

Sustrans Limited

(A company limited by guarantee)

**Annual report and financial statements
for the year ended 31 March 2016**

Registered Company Number:

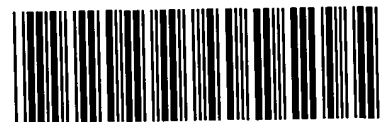
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Registered Charity Number:

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SC039263 (Scotland)

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31 March 2016****CONTENTS**

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Legal and administrative information

Constitution

Sustrans Limited is a company limited by guarantee and a registered charity governed by its Articles of Association.

Charity Number: 326550
SC039263 (Scotland)

Company Number: 1797726

Trustees and Directors

The trustees of the company who were in office during the year and up to the date of signing the financial statements were:

Claire Addison (LC)
Valerie Aherne (FC)
Andrew Balfour (FC) (LC)
Edward Condry
Mark Edgell
Anne Hyland (FC)
Kirsty Lewin
Richard Morris (FC)
Jamie O'Hara
William Stow (Chair)

(FC = sits on the Finance Committee)
(LC = sits on the Land Committee)

Executive team

Chief Executive –
Malcolm Shepherd (retired 01/04/16)
Andy Wistow (Acting) (02/04/16 to 05/06/16)
Xavier Brice (from 06/06/16)

External Affairs Director – Peter Lipman
Finance Director – Andy Appleby
HR Director – James Bigwood
Operations Director – Andy Wistow

Geographical Directors

England Midlands and East – Matt Easter
England North – Rosslyn Colderley
England South – James Cleeton
London – German Dector-Vega
Northern Ireland – Gordon Clarke
Scotland – John Lauder
Wales – Jane Lorimer

Secretary and registered office

Andy Appleby
2 Cathedral Square
Bristol BS1 5DD

Independent auditors

PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol BS2 0FR

Solicitors

Osborne Clarke
2 Temple Back East
Bristol BS1 6EG

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

McCartney Stewart
1B Paisley Road
Renfrew PA4 8JH

Main banker

Lloyds Bank plc
Bristol City Centre Branch
PO Box 1000, BX1 1LT

Other bankers

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

Santander UK plc
12 Baldwin Street,
Bristol BS1 1SD

Triodos Bank,
Deanery Road,
Bristol BS1 5AS

Report of the trustees including the strategic report for the year ended 31 March 2016**Chair's statement**

This has been a challenging year for Sustrans. Anticipating the significantly reduced government funding in England which is now occurring, we carried through the first phase of a restructuring programme which saw the number of English regions reduced from 8 to 3 and changes in our central teams. A second phase is near completion at the time of this Report. Sadly, a significant number of redundancies will result and I am enormously grateful to all our staff for the way they have managed to deliver great results at a difficult time. Thanks to prudent building of reserves in previous years we have been able to manage this process in a considered and well-planned way but it has still been painful. We aim to be back to break-even point by October 2016 and will be in a strong financial position to move forward under the leadership of our new CEO, Xavier Brice who joined us from Transport for London in June 2016 and brings us a wealth of expertise and skills.

Despite these challenges this Report is able to give a snapshot of the great work Sustrans is doing right across the UK thanks to the dedication, skills and unique expertise of our staff and the partnerships they have built up with a range of public sector and other bodies. This work brings huge benefits to local communities and to the health and wellbeing of thousands of people, young and old, and I am convinced that its importance and value will continue to be recognised by our partners in national and local government. Our reorganisation will give us a very sound platform to take advantage of and create new opportunities.

Much of our success in embedding the importance of sustainable transport is due to Malcolm Shepherd, who retired in April 2016 after 7 years as Sustrans' CEO and 21 years in all with us. Malcolm led Sustrans through a highly successful period in which our influence at UK, national and local level increased substantially and we delivered a range of creative projects which have had a real impact on peoples' lives. Malcolm's personal leadership, commitment and drive were recognised by the award of the CBE in the Queen's Birthday Honours 2015. The Trustees are very grateful to him for his huge contribution and wish him all the best in retirement.

As the Report was being finalised the result of the EU referendum was announced. Although there is little or no EU legislation directly affecting active travel, the decision to leave may have effects on our risk environment e.g. on investment income, sources of funding and our position in Scotland, which are very difficult to predict at this stage. The Board of Trustees will keep these potential risks under close scrutiny as part of its risk management process which already enables us to monitor financial, reputational, operational and other risks very closely.

Report of the trustees including the strategic report for the year ended 31 March 2016

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 2016. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (FRS102) effective from 1st January 2015, 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.

Strategic report, including the aims and objectives of the charity

Sustrans makes smarter travel choices possible, desirable and inevitable.

Our vision is a world in which people choose to travel in ways that benefit their health and our environment.

Our mission is to influence practice and shape policy so that everyone can travel by foot, bike or public transport for more of the journeys we make every day.

Our aim is to transform the UK's transport system and culture, so that:

- the environmental impacts of transport, including its contribution to climate change and resource depletion, are significantly reduced;
- people can choose more often to travel in ways that benefit their health;
- people have access to essential local services without needing to use a car;
- local streets and public spaces become places for people to enjoy.

In order to achieve this transformation, our objectives are:

- to make local environments safe and more attractive for walking and cycling;
- to support and encourage individuals to make more sustainable and healthy travel choices, through motivational and information programmes;
- to influence policy and practice by communicating the outcomes of our own work, and the benefits of sustainable and healthy travel, to a wide audience.

Report of the trustees including the strategic report for the year ended 31 March 2016**Strategic Report, including the Aims and Objectives of the Charity (continued)****How we work**

To deliver our objectives each year we plan to:

- **Build on success** – extending the reach of our work in schools, communities and workplaces to every English region and all the nations of the UK, and continuing to make walking and cycling a realistic choice for all, including via the National Cycle Network and our other infrastructure work.
- **Integrate our programmes** – sustainable travel behaviour change requires us to work both with people, giving them the skills and information they need to cycle, walk or use public transport more, and with places, creating safer streets and networks of walking and cycling routes. The effectiveness of our work is greatly enhanced where we implement these approaches together and combine them with projects delivered by others to create area-wide solutions which enable people to make smarter choices for more of the journeys they make every day.
- **Expand this integrated approach to all parts of the UK** – our offices in Scotland, Wales, Northern Ireland, London and the English regions will develop opportunities for and deliver an ever-wider range of work, reaching an ever-greater number of people, and reflecting national and regional priorities.
- **Continue to innovate** – devising and testing new approaches to enable even more people to walk, cycle or use public transport. We will scale up approaches with the potential to meet our objectives and relinquish others capable of replication to the same high standard without our involvement.
- **Expand and resource our policy work and capability** – supporting our current and future work and having a greater impact on national and regional policies and practice.
- **Rigorously monitor and evaluate all our programmes** – to share learning and good practice across the charity, as well as to influence government policy and practice at all levels.

