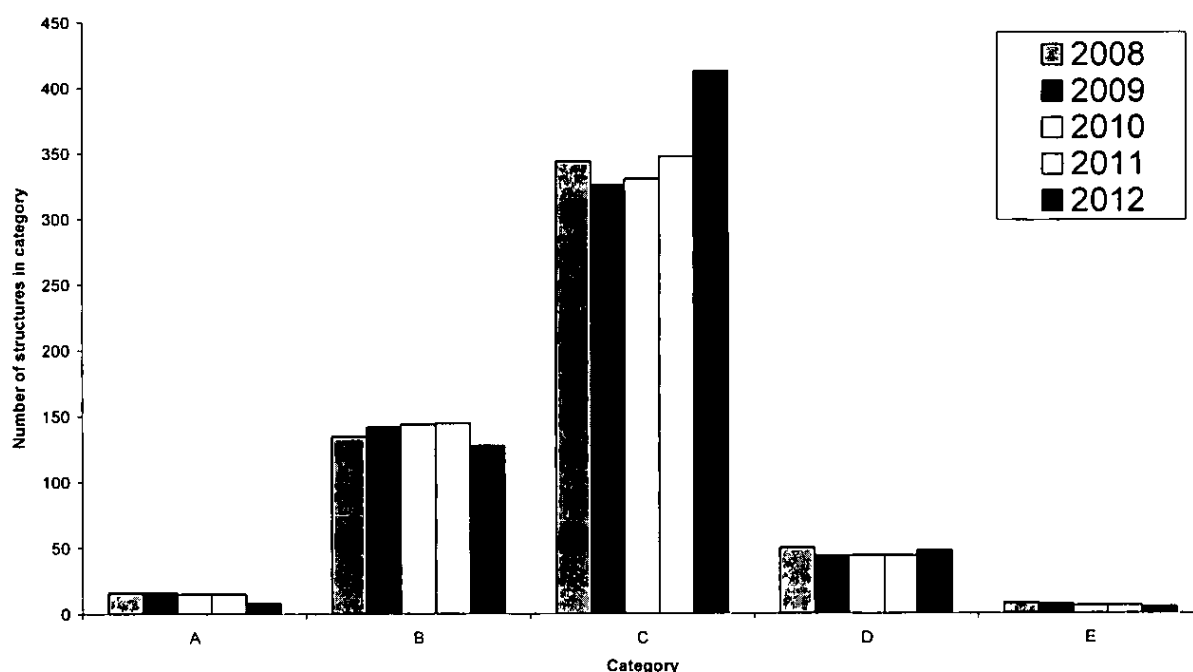
- **A Very Good:** Full strength. In near 'as built' condition, well maintained. (*Good paint, pointing, surfaces*)
- **B Good:** Full strength. Superficial non-structural defects. (*Effective paint protection, only minor cracks/spalls, mainly good joints, no movement, minor vegetation*)
- **C Fair:** Within 90% of original strength. BE4 pass (the first standard to cover highway bridge assessment, BE4, was introduced to allow for 32 tonne

vehicles) Defects affecting durability or marginally affecting strength Safety not compromised (vegetation, open joints, paint failure, corrosion but only slight section loss, settlement)

- **D Poor:** Significant strength loss from original but still serviceable for current loadings. Marginal BE4 assessment Defects significantly affecting strength and durability or marginally affecting safety. (*deep/extensive spalling, perishing, leakage, structural cracking, deformation, significant corrosion section losses, sub-standard parapets or safety fencing*)
- **E Bad:** Understrength for current loadings Unstable or failed structure with significant risks Significant safety risk (*Assessment failure, critical section loss, arch failure, gross settlement, no parapets*)

Once a year, or on request of the Board or others, a report is prepared showing the number of structures with condition A, B etc The information is displayed graphically to show the spread of condition grades over time These grades, also taken into account with Consequence of Failure assessments can be used to help prioritise works

The present levels are considered satisfactory, and the Trustees aim to reduce the number of "E" structures from the present level of 5 (2011: 6) in coming years



## Financial reserves

When the Charity was established in 1998 to take ownership of disused railway lines from BRB (Residuary) Ltd, formerly Rail Property Ltd this responsibility was accompanied by a "capital bond" with the intention that the property be maintained to an appropriate standard This property is referred to throughout these financial statements as "Phase 1".

