

Railway Paths Limited
(A company limited by guarantee)

Annual report and financial statements
for the year ended 31 March 2013

Registered Company Number

3535618

Registered Charity Number:

1070003
SC039256 (Scotland)

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Railway Paths Limited

Annual report for the year ended 31 March 2013

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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
Huw Davies
Nigel Gibbons (appointed 11 Oct 2012)
John Palmer
Malcolm Shepherd
Jeff Vinter (appointed 10 Aug 2012)
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 2013

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 2013. 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

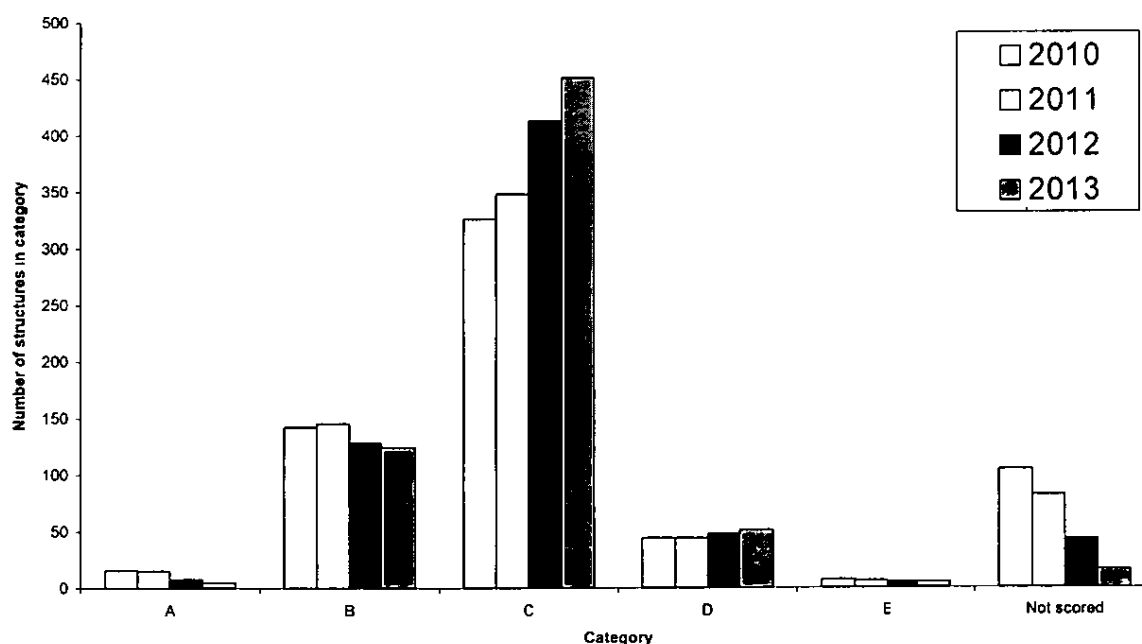
(*Deep/extensive spalling, perishing, leakage, structural cracking, deformation, significant corrosion section losses, sub-standard parapets or safety fencing*)

- **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 (2012 5) 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 £4.7 million. Current funds stand at £2.1 million and the trustees would like therefore to add £2.6 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 652 (2012 645) structures, for which it has responsibility, on the disused railway lines in its ownership.

During the financial year the Charity spent £289,194 (2012 £226,135) 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. £136,279 (2012 £87,526) 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 £507,000 (2012 £360,000) were undertaken on the maintenance of Railway Paths Limited structures by third parties during the financial year. The most notable include:

- Expenditure of £300,000 on Vauxhall Bridge, Great Yarmouth in the East – corrosion analysis, replacing hanger rods and painting underside of bridge
- Expenditure of £60,000 on Kendrum Viaduct near Lochearnhead, Scotland – Replacing hanger rods, weld repairs, and painting

Also during the year the Charity received proceeds of £329,361 (2012: £279,823) for sales of phase 1 land and other assets (net book value=Nil)

Objectives for 2013/14**Preservation of structures, buildings and land**

The Charity will continue its programme of inspection and surveying of the 652 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 due to transfer of responsibilities from BRB (Residuary) Limited to the Highways Agency, and
- 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.