What we do

We're a leading UK charity enabling people to travel by foot, bike or public transport for more of the journeys we make every day. We work with families, communities, policy-makers and partner organisations so that people are able to choose healthier, cleaner and cheaper journeys, with better places and spaces to move through and live in.

Report of the trustees including the strategic report for the year ended 31 March 2016**Strategic Report, including the Aims and Objectives of the Charity (continued)**

Our **volunteers** are our eyes and ears in communities throughout the UK – over 4,000 people getting involved and increasing the impact and legacy of Sustrans' work. They help to maintain and enhance the National Cycle Network, through signage, biodiversity and route maintenance activities, improving the environment, user experience and enabling as many as possible to access and use it. Others lead walks and rides and promote travel options within schools, communities and workplaces; and others help the charity to be more financially sustainable by holding fundraising events.

Our work with **young people** ensures that pupils and students all over the UK are able to get to class under their own steam. Where we work to increase cycling to school, on average we double the number of children cycling to school every day. Our work to create networks of safe routes to schools gives families real alternatives so they can walk, scooter and cycle the school run.

Sustrans works with **communities** to redesign streets so that traffic moves more slowly, children are able to play outside, and neighbours can meet and chat in pleasant spaces. Through community-focused activity, including led cycle rides and walks, we also enable a wide range of people who are not active enough to benefit their health to be out and about more.

Our work with **people at home and at work**, giving them the information and advice they need to choose to walk, cycle or use public transport rather than take the car, significantly reduces car use on local journeys.

Our **campaigns and influencing** work highlights the changes in practice and policy that could and can be achieved to ensure that smarter travel choices are possible, desirable and inevitable.

Evaluation and feedback

A vital part of our work is monitoring the effectiveness of all our activities. We have a dedicated and highly respected Research and Monitoring Unit which comprehensively monitors and evaluates all our major work programmes, to assess their impact on increasing walking and cycling. We also gain feedback in the following ways:

- Through our involvement in and influence on government policies and papers;
- Through the range of partner organisations we work with;
- Through the number of people and organisations we reach with our work and communication programmes;
- Through the widespread adoption of projects that we have successfully piloted.

More information about the impacts of, and outcomes from, our work can be found at www.sustrans.org.uk

Key performance indicators

Sustrans is currently developing a suite of organisation-wide Key Performance Indicators which will help us track our progress towards our strategic objectives. Ongoing improvements will continue throughout the year to ensure that our indicators are strategic and help Sustrans to monitor and improve our performance.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16**

Sustrans has worked with communities and partners in the public and private sectors to make journeys safer, empower people, connect communities and create cleaner and healthier spaces for people across the regions and nations of the United Kingdom.

Our Bike Life reports – funded mainly by the Freshfield Foundation – are providing further evidence that this is what people from one end of the country to the other want. Produced and funded in partnership with the authorities of seven cities – Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Greater Manchester, and Newcastle – they report that people want to cycle more and that they want greater investment to make this happen.

Unfortunately this is not being matched by consistent investment and 2015/16 has seen a sharpening in differences in levels of investment for active travel across the UK. In Scotland, Sustrans has been able to bring not only its expertise and creativity to communities and local authorities, but also match funding of £20m from Transport Scotland. In Wales we have seen the first full year of the Active Travel Act implemented and in Northern Ireland the Government launched its Cycling and Walking Investment Strategy. In England we have seen a reduction in dedicated funding, but we are adept at both making the most of available funds and the continued consistent generosity of our supporters and donors means we have continued to deliver impact.

Across the UK we have worked with more young people than ever before with 1 in 10 schools engaging in our work. Whether through Active Journeys in Wales, Bike It in England, I Bike in Scotland, or the Active School Travel Programme in Wales, Sustrans is enabling a generation to travel in ways that will benefit their health and their environment.

Sustrans has a rich heritage of working with communities to deliver new infrastructure for cycling and walking routes. We continue to build a physical legacy. 2015 saw the 20th Anniversary of the National Cycle Network, celebrations included the opening of the 81-mile Morecombe Cycle Way. In Scotland the 250-mile Caledonian Way opened linking communities from Campbeltown to Inverness. This has been a dotted line on the NCN route map for many years, and in Northern Ireland we have been developing new potential routes as part of a Northern Ireland Greenway Plan, as well as attracting European funding to make the most of the existing Greenway from Belfast to Comber. In London we have worked with boroughs and local communities to deliver Phase 1 of the Quietways Network for Transport for London, as part of the Mayor of London's Vision for Cycling.

Our work with communities extends beyond route building, and leads right up to front doors. We have directly involved communities in redesigning their streets, working with 3,000 residents in Peckham and seven different neighbourhoods across Bristol to make streets fit for people, not just cars. Across England, Sustrans travel hubs have enabled people to make healthier and happier travel choices. The Active Travel Hub at Stockton has been commissioned by the NHS to run a revolutionary project to reduce hospital admissions amongst diabetes patients. In Nottingham, the Community Hubs Project has seen Sustrans support over 3,000 job seekers in finding employment. Workplaces are another focal point for our work, with workplace travel planning supporting healthier workforces, more reliable journeys to work and better environment for all.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 (cont.)**

Over 4,000 Sustrans volunteers continue to underpin everything we do and without a doubt are our greatest resource. The extreme weather in the winter of 2015/16 hit the NCN hard. Our supporters dug into their pockets and our volunteers literally dug in, keeping routes open and logging and helping repair serious damage in the north of England and Scotland. Our volunteers are also helping green our routes under the Greener Greenways project, funded by the Esmée Fairbairn Foundation, with 231 wildlife champions improving habitats and surveying species on 44 traffic-free routes.

Internally, Sustrans has reacted proactively to changes in external funding. A comprehensive restructuring programme is nearing completion at the time of writing. This has consolidated our organisation in England into three regions outside of London, and devolved more activity out from the centre of the organisation in Bristol to the regions and nations where we operate. Sadly, this change is leading to a significant number of redundancies, but will leave us stronger for the future.

2016/17 Objectives

This will be a transition year for Sustrans, as new structures bed in and a new Chief Executive brings change in leadership. Our work to connect communities, and enable healthier, happier and cleaner travel choices goes on, and sits alongside four organisational objectives for the year:

1. Complete the restructuring and embed a culture of collaboration across the organisation
2. Ensure that this year's budgets are managed with rigour so that we can live within our means in 2017/18
3. Strengthen our partnerships
4. Initiate and complete a review of our strategy

Our devolved nation, English region and London teams continue to innovate and inspire, and the following reports give a taste of some of the fantastic outcomes they have delivered across the UK during 2015/16.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – England Midlands and East****Smarter Travel Nottingham Community Hubs Project**

The hubs delivered work in community centres across the city of Nottingham, as well as being present at many community events, for over two years. During that time, we have supported many people to switch to sustainable travel, including an innovative scheme to help overcome travel barriers for job seekers. Key achievements include:

- High levels of active engagement and satisfaction with hub activities. 76% of participants have encouraged others to join in a ride or walk since taking part. 98% of survey respondents would recommend the project to friends or family.
- People supplied with hi-vis gear, bike lights, heavy-duty locks etc. Dr Bike has also been a regular fixture around the city, helping people tune up their bikes and ensure they're riding safely.
- 457 people were trained up to be their own bike mechanic. 361 people were taught to be more confident cyclists. We made a video about cycling safely in winter and provided tips and advice to a large number of people, about getting around the city and further afield by public transport.
- 143 young children took part in our Learn2Cycle classes, and we helped one group of young people learn how to strip down and rebuild bikes.
- A training programme produced and delivered to improve access to employment. We supported over 3,000 job seekers to travel to work, training or interviews. We also hosted a number of placements in our team and helped volunteers gain skills.
- A massive 621 events delivered, where we met 19,388 people – running activities from edible walks to pedal-powered parties, helping people learn new skills, discover new things and meet new people.