In 2010/11 the Charity took further property from BRB (Residuary) Ltd. (Phase 2) and the Trustees believe it is appropriate to keep the two tranches of transfers separate, such that the cash received to maintain Phase 1 is spent on Phase 1 property.

Designated Funds were established by the Trustees in 2010/11 to ring-fence income to the appropriate land

The trustees have established a policy level for designated funds of 10 years of forecast expenditure. On current information available, this would indicate a requirement of about £3.7 million. Current funds stand at £1.9 million and the trustees would like therefore to add £1.8 million to reserves over the next 5 years. It is hoped that this can be achieved through the sale of assets which are not required for charitable purposes. This policy level is periodically reviewed as part of the Charity's planning process.

### **Achievements and Performance**

The Charity continued its programme of inspection and surveying of the 645 (2011. 640) structures, for which it has responsibility, on the disused railway lines in its ownership.

During the financial year the Charity spent £226,135 (2011. £171,069) on the refurbishment and maintenance of its structures. The major expenditure items included the following

£25,818 – Montacute Road bridge – London  
£18,150 – Alder Road bridge – North West

The balance of expenditure was incurred on cost effective solutions to maintenance across a large number of structures where expenditure had been prioritised. The Charity has a detailed analysis of all maintenance expenditure required, which it has prioritised for the next 3 years.

£87,526 (2011. £145,795) was spent on estate management and maintenance

The Charity has continued to make disused railway lines available to Sustrans and others for the development of routes for walking and cycling. The Charity does not contribute financially to the construction of these routes. In the course of these developments some maintenance work on structures owned by the Charity is undertaken by others in order to make routes safe for public use.

Works to an approximate value of £360,000 (2011. £250,000) were undertaken on the maintenance of Railway Paths Limited structures by third parties during the financial year. The most notable include.

- Expenditure of £160,000 on four bridges on the Dewsbury line in Yorkshire
- Expenditure of £60,000 on lattice footbridge painting, resurfacing and re-pointing on the Fallowfield line in the North West

- Expenditure of £50,000 on initial trial works and design on Vauxhall Bridge, Gt Yarmouth in the East

Also during the year the Charity received proceeds of £279,823 (2011 £90,918) for sales of phase 1 land and other assets (net book value=Nil), and a further £nil (2011 £154,879) for phase 2 land and other assets (net book value=Nil)

### **Objectives for 2012/13**

#### **Preservation of structures, buildings and land**

The Charity will continue its programme of inspection and surveying of the 645 structures, for which it has responsibility. The programme of maintenance and repairs will include major works by third parties to at least 4 structures.

### **Risk**

The Trustees confirm that the major risks to which the charity is exposed as identified by them have been reviewed and systems or procedures have been established to manage those risks

The most recent review of risks faced by the Charity identified

- a) An inability to get Rail User Clause approval from the Department for Transport
- b) Loss of support from BRB (Residuary) Limited's successor
- c) A reduction in improvement/maintenance of our assets

as most significant.

Our inspection programme and financial records ensure that the third of these key risks and indeed key performance indicators are monitored, whilst the first two are symptomatic of present times and are monitored closely on an ongoing basis by the Trustees

### **Investment and reserves policy**

The Charity has limited reserves with which to meet its future liabilities, and has adopted a policy which requires that these reserves are added to over the next few years. The trustees regularly review the investment policy to be applied to these largely liquid reserves. The trustees recognise the implications of "risk" and "return", especially in the current environment and have agreed a "minimal risk" strategy to safeguard the Charity's reserves.

The Trustees regularly review the investment policy to be applied to any cash deposits held by the Charity. Cash balances are largely required for working capital and to meet short-term obligations. Owing to the volatility of equity and other markets, the Trustees have for many years adopted a 'no market risk' investment strategy to safeguard the Charity's cash assets.

Whilst Railway Paths Limited seeks to minimise investment risk the Trustees acknowledge the difficulties presented by the ongoing uncertainty within the wider economy. Over the year the Trustees sought to minimise the exposure of the charity by holding funds with five large banks. These include our main banker, the Co-operative Bank plc, which has an enviable ethical policy, together with Lloyds Banking Group plc, Santander UK plc, The Royal Bank of Scotland plc, and Barclays Bank plc.