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

Public benefit

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 N Gibbons 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 (2012, £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 (2012, £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



Andy Appleby
Company Secretary
25 June 2013

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 2013 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 2013 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)

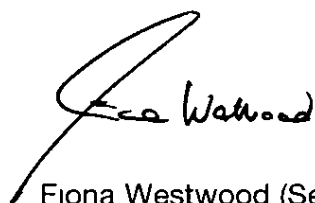
Opinion on other matter prescribed by the Companies Act 2006

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 11 July 2013

**Statement of financial activities
for the year ended 31 March 2013
(Including Income and Expenditure account)**

	Notes	Unrestricted Funds 2013 £	Unrestricted Funds 2012 £
<u>Incoming resources</u>			
Incoming resources from charitable activities			
<i>Preservation of structures, buildings, and land</i>		-	-
Incoming resources from generated funds			
Realised gains on disposal of land & other assets		329,361	279,823
Rental income		129,099	146,595
Advertising income		35,789	32,428
Interest received		52,148	39,052
Income from easements		-	30,000
Recovery of legal costs		25,533	118,757
Other income		18,109	18,261
Phase2 income		50,002	20,002
Total incoming resources		640,041	684,918
<u>Resources expended</u>			
Charitable activities			
<i>Preservation of structures, buildings, and land</i>			
Bridge maintenance and management		289,194	226,135
Estate maintenance and management		136,279	87,526
Legal costs		10,683	25,651
Insurance		18,084	14,504
Other expenditure		9,774	9,409
		464,014	363,225
Governance costs	5	5,633	6,770
Total resources expended		469,647	369,995
Net income for the year	2	170,394	314,923
Total funds brought forward at 1 April		1,886,875	1,571,952
Total funds carried forward at 31 March	10	2,057,269	1,886,875

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 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	6	-	-
Current assets			
Debtors	7	226,850	118,112
Investments		1,600,000	-
Cash at bank and in hand		290,321	1,832,204
Total current assets		<u>2,117,171</u>	<u>1,950,316</u>
Creditors: amounts falling due within one year	8	<u>(59,902)</u>	<u>(63,441)</u>
Total assets less current liabilities		2,057,269	1,886,875
Net assets		<u>2,057,269</u>	<u>1,886,875</u>
The funds of the charity			
Designated	10	<u>2,057,269</u>	<u>1,886,875</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 25 June 2013 and were signed on its behalf by



Ian White
Trustee

Notes to the financial statements for the year ended 31 March 2013

1 Principal Accounting Policies

The financial statements have been prepared under the historical cost convention. 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, the Companies Act 2006, 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'.

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.

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
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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 Commission. It is generally exempt from Corporation Tax and there is no tax charge for the year.

2 Net income

	2013	2012
	£	£
Net income is stated after charging		
Auditors' remuneration	1,400	1,350
Operating lease rentals - land and buildings	9,350	9,350

Rental and advertising income of £164,888 (2012 £179,023) 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 (2012 £nil) £888 (2012 £508) was reimbursed to three (2012 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 5.0 (2012. 5.2)

	2013	2012
	£	£
Salaries	141,678	138,467
Social Security costs	14,163	13,631
Pension	3,047	2,621
	<u>158,888</u>	<u>154,719</u>

These costs are allocated to Bridge management £52,760 (2012 £48,405) and Estate management £106,128 (2012. £106,314). 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 (2012: nil). Outstanding pension contributions at the year end were nil (2012 nil).

5 Governance costs

	2013	2012
	£	£
Board meeting expenses	3,233	4,420
Audit fee	1,400	1,350
Company Secretarial charges	1,000	1,000
	<u>5,633</u>	<u>6,770</u>

Governance costs includes the expenses for three (2012 three) Board meetings. This amount includes the involvement of stakeholders.

6 Fixed assets

	Computer Equipment £
Cost	
As at 1 April 2012	19,735
Disposals	(16,239)
As at 31 March 2013	<u>3,496</u>
Accumulated depreciation	
As at 1 April 2012	19,735
Disposal	(16,239)
At 31 March 2013	<u>3,496</u>
Net book value	
At 31 March 2013	<u>-</u>
At 31 March 2012	<u>-</u>

7 Debtors

	2013 £	2012 £
Trade Debtors	171,427	76,025
Tenancies	23,996	28,945
VAT	6,099	-
Prepayments & accrued income	25,328	13,142
	<u>226,850</u>	<u>118,112</u>

8 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade Creditors	38,521	26,798
PAYE/NIC	3,956	3,610
VAT	-	31,683
Accruals	17,425	1,350
	<u>59,902</u>	<u>63,441</u>

9 Financial commitments

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

	2013	2012
	£	£
Land & Buildings		
Expiring within one year	9,350	9,350
Expiring between one to five years	-	-
	<u>9,350</u>	<u>9,350</u>

10 Designated funds

	Balance 1 April 2012	Incoming	Outgoing	Balance 31 March 2013
	£'000	£'000	£'000	£'000
Phase 1	1,620,946	590,039	(469,647)	1,741,338
Phase 2	265,929	50,002	-	315,931
	<u>1,886,875</u>	<u>640,041</u>	<u>(469,647)</u>	<u>2,057,269</u>

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, which includes many structures, bridges, etc. be maintained to an appropriate standard. This property is referred to above as "Phase 1".

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.

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 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.