Nottingham City Cycling Design Guide

The Midlands and East infrastructure team worked with Nottingham City Council to develop a cycling infrastructure design guide to assist with the council leaders' ambition for a world class cycle network to match the city's world class public transport system.

Area managers working at councils

Over the past year we have been working one day each week at Warwickshire and Worcestershire County Councils. This work has enabled Sustrans to shape network development plans in many towns and cities across the two counties, including Worcester, Evesham, Droitwich, Malvern, Warwick, Leamington, Stratford-upon-Avon and Nuneaton.

Sustrans has also been able to take a lead role in shaping how some significant housing and employment developments accommodate cycling and walking within their boundaries, as well as connect to the wider cycling and walking networks beyond.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – England North****Community hubs – Stockton Active Travel Hub**

The hub is six years-old and going from strength to strength. It opened in March 2010 to offer free cycle parking, information and support and a suite of practical motivational interventions to help people travel more actively:

- The project offers over 380 guided rides and over 500 guided walks per year, the majority of which are volunteer led, resulting in over £52k worth of volunteer time annually.
- As a result of the many varied project interventions, the Stockton Active Travel project has had some impressive results, attracting 21,944 beneficiaries, 2,376 of which are members of the hub's cycle parking facility.
- A 2013 project report has shown that interventions have resulted in a 50% increase in physical activity, a 44% increase in active travel and a 64% positive improvement in mental wellbeing.
- Results have also shown a 12% increase in cycling to work and a 9% decrease in car commuting.

In 2015/16 we were commissioned by Public Health to run a number of community 'pop-up' hubs to replicate the successes of the town centre hub. Recently, the hub has also been commissioned by the Hartlepool and Stockton CCG to run a revolutionary pilot project targeting patients with type II diabetes, in an attempt to reduce non-planned hospital admissions and save on CCG costs.

Volunteers

2015/16 saw the volunteer program in Yorkshire have its most successful year yet:

- During the year we became the second UK region to exceed 500 registered volunteers, recruiting new group co-ordinators in Barnsley, Bradford, North Lincolnshire, Selby, Hull and Calderdale.
- We were delighted that the volunteers in Penistone racked up a record-breaking 1,000 hours of volunteering and were duly awarded the title of Best Sustrans Volunteer Group in England and Wales for 2015.
- We saw improved compliance with health and safety and with activity recording, two thirds of our groups now achieve or exceed our 'thriving' status.
- Volunteers also helped us to inspect our property (completing 75-85% of inspections) and further improved the quality of the signing of the National Cycle Network across the region, most notably the new group co-ordinator for Barnsley, Eleanor Davenport, who repainted all of the metal signposts across her area.

The crucial importance of our volunteers came into its own when the Boxing Day floods caused devastation across much of Yorkshire and the Humber, including lots of damage to the National Cycle Network. Our volunteers rallied to the cause; sweeping the silt, repairing the fences, reporting the damage, and even identifying opportunities for Sustrans to access small grants to help with path reinstatement.

Morecambe Bay Cycle Way

An award-winning new 81-mile route was opened as a key part of the 20th Anniversary celebrations for the National Cycle Network (NCN). The signed path links existing traffic-free routes and quiet lanes, and leads visitors through the distinctive culture, wildlife and food of the area – including Gleaston Water Mill, Ulverston, Humphrey Head, Grange-over-Sands, Levens Hall, Arnside, Carnforth, Morecambe, and Lancaster.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – England South****Community engagement work in Bristol**

In November, Sustrans began work on Cycling Ambition Fund projects in Easton, Filwood Greenway and the Malago Greenway. These are Bristol infrastructure projects with high levels of community engagement, delivering improvements to the local environment to make cycling a more convenient and realistic choice for more people.

Thomas Hardy School: A Sustrans Community Street Design and Smarter Choices project

Sustrans is currently working with Thomas Hardy Upper School in Dorchester. The project funders, Dorset County Council, have asked Sustrans to run a Community Street Design project in the area around the school to help create attractive street environments for walking and cycling, and to overcome barriers to achieving behaviour change:

- As part of this process, we will engage the local people and school community to explore opportunities for design solutions which are centred on people, their aspirations, their priorities and their needs.
- Outcomes of the project will include walking and cycling mapping, as well as specific design solutions aimed at creating safer and more active streets. This will feed into the local authority strategic policy, and innovative design solutions for more active streets.

Due to finish in summer 2016, we are really excited about this project, especially linking up our Smarter Choices and infrastructure projects to achieve our and our funder's goals.

Bristol European Green Capital Year

As part of Bristol European Green Capital Year we delivered three projects:

- Southmead Green Streets – Embleton Road SuDs (Sustainable Drainage Systems) is a project that has worked with residents and Little Meads Primary Academy to help make Embleton Road greener, safer and to improve drainage.
- Street Pockets – these convert one or two parking spaces into attractive places to encourage people to sit, play and socialise with each other. This reminds passing traffic that streets are places where people live, and are public spaces for everyone to enjoy, rather than simply places to park cars. The Street Pockets were trialled using Sustrans 'street kit' to enable people to test out ideas before permanent changes were made, which included seating, planters and carriageway patterns to slow traffic.
- A Good Transport Plan for Bristol – as part of Bristol's European Green Capital year, we've been working with people across the city to create a vision for a sustainable city, with travel options and public spaces that are enjoyable and accessible for all. The final document, A Good Transport Plan for Bristol, was launched in January and showcases the projects that are already happening across the city, whilst looking at how we can work together to improve transport.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – London****Bike It**

Bike It Plus has been delivered to schools in 17 boroughs this year, with 13 dedicated officers.

- Over the year, we have worked intensively with 84 schools, while supporting a further 80.
- The number of pupils regularly cycling to school increased from 6.6% to 11.6% over the school year.
- In summer 2015, the Bike It Festival was held at the Olympic Velopark, celebrating cycling in London's schools, continuing the Olympic legacy and further cementing our relationship with the Velopark. Ten secondary schools were invited and 160 pupils had the opportunity to ride on the BMX track, mountain bike track and, in the velodrome, among a number of other exciting events.