### **Financial risk management**

The following statements summarise the charity's policy in managing identified forms of financial risk:

- Price risk. The Charity negotiates grants awarded to finance the charity's activities and incorporates this information into its business plans. Salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk. Credit risk on amounts owed to the charity by its customers is low, as the majority of debtors are Local Authorities.
- Liquidity risk. The Charity has no long term borrowings. The charity will make use of its overdraft facility when required.
- Interest rate cash flow risk. The Charity is able to place surplus funds on short term deposit account with the charity's bankers.

### **Structure, Governance and Management**

The trustees are appointed by the members of the Charity and serve for a period of 3 years, which is renewable. In addition, the following organisations have the right to appoint trustees as determined by the Articles of the Company:

BRB (Residuary) Ltd	1 Director (currently G. Beecroft)
Railway Heritage Trust	1 Director (currently I. White)

The trustees identify the skills and experience required amongst members of its Board and seek to recommend appropriate candidates from its project partners and wider networks. The induction for prospective board members includes documentation and attending a two day board meeting where the detailed work programmes of the Charity and discussions concerning Trustees' roles and responsibilities are covered. The Trustees receive periodic updates and guidance on their role as Trustees of the Charity. The trustees meet at least 3 times a year, usually for 2 days, to visit and inspect projects, review strategy and performance and to agree operating plans and annual budgets.



**Statement of Trustees' Responsibilities**

The trustees (who are also directors of Railway Paths Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

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

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

In so far as the trustees are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

- Railway Paths' purposes remain charitable
- Railway Paths satisfies the public benefit test.

Details on how the funds have been used for public benefit are shown above

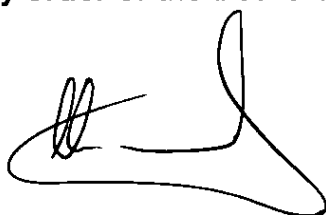
**Connected Charities**

One of the objectives of the Charity is to support the work of Sustrans Ltd, a registered Charity (number, 326550 England & Wales, SC039263 Scotland) (registered office, 2 Cathedral Square, College Green, Bristol BS1 5DD) Under the guidelines of the Charities' SORP, Railway Paths Limited is a 'connected charity' as some of its members are common to Sustrans Mr M Shepherd, Sustrans' Chief Executive, and Mr. H. Davies, Sustrans' National Cycle Network Director, are also trustees of Railway Paths Limited During the year Mr. C Curling was a Trustee of both Sustrans and Railway Paths Limited.

In the interests of efficiency and cost minimisation, Sustrans is contracted by Railway Paths Limited to provide accounting, company secretarial and HR services and paid £10,000 (2011, £10,000) to Sustrans in the year for these services That charge was based upon the calculated marginal cost incurred in the provision of these services Railway Paths Limited is contracted by Sustrans to provide Estate Management services and received £10,000 (2011, £10,000) during the year

The financial statements of Railway Paths Limited are not consolidated with those of Sustrans Limited because neither organisation can exert control over the other.

**By order of the Board of trustees**

A handwritten signature in black ink, appearing to be 'Andy Appleby', written over a horizontal line.

**Andy Appleby**  
**Company Secretary**  
**11 October 2012**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAILWAY PATHS LIMITED**

We have audited the financial statements of Railway Paths Limited for the year ended 31 March 2012 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's trustees and members as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements.

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

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

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



Fiona Westwood (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
15 October 2012