Quietways

Quietways are a way of providing safe and direct cycling infrastructure as part of the Mayor of London's Vision for Cycling. Quietways are part of making London an easier, better place to travel around and a more pleasant place to live and work, along with 'Mini-Holland' boroughs in Outer London, Cycle Superhighways linking the suburbs to the centre, and a grid of routes in central London,

- Of the 202 schemes in Phase 1, 173 designs have been submitted to TfL for sponsors' review with construction in progress or complete for 46 schemes.
- Phase 2.1 features 105 schemes, with 49 designs submitted to TfL and one scheme in construction.

Millwall path

This crucial new cycle path offers fantastic views towards the city and forms part of Quietway 1, the first route to be open under the Quietway Programme. The path was completed in April 2016 at a cost of £1,600,000.

Thames cycling and walking bridge

In March 2016 Sustrans published a feasibility study into a cycling and walking bridge between Canary Wharf and Rotherhithe. Work is now underway to raise its profile and build support for the project. More information can be found www.sustrans.org.uk/bikebridge

London mayoral elections

Ahead of the mayoral elections, we engaged the candidates and influential organisations, which resulted in manifestos incorporating a number of our 'asks' and recommendations across the parties. The four lead candidates also wrote blogs for the Sustrans website, responding to our three main asks. Blogs can be found at www.sustrans.org.uk/policy-evidence/our-policy-work/three-cycling-tests-new-mayor-london

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – Northern Ireland****The Active School Travel (AST) Programme**

This three-year programme is delivered by Sustrans and funded jointly through the Department for Regional Development (now Department for Infrastructure) and Public Health Agency.

- The programme finishes in July 2016 but we have applied for the new tender which will continue the programme for five years.
- We are currently working with nearly 200 schools across Northern Ireland.
- St Therese of Lisieux (Belfast) became the first school in Northern Ireland to receive the Sustrans Gold Award in May 2015, presented by NI Health Minister Simon Hamilton.
- In November 2015, the AST programme won Crash Services' Road Safety Award for its work in primary schools.

Cycle Training & Safe Urban Driving Course

Sustrans established a new cycle skills team in the summer of 2015 to provide Bikeability National Standard training as a commercial enterprise.

- We offer training to groups and individuals and have delivered training to Belfast Health Trust staff, Foyle Down Syndrome Trust and Autism Initiatives NI, among others.
- We teamed up with Chain Reaction, who have provided bikes for our van so we can bring both the bikes and cycle training direct to beneficiaries.
- Sustrans also worked with the Freight Transport Association and Cycle Training UK to develop a Safe Urban Driving course – a best practice training programme for HGV drivers and companies to help prevent collisions with vulnerable road users in an urban environment.

Piccolo Fondo family rides and Sound of Light rides

Up to 400 people took part in the Piccolo Fondo in June 2015 – Sustrans led four rides to Titanic Quarter in Belfast as part of the Festival of Cycling, a legacy event of the Giro d'Italia. Cycle training was provided for the families in the weeks before the event. This project, funded by the Public Health Agency, takes place again this June. In autumn 2015, the Sound of Light rides took place in Strabane, Co Londonderry. These were community led rides with bikes decked in LED lights and playing music.

Active Belfast Challenge

As part of the Leading the Way programme, the first Active Belfast Challenge took place in May 2015 to encourage employees in Belfast to swap the car for sustainable transport to work. It saw 825 people register and was one of the most successful challenge events organised by Sustrans in the UK.

Belfast Bike Life report

Northern Ireland Transport Minister, Michelle McIlveen helped Sustrans launch the Belfast Bike Life report in October. The survey, conducted on behalf of Sustrans and the Department for Infrastructure, found a lot of potential for cycling in Belfast:

- Over eight in ten people in Belfast (84%) support improving the safety of cycling, but just four in ten people (42%) regarding the city as a good place to ride a bike.
- We have been working to use the findings to engage a range of influencers.
- Sustrans also launched its Manifesto for the Assembly elections this May and many of our policy asks have featured in party manifestos.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – Scotland****An overview**

In Scotland, Sustrans works in partnership with Transport Scotland, all Scotland's local authorities, national parks, health boards, Scottish Canals and many other public and private bodies.

- We manage funds for Transport Scotland and award grants all aimed at delivering smarter choices and built environment projects that help Scotland to be a healthier, smarter and more prosperous country.
- Our work falls under the policy umbrella of the Active Scotland Outcomes Framework and the Physical Activity Improvement Plan.
- We are a key stakeholder in a number of strategic policies including the Cycling Action Plan for Scotland, national Walking Strategy, Designing Streets and the Place Standard Tool.
- We manage £25m a year in Transport Scotland funding and generate another £25m in matched funding from recipients, taking our budget to almost £10 per person a year.

Schools

We provide pupils, teachers and parents with resources, training and support so that they can encourage active travel to and from school, such as the Sustrans Superheroes award scheme and the Big Street Survey, both aimed at 7- to 11-year-olds, making the challenging transition from primary to secondary school.

- We administer the annual 'Hands up Scotland Survey' (HUSS), now an Official Statistic for Scotland, which each September asks every register class how they travel to school – 50.4% of pupils normally travel actively (walking, cycling and scooting) to school.
- We run I Bike, an innovative project designed to increase rates of cycling and support all modes of active travel to school. I Bike officers are embedded in a secondary school and liaise with all its feeder primary schools.
- We currently have nine officers working across nine local authorities, reaching out to 41,200 pupils.

Workplaces

We are reaching out to adults through our workplace programme engaging with employees in order to increase the number of people commuting actively and sustainably. Our officers work with individual workplaces to develop, implement and evaluate a tailored package of travel behaviour change support, including events, active travel champions, mapping and travel planning.

Communities

Active Travel Communities is a project designed to increase active travel for short journeys to benefit local residents, students and employees. We target sections of the community, such as residential areas, workplaces, schools or colleges that could benefit from active travel interventions. Hubs at railway stations and pop-up hubs at other neighbourhood centres are increasingly being used.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – Scotland (cont.)****Street Design**

We act as a catalyst for neighbourhood and community-led redesign by working on large scale urban realm projects with diverse project partners. These can include transport and housing departments and involve extensive community support, engagement and design, all aimed at delivering a consensus design built to the Scottish Government's design policy 'Designing Streets'.

National Cycle Network

The NCN in Scotland is a key element in the National Planning Framework (edition 3) and continues to expand across the country, most notably the Caledonia Way (NCN78) which runs from Campbeltown to Inverness via Oban and Fort William linking communities large and small along the way. This 250-mile route was opened in 2015 by Transport Minister Derek Mackay.

Community Links

The Community Links programme is now in its fifth year and is the main funding programme for walking and cycling infrastructure in Scotland. This is a partnership programme between national and local government, the public and private sectors, and NGOs.

- In 2015, over 120 projects were delivered with a total value of £41,172,955.
- Sustrans managed a fund on behalf of Transport Scotland totalling £19,473,373 and generated matched funding of £21,699,582 (more than 50% across all projects).
- Sustrans invites bids to the CL programme and awards funds, with projects valued at over £500k awarded by a cross-sector panel. Each project has a Sustrans officer to act as liaison and quality controller.

Community Links Plus (CL+)

CL+ is a design competition launched in 2015 by Transport Minister Derek Mackay. The competition will award substantial funds to a local authority for submitting exemplar designs to create segregated, on-road infrastructure for cycling safely in an urban setting. Final awards for the winning entry will be made in June 2016.

2016 Election Manifesto

Sustrans worked with other NGOs to produce a joint manifesto for the 2016 Holyrood elections. Entitled "Scotland on the Move: the actions needed to get more people walking and cycling", the paper gave politicians and their researchers a suite of options to inform their manifestos.

2012-15 Review

We produced a high quality review of our work over the 2012-15 period, highlighting the impact of the projects we deliver in partnership with The Scottish Government, local authorities and other partners.

Political Conferences

Sustrans attended all the autumn party conferences in Scotland to promote the Manifesto and the Three-Year Review.

Report of the trustees including the strategic report for the year ended 31 March 2016**Achievements for 2015/16 and ongoing projects – Wales****Schools Service: Active Journeys**

In Wales, Sustrans launched Active Journeys in September 2015, with three-year funding from the Welsh Government. The programme supports schools across Wales to increase the number of pupils using active modes of transport for the school run and involves planning routes under the Active Travel Act.

- Through the programme around 100 primary and 45 secondary schools will receive direct support from a Sustrans schools officer.
- All schools in Wales can also access an active travel advice service via the Sustrans website, Twitter, Facebook, email, phone or post, with fully bilingual support materials.

Cymru Travel Challenge

We secured funding from the Health Department of the Welsh Government to run a new workplace challenge project aimed at increasing levels of sustainable travel connected to the workplace. The Challenge gives organisations the chance to get together and interact with colleagues and compete against other workplaces in Wales.

Tunnels

Sustrans was commissioned by the Welsh Government to produce reports on the viability of converting a number of disused Welsh tunnels into walking and cycling routes. The reports looked at a total of 23 tunnels and examined them on a range of criteria, eventually narrowing down to a list of five that deserved further study. Read more at gov.wales/topics/transport/walking-cycling/activetravelact/implementation/?lang=en

Social Media

Sustrans' social media channels include Facebook and Twitter – @SustransCymru and @SustransCymraeg, which is our Welsh language channel. Following a concerted campaign, we have achieved a significant increase in the audience for each of these channels.

Building political support ahead of the 2016 Assembly elections

Sustrans had a presence at the five key Welsh party conferences, to build political support for our ambition to achieve a clear commitment to delivery of active travel from the next Welsh Government.

- We achieved a high level of engagement with Assembly Members (AMs), Ministers, candidates in winnable seats and councillors.
- 23 of the 60 AMs became Sustrans Assembly Champions, committing to broad support for our policy asks, which focussed on changing the journey to school and a commitment to 'every child a cyclist'.

Active Travel Act

2015 was the first full year in which the provisions of the Active Travel Act took effect in Wales. Sustrans staff worked extensively with Welsh Government and local authorities to help implement the provisions of this new and innovative legislation.

Report of the trustees including the strategic report for the year ended 31 March 2016**Financial Review**

The financial year to March 2016, from Sustrans' perspective, could be described as 'diverse', with marked variation across the UK geographies. The Trustees hope that the inconsistency, which has at its roots the varying political environments, is made clear in this annual report. Sustrans has seen activities in Scotland and London go from strength to strength, whilst at the other end of the scale the outlook in England (outside of London) is less favourable. This variation is disappointing, given both the cost-effective nature of our work, and that in public health and the environment our projects address two of mankind's key challenges.

The funding available for Sustrans' work in England in the year ahead will be significantly reduced from that which has existed in recent years. Accordingly, whilst 2015/16 has been spent delivering real change, it has also seen significant internal focus on ensuring our work is sustainable into the future. This internal work will, with deep regret, see a significant number of staff in England made redundant in the first quarter of 2016/17.

Apprehension over the future must not however be allowed to mask the delivery which has been seen through 2015/16, and is highlighted in the earlier pages of this report. Sustrans' average full time equivalent staff (FTE) numbers dipped only slightly from 570 to 543, meaning that whilst delivery, which has seen significant growth over recent years did not continue to increase, at least it was maintained. The distribution of these FTE staff numbers across the UK can be seen in note 6 on page 31.

Employees

Sustrans employs disabled people and has continued its policy of giving disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable applicants, having regard to their particular aptitudes and abilities. Training and career development opportunities are available for all employees and, if necessary, retraining of an employee who becomes disabled is given.

The Charity's policy is to continue to develop its communications with all employees, to inform them on matters of concern to them as employees, to promote awareness of the financial and economic factors affecting the performance of the Charity and, subject to practical and commercial considerations, to consult them in relation to decisions that affect their current jobs or future prospects.

All managers are expected to hold regular meetings with their staff, to provide an opportunity for communication of information and discussion of events as they develop. We maintain an intranet site that provides staff with information, including that about Sustrans' finances.

Report of the trustees including the strategic report for the year ended 31 March 2016**Governance and Management**

Sustrans is governed by its Board of Trustees operating under the terms of the Articles of Association.

The senior executive committee is the Executive team, which recommends strategies to the Board for approval. Executive meetings are held weekly. Their purpose is to review the performance of the Charity's work, and to address issues arising on the integration and co-ordination of projects and the allocation of resources, geographically and by project.

The Trustees have a wide range of skills and experience. They are appointed for a period of three years, which is renewable normally no more than once. The Trustees, together with the Executive, identify the skills, experience, and geographical representation required of the Trustees to ensure that the board reflects this need. The induction for prospective board members includes documentation, discussions with key people, 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 four times a year, usually for two days, to review strategy and performance and to agree operating plans and annual budgets, to meet with employees, and to inspect the work of the Charity throughout the UK. Sub-groups of the Trustees form the Finance and Land Committees that meet as required, typically quarterly for the Finance Committee. The members of these committees are shown on page 1.

Trustees monitor and have overall responsibility for:

- approving the overall strategy and supporting work plans of the organisation, together with the allocation of the necessary resources to achieve the defined objectives;
- ensuring that the Charity has appropriate systems of controls, financial and otherwise;
- keeping proper accounting records which comply with the Companies Act 2006 and the Charities' SORP;
- safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities;
- providing assurance that the Charity is operating efficiently and effectively, carrying out a risk assessment to identify possible risks to the achievement of the Charity's objectives and establishing procedures, actions and systems to mitigate them.