**Statement of financial activities  
for the year ended 31 March 2012  
(Including Income and Expenditure account)**

	Notes	Unrestricted Funds 2012 £	Unrestricted Funds 2011 £
<b><u>Incoming resources</u></b>			
<b>Incoming resources from charitable activities</b>			
<i>Preservation of structures, buildings, and land</i>		-	-
<b>Incoming resources from generated funds</b>			
Realised gains on disposal of land & other assets		279,823	90,918
Rental income		146,595	127,889
Advertising income		32,428	36,362
Interest received		39,052	29,034
Income from easements		30,000	53,291
Recovery of legal costs		118,757	20,525
Other income		18,261	87,360
Phase2 income		20,002	254,879
<b>Total incoming resources</b>		<b>684,918</b>	<b>700,258</b>
<b><u>Resources expended</u></b>			
<b>Charitable activities</b>			
<i>Preservation of structures, buildings, and land</i>			
Bridge maintenance and management		226,135	171,069
Estate maintenance and management		87,526	204,954
Legal costs		25,651	52,346
Insurance		14,504	10,368
Other expenditure		9,409	11,592
Phase2 expenditure		-	8,952
		<b>363,225</b>	<b>459,281</b>
Governance costs	5	<b>6,770</b>	<b>5,655</b>
<b>Total resources expended</b>		<b>369,995</b>	<b>464,936</b>
Net income for the year	2	<b>314,923</b>	235,322
<b>Total funds brought forward at 1 April</b>		<b>1,571,952</b>	1,336,630
<b>Total funds carried forward at 31 March</b>	10	<b>1,886,875</b>	<b>1,571,952</b>

The Charity has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented. All income and expenditure relates to continuing operations.

There is no difference between the net income for the years stated above and its historical cost equivalent.

**Balance sheet as at 31 March 2012**

	Notes	2012 £	2011 £
<b>Fixed Assets</b>	6	-	-
<b>Current Assets</b>			
Debtors	7	118,112	94,835
Cash at bank and in hand		<u>1,832,204</u>	<u>1,636,927</u>
<b>Total current assets</b>		<u>1,950,316</u>	<u>1,731,762</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(63,441)</u>	<u>(159,810)</u>
<b>Total assets less current liabilities</b>		<u>1,886,875</u>	<u>1,571,952</u>
<b>Net assets</b>		<u>1,886,875</u>	<u>1,571,952</u>
<b>The funds of the charity</b>			
Designated	10	<u>1,886,875</u>	<u>1,571,952</u>

The notes on pages 13 to 18 are an integral part of these financial statements

The financial statements on pages 11 to 18 were approved by the Board of Directors on 11 October 2012 and were signed on its behalf by



**Ian White**  
**Trustee**

## **Notes to the financial statements for the year ended 31 March 2012**

### **1 Principal Accounting Policies**

The financial statements have been prepared under the historical cost convention, with the exception of investments that are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared in accordance with Charities Accounts (Scotland) regulations 2006 and Charities and Trustee Investment (Scotland) Act 2005. The financial statements have been prepared on a going concern basis and accounting policies have been applied consistently.

#### **a) Basis of accounting**

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

#### **b) Cash flow statement**

The Company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

#### **c) Fund Accounting**

The purpose of the Charity is to manage the ownership of numerous disused railway lines and the structures on them. As all financial transactions undertaken by the Charity relate solely to this objective, the incoming and outgoing resources of the Charity have been classified as 'unrestricted funds'.

The Charity makes these disused railway lines available to Sustrans and local authority partners for their development as routes for walking and cycling. The Charity does not contribute financially to their development, except in the case of specific maintenance structures.

#### **d) Incoming Resources**

All incoming resources are included in the statement of financial activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income relating to the Charity's maintenance and other projects prior to the year end has been included in these financial statements.

**e) Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs of £10,000 are shown within other expenditure. Costs that cannot be directly attributed to particular headings have been allocated to activities on a basis consistent with use of resources.

**f) Tangible fixed assets**

Tangible fixed assets costing more than £500 are capitalised and included at cost. Freehold land and buildings were acquired at no cost.

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

The rate of depreciation is as follows.

Computer equipment	33.3% per annum
--------------------	-----------------

**g) Maintenance**

The Charity has a potential maintenance liability over a number of disused railways where it owns the land and structures upon it. A planned maintenance policy is adopted with significant short-term maintenance liabilities provided for as and when they are identified.

**h) Pension scheme**

The Charity makes contributions to a defined contribution pension scheme on behalf of certain staff members. The cost of these contributions is charged in the financial statements as incurred.

**i) Operating Leases**

Income and costs in respect of operating leases are credited / charged on a straight line basis over the lease term.

**j) Taxation**

The Charity is a non-profit making organisation and a registered charity with the Charity Commissioners. It is generally exempt from Corporation Tax and there is no tax charge for the year.