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

Report of the trustees including the strategic report for the year ended 31 March 2016**Risk, Reserves and Investment Policy**

As part of its normal planning procedures, the Board of Trustees has made during the year an assessment of the principal risks to which the Charity is exposed. It has reviewed them under the broad categories of 'governance and strategic planning', 'environmental/external factors', 'finance', 'management', 'reputational', 'compliance with law or regulation', and concluded that the following are most significant:

- Severe restrictions in the funds available for our work
- Governments' policies and legislation fail to support sustainable transport
- Our organisational structure becomes unfit for purpose, because we fail to adapt appropriately or quickly enough to changes in the funding environment

The Board of Trustees has introduced procedures and reporting regimes to manage and reduce the identified risks. Trustees have agreed clear lines of delegation and authority to appropriate managers and have involved staff in the recognition of risk in all their activities.

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

- **Cost and income 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 or short-term overdraft.
- **Interest rate cash flow risk:** The Charity is able to place surplus funds on deposit with the Charity's bankers.

On the basis of the assessed risks facing the charity the Trustees have reviewed the level of free reserves required in line with the guidance issued by the Charity Commission. They recognise the need to ensure that the reserves held enable financial stability, are adequate to meet working capital requirements and can safeguard the charity's current commitments against fluctuations in income levels, particularly in the current uncertain economic climate.

In light of the assessed risks, the trustees consider that there are two principal reasons for which free reserves should be held:

- To cope with a scenario in which Sustrans has to restructure to reduce activities significantly (because of a lack of funding for on-going work), but retain a core activity (which could be funded by continuing charitable donations). At 31 March 2016 the Trustees consider a prudent amount for this to be £4,000k.
- To cope with a scenario in which Sustrans has to reshape to adapt to the external funding environment, ensuring that the organisation remains fit for purpose and is able to co-ordinate its resources effectively. At 31 March 2016 the Trustees consider a prudent amount for this to be £1,500k.

The Trustees therefore believe that Sustrans should be holding free reserves in the region of £5,500k. In the financial year free reserves decreased by £464k (2015 decreased by £806k) to £5,592k at 31 March 2016. The Trustees therefore consider the current level of free reserves to be appropriate. The explanation for Restricted income funds and Designated funds are given respectively in Notes 11 and 12 to the financial statements.

Report of the trustees including the strategic report for the year ended 31 March 2016**Risk, Reserves and Investment Policy (continued)**

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. In addition, given the potential calls on free reserves, it is imperative that funds are tied-up for no longer than 12 months. Over the year the Trustees sought to minimise the exposure of the Charity by holding funds with four banks. Given the wider economic climate this policy is under constant review.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Sustrans Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard FRS 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 adequate 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

As permitted by the Articles of Association, the Trustees have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Trustees' and Officers' liability insurance in respect of itself and its Trustees.

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.

Report of the trustees including the strategic report for the year ended 31 March 2016**Statement of Trustees' Responsibilities (continued)**

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

- Sustrans' purposes remain charitable
- Sustrans satisfies the public benefit test.

Details on how the funds have been used for public benefit are included earlier in this report.

Statement of disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Connected Charities

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

Under the guidelines of the Charities' SORP, Railway Paths Limited is a 'connected charity' as two of its members are common to Sustrans. Malcolm Shepherd, Sustrans' outgoing Chief Executive, and Mike Babbitt, Sustrans' Network Development Manager were also Trustees of Railway Paths Limited during the year.

Each charity supports the work of the other. To aid efficiency Sustrans provides an accounting and administrative service to Railway Paths Limited, and charged £10,000 (2015: £10,000) for this service in the year under review. Railway Paths Limited is contracted by Sustrans to provide Estate Management services and received £10,000 (2015: £10,000) during the year.

Independent Auditors

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

By order of the Board of Trustees who approve the Strategic Report as Directors



Andy Appleby
Company Secretary
2 July 2016

Independent auditors' report to the Members and Trustees of Sustrans Limited**Report on the financial statements**

Our opinion

In our opinion, Sustrans Limited's financial statements (the financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of its incoming resources and application of resources, including its income and expenditure and cash flows 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2016;
- the statement of financial activities (including income and expenditure account) for the year then ended;
- the statement of cash flow for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the Members and Trustees of Sustrans Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 19, the trustees 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) ("ISAs (UK & 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 company's 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.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Lynne Baber (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

5 July 2016

Statement of Financial Activities for the year ended 31 March 2016
(including Income and Expenditure account)

Note ref.	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
Income from:				
	3,677	-	3,677	3,376
2 Donations and legacies				
Charitable activities	15,530	30,527	46,057	60,488
Investments	204	-	204	294
Other	119	-	119	74
Total	<u>19,530</u>	<u>30,527</u>	<u>50,057</u>	<u>64,232</u>
Expenditure on:				
	1,026	-	1,026	1,298
3 Raising funds				
Charitable activities	19,607	29,984	49,591	62,835
Total	<u>20,633</u>	<u>29,984</u>	<u>50,617</u>	<u>64,133</u>
5 Net (expenditure) / income	(1,103)	543	(560)	99
Transfers between funds	(80)	80	-	-
Net movement in funds	<u>(1,183)</u>	<u>623</u>	<u>(560)</u>	<u>99</u>
Reconciliation of funds:				
Total funds brought forward	9,056	1,179	10,235	10,136
Total funds carried forward	<u>7,873</u>	<u>1,802</u>	<u>9,675</u>	<u>10,235</u>

All gains and losses recognised in the year are included in the Statement of Financial Activities. All income and expenditure relates to continuing operations.

There is no difference between the net (expenditure) / income for the years stated above and their historical cost equivalents.

Balance Sheet at 31 March 2016

Note ref.		Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2016 £'000	Total Funds 2015 £'000
	Fixed Assets:				
7	Tangible assets	1,282	1,185	2,467	2,605
	Current Assets				
	Stock	128	-	128	111
8	Debtors	4,613	-	4,613	4,490
	Investments	15,639	-	15,639	17,578
	Cash at bank and in hand	10,782	1,089	11,871	5,331
	Total current assets	31,162	1,089	32,251	27,510
9	Creditors: amounts falling due within one year	(24,571)	(472)	(25,043)	(19,880)
	Net current assets	6,591	617	7,208	7,630
	Total net assets	7,873	1,802	9,675	10,235
	The funds of the charity:				
11	Restricted income funds			1,802	1,179
12	Designated funds			2,281	3,000
	Unrestricted funds			5,592	6,056
	Total unrestricted funds			7,873	9,056
	Total charity funds			9,675	10,235

The financial statements on pages 23 to 38 were approved by the trustees on 2 July 2016 and were signed on their behalf by:



William Stow
Chairman

Statement of cash flows for the year ended 31 March 2016

	2016 £'000	2015 £'000
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(560)	99
Adjustments for:		
Depreciation charges	112	83
Interest from investments	(204)	(294)
Profit on the sale of fixed assets	(119)	(74)
(Increase) in stocks	(17)	(111)
(Increase) / decrease in debtors	(123)	422
Increase / (decrease) in creditors	5,163	(20,648)
Net cash provided by (used in) operating activities	4,252	(20,523)
Cash flows from investing activities:		
Interest from investments	204	294
Proceeds from the sale of property, plant and equipment	348	105
Purchase of property, plant and equipment	(203)	(125)
Decrease / (increase) in investments	1,939	(17,578)
Net cash provided by (used in) investing activities	2,288	(17,304)
Change in cash and cash equivalents in the reporting period	6,540	(37,827)
Cash and cash equivalents at the beginning of the reporting period	5,331	43,158
Cash and cash equivalents at the end of the reporting period	11,871	5,331

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

Notes to the Financial Statements for the year ended 31 March 2016**1 Principal accounting policies****(a) Basis of Preparation**

The financial statements have been prepared under the historical cost convention in UK pounds sterling. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for charities, which is based on the Financial Reporting Standard (FRS) 102 effective from 1st January 2015, the Charities Act 2011, the Companies Act 2006, the 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.

(b) Fund Accounting

Unrestricted funds are funds that 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 12 to the financial statements.

Restricted Funds - Income restricted to a specific purpose is treated as restricted funds. The description and purpose of these restricted funds are provided in Note 11.

(c) Incoming resources

Income is recognised in the statement of financial activities (SoFA) when a transaction or other event results in an increase in the charity's assets or a reduction in its liabilities.

Income is only be recognised when all of the following criteria are met:

- Entitlement – control over the rights or other access to the economic benefit has passed to the charity.
- Probable – it is more likely than not that the economic benefits associated with the transaction or gift will flow to the charity.
- Measurement – the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

If any of these criteria is not met but the cash has been received, then the income is deferred.

(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. Support costs and costs that cannot be directly attributed to particular headings, have been allocated to activities on the basis of full time equivalent staff numbers. Non-recoverable VAT is attributed to the heading of cost where the expenditure is incurred.

All expenditure up to the year-end payable on projects under the management of the Charity has been included in the financial statements. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****(e) Tangible assets**

Tangible fixed assets costing more than £1,500 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. The rates of depreciation utilised are as follows:

NCN Centre refit	10% per annum
IT Equipment	33.3% per annum
Plant and machinery	30.0% per annum

Freehold land and buildings are not depreciated because (a) it is the Trustees' intention to hold the assets for the long term and (b) their residual value is at least equal to the carrying value.

Assets not depreciated are subjected to an annual impairment review.

(f) Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Useful economic lives of tangible assets -

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets

Provision for bad debts -

Full provision is made where management consider the recoverability of trade debts to be low.

(g) Stocks

The Charity holds stocks of maps which are recognised at cost, adjusted (where applicable) for any loss of service potential.

(h) Maintenance

The Charity has a maintenance obligation 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.

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****(i) Taxation**

The Company 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.

(j) Pension costs

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. This scheme is available to all staff.

(k) Investments

Funds are invested for terms greater than three months and not exceeding 12 months.

(l) Related Party Transactions

There were no Related Party Transactions during the year.

(m) Going Concern

After making enquiries, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(n) Address and country of incorporation

Legal and administrative information is shown on page 1 of this document.

(o) Volunteers

The vital role played by our volunteers, across the UK, is explained earlier in this document within the strategic report.

(p) Financial instruments

The charity only has financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****2 Income for Charitable Activities**

	Unrestricted £'000	Restricted £'000	Total 2016 £'000	Total 2015 £'000
Central	1,274	2,316	3,590	25,578
England Midlands	2,535	790	3,325	4,359
England North	2,364	1,092	3,456	5,147
England South	3,311	929	4,240	4,397
London	3,917	762	4,679	2,610
Northern Ireland	822	49	871	598
Scotland	807	24,128	24,935	16,218
Wales	500	461	961	1,581
	<u>15,530</u>	<u>30,527</u>	<u>46,057</u>	<u>60,488</u>

3 Expenditure on Charitable Activities

	Activities undertaken directly £'000	Grant funding of activities (to institutions) £'000	Support costs £'000	Total 2016 £'000	Total 2015 £'000
Central	4,008	1,324	517	5,849	26,745
England Midlands	3,127	-	265	3,392	4,659
England North	3,738	-	364	4,102	5,324
England South	3,759	-	309	4,068	4,250
London	5,086	23	307	5,416	3,122
Northern Ireland	892	30	87	1,009	840
Scotland	4,611	19,609	285	24,505	16,106
Wales	961	210	79	1,250	1,789
	<u>26,182</u>	<u>21,196</u>	<u>2,213</u>	<u>49,591</u>	<u>62,835</u>

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****4 Analysis of support costs**

	Chief Executive	Finance	HR	Strategy	Governance	Health & Safety	Information Technology	Total 2016	Total 2015
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds	8	13	18	5	1	2	13	60	49
Central	73	116	151	46	9	17	105	517	568
England Midlands	38	59	77	24	5	8	54	265	269
England North	52	81	106	32	7	12	74	364	335
England South	44	69	90	27	6	10	63	309	261
London	44	69	90	27	6	9	62	307	115
Northern Ireland	12	19	25	8	2	3	18	87	60
Scotland	41	64	83	25	5	9	58	285	187
Wales	11	18	24	8	1	3	14	79	79
Total 2016	323	508	664	202	42	73	461	2,273	1,923
Total 2015	386	456	536	-	44	80	421	1,923	

5 Net (expenditure) / income

	2016 £'000	2015 £'000
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This is stated after charging:

Governance costs (the Trustees of the Charity are not paid):

Travel and associated expenses incurred by staff and 10 (2015: 9) Trustees for attendance at meetings

Fees payable for statutory audit

Provision of trustee liability insurance

	20	25
	20	17
	2	2
	42	44

Fees payable to the auditors for assurance services other than statutory audit

Depreciation of tangible fixed assets

	1	3
	112	83

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****6 Staff Costs**

Average full time equivalent (FTE) number of employees	2016 number	2015 number
Raising funds	12.3	13.4
Support costs	42.7	41.3
Charitable Activities		
Central	111.1	156.3
England Midlands	64.1	74.0
England North	83.8	92.1
England South	74.7	71.8
London	61.6	31.7
Northern Ireland	17.6	16.5
Scotland	57.1	51.5
Wales	18.1	21.4
	543.1	570.0

The average head count (number of staff employed) during the year was 651 (2015: 662)

Staff costs (for the above persons):	2016 £'000	2015 £'000
Wages and Salaries	15,591	16,057
Social Security costs	1,433	1,480
Employer's pension contributions	475	487
	17,499	18,024

Statutory redundancy payments totaling £144k (2015: nil) were made during the year.