**k) Designated funds**

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 10 to the financial statements.



**2 Net income**

	2012 £	2011 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	-	472
Auditors' remuneration	1,350	1,300
Operating lease rentals - land and buildings	9,350	9,350

Rental and advertising income of £179,023 (2011: £164,251) arises from a small number of properties owned by the Charity (Net book value = nil).

**3 Trustees' emoluments**

No remuneration was paid for the provision of the services of the directors (2011: £nil). £508 (2011: £247) was reimbursed to two (2011: two) Trustees for travel expenditure incurred in attending Board meetings.

**4 Employee information**

The average weekly full-time equivalent number of employees during the year was 5.2 (2011: 4.5).

	2012 £	2011 £
Salaries	138,467	136,731
Social Security costs	13,631	13,412
Pension	2,621	1,204
	<u>154,719</u>	<u>151,347</u>

These costs are allocated to Bridge management £48,405 (2011: £37,904) and Estate management £106,314 (2011: £113,443). Under the Articles of Association, members of the Board are not permitted to receive remuneration from the Charity. No employee earns more than £60,000 per annum (2011: nil). Outstanding pension contributions at the year end were nil (2011: nil).

**5 Governance costs**

	2012 £	2011 £
Board meeting expenses	4,420	3,355
Audit fee	1,350	1,300
Company Secretarial charges	1,000	1,000
	<u>6,770</u>	<u>5,655</u>

Governance costs includes the expenses for three (2011: three) Board meetings. This amount includes the involvement of stakeholders.

## 6 Fixed assets

### Computer Equipment £

#### Cost

As at 1 April 2011	19,735
Additions	-
As at 31 March 2012	<u>19,735</u>

#### Accumulated depreciation

As at 1 April 2011	19,735
Charge for the year	-
At 31 March 2012	<u>19,735</u>

#### Net book value

At 31 March 2012	<u>-</u>
At 31 March 2011	<u>-</u>

In May 1998 the Charity entered into an agreement with BRB (Residuary) Limited to acquire a portfolio of land (phase 1). The transfer of this portfolio is now complete. These parcels of land are all disused railway lines and have many structures, bridges, etc. on them.

These transfers were all concluded at a nominal value recognising the longer term financial liabilities which became the responsibility of the Charity on acquisition. The Trustees have decided not to re-value land holdings because of the complexity and the resulting on-going costs which would be incurred. The Charity has an undertaking with the Secretary of State for Transport to hold the properties for potential future public transport use and this significantly suppresses any development value.

The Charity has and will continue to make these disused railway lines and structures available to Sustrans Ltd and others for the development of walking and cycling routes.

**7 Debtors**

	2012 £	2011 £
Trade Debtors	76,025	29,379
Tenancies	28,945	57,760
Prepayments & accrued income	13,142	7,696
	<u>118,112</u>	<u>94,835</u>

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

	2012 £	2011 £
Trade Creditors	26,798	33,046
PAYE/NIC	3,610	3,971
VAT	31,683	18,484
Accruals	1,350	30,362
Other creditors	-	73,947
	<u>63,441</u>	<u>159,810</u>

**9 Financial commitments**

At the year end the Charity had annual commitments under non-cancellable operating leases as follows.

	2012 £	2011 £
<b>Land &amp; Buildings</b>		
Expiring within one year	9,350	-
Expiring between one to five years	-	9,350
	<u>9,350</u>	<u>9,350</u>

**10 Designated funds**

	Balance 1 April 2011	Incoming	Outgoing	Transfer from unrestricted	Balance 31 March 2012
	£'000	£'000	£'000	£'000	£'000
Phase 1	1,326,025	664,916	(369,995)	-	<b>1,620,946</b>
Phase 2	245,927	20,002	-	-	<b>265,929</b>
	<b>1,571,952</b>	<b>684,918</b>	<b>(369,995)</b>	-	<b>1,886,875</b>

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In 2010/11 the Charity took further property from BRB (Residuary) Ltd (Phase 2) and the Trustees believe it is appropriate to keep the two tranches of transfers separate, such that the cash received to maintain Phase 1 is spent on Phase 1 property.

Designated Funds were established by the Trustees in 2010/11 to ring-fence income to the appropriate land.