The following number of employees received emoluments falling within the following ranges:	2016 Number	2015 Number
£60,000 to £69,999	7	8
£70,000 to £79,999	1	1
£80,000 to £89,999	-	-
£100,000 to £110,000	1	1

Pension contributions made on behalf of employees whose emoluments fell within the following ranges were:	2016 £'000	2015 £'000
£60,000 to £69,999	14	17
£70,000 to £79,999	2	2
£80,000 to £89,999	-	-
£100,000 to £110,000	4	4
Outstanding pension contributions at the year-end were nil (2015:nil).		

The remuneration shown above is the only employee benefit received by key management personnel. The salary of the Chief Executive is set by the Board of Trustees. Other roles are scored according to the Hay Job Evaluation system and graded accordingly.

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****7 Tangible assets**

	Freehold Land and Buildings	NCN Centre Refit	IT Equipment	Plant and Machinery	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2015	2,557	259	294	203	3,313
Additions	86	-	42	75	203
Disposals	(337)	-	(58)	(11)	(406)
At 31 March 2016	2,306	259	278	267	3,110
Accumulated depreciation					
At 1 April 2015	108	206	245	149	708
Charge for year	-	6	46	60	112
Disposals	(108)	-	(58)	(11)	(177)
At 31 March 2016	-	212	233	198	643
Net book amount					
At 31 March 2016	2,306	47	45	69	2,467
At 31 March 2015	2,449	53	49	54	2,605

Tangible fixed assets held in restricted funds total £1,185k (2015: £1,105k) and comprise the National Cycle Network Centre £949k (2015: £955k), and land holdings in Yorkshire £150k (2015: £150k) and Scotland £86k (2015: nil).

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****8 Debtors**

	2016 £'000	2015 £'000
Trade Debtors	3,780	3,982
Sundry Debtors and prepayments	833	508
	<u>4,613</u>	<u>4,490</u>

9 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	2,165	3,814
Payments received on account for contracts or performance related grants	21,251	14,151
Accruals	385	497
Taxation and social security	1,197	1,293
Other creditors	45	125
	<u>25,043</u>	<u>19,880</u>

10 Financial instruments

	2016 £'000	2015 £'000
Cash	11,871	5,331
Trade debtors (settlement amount after trade discount)	3,780	3,982
Trade creditors (settlement amount after trade discount)	(2,165)	(3,814)
Bank deposits	15,639	17,578

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)**
11 Restricted income funds

		Balance 1 April 2015	Incoming	Outgoing	Transfers from Unrestricted funds	Balance 31 March 2016
	Note	£'000	£'000	£'000	£'000	£'000
Consett & Sunderland Railway Path		-	2	(50)	48	-
Paisley to Kilwinning and Kilmacolm		30	4	(1)	-	33
York to Selby Railway Path		436	2	-	-	438
Worthington Railway Path - Derby		-	-	(32)	32	-
Mirehouse Railway Path		47	-	(6)	-	41
Historic railway path funds	(1)	513	8	(89)	80	512
National Cycle Network Centre	(2)	566	-	(13)	-	553
Kirklees maintenance fund	(3)	100	-	-	-	100
Two Tunnels maintenance fund	(4)	-	185	-	-	185
Catterick maintenance fund	(5)	-	25	(2)	-	23
Frome's missing link donations	(6)	-	11	-	-	11
		666	221	(15)	-	872
Central	(7)	-	2,316	(2,316)	-	-
England Midlands		-	790	(790)	-	-
England North		-	1,062	(1,062)	-	-
England South		-	733	(733)	-	-
London		-	762	(762)	-	-
Northern Ireland		-	49	(49)	-	-
Scotland		-	24,126	(23,708)	-	418
Wales		-	460	(460)	-	-
		-	30,298	(29,880)	-	418
		1,179	30,527	(29,984)	80	1,802

- The historic railway path funds cover routes acquired from BRB (Residuary) Ltd. Agreements with the relevant Local Authority state that income arising from the land must be ring-fenced to that land.
- In the financial year to 31 March 2004 the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. A grant for £605,000 was received from the Millennium Commission to assist with the purchase. An appeal to supporters and trusts raised a further £332k. This restricted fund is used to maintain the building.
- A fund from Yorkshire Water to be spent on the network within Kirklees.
- A fund restricted to the long-term maintenance of the Two Tunnels in Bath.
- Funds received for the long-term maintenance of the Connect 2 project at Catterick, Yorkshire.
- Donations held for a "missing link" in Frome, Somerset.
- The Charity has co-ordinated and promoted various projects during the financial year funded by grants which are restricted to a specific purpose. We are grateful for the support of our many funders, including the Esmée Fairbairn Foundation, the Scottish Government (£23,945k), the Welsh Government (£443k), Transport for London (£693k), The Department for Transport (£1,251k), The Department for Rural Development (£560k), Belfast Strategic Health Partnership, The Public Health Agency, The Bicycle Association, the Peoples' Health Trust, the Harpur Trust, the Freshfield Foundation and the Big Lottery Fund.

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****12 Designated funds**

	Note	Balance 1 April 2015 £'000	Incoming £'000	Outgoing £'000	Transfers £'000	Balance 31 March 2016 £'000
Innovation fund		500	-	-	(500)	-
Natural disaster contingency fund	(i)	1,000	-	-	-	1,000
Fixed asset fund	(ii)	1,500	244	(463)	-	1,281
		<u>3,000</u>	<u>244</u>	<u>(463)</u>	<u>(500)</u>	<u>2,281</u>

The funds of the Charity include the following designated funds that have been set aside out of unrestricted funds by the trustees:

- (i) Recent extreme weather has caused significant damage to parts of the Network, including on land owned by the Charity. In line with their strategies to mitigate risk, the Trustees have set aside funds to ensure that routes which are well used, owned by Sustrans, and at particular risk of damage could be quickly re-instated in the event of natural disaster.
- (ii) The fixed asset fund has been set up to facilitate the identification of those funds that require time to be made liquid and should therefore be excluded from the freely available reserves calculation. It represents the net book value of tangible fixed assets, except for those that form part of Restricted Funds. The change in the fixed asset fund over the year arises from the net change in unrestricted tangible fixed assets during this year.

13 Limitation by guarantee

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.

14 Financial commitments

	2016 £'000	2015 £'000
The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
(i) not later than one year;	44	4
(ii) later than one year and not later than five years	243	317
	<u>287</u>	<u>321</u>
Lease payments recognised as an expense	<u>319</u>	<u>321</u>

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****15 Legal Charges**

In December 1995 the Charity entered into a debenture with the Millennium Commission giving a floating charge over the assets of the Charity as part of the agreement for grants from the Millennium Commission. In the financial year to 31 March 2004 the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. A grant for £605,000 was received from the Millennium Commission to assist with this purchase. A charge over the building was created, in addition to the existing Debenture held by the Commission, in October 2005.

When the Millennium Commission was abolished in November 2006 these charges transferred to its successor, the Big Lottery Fund. In August 2014 the Big Lottery Fund released Sustrans from the floating charge, but the fixed charge over the building in central Bristol remains.

Over a number of years Sustrans acquired disused railway lines in England which were covered by a fixed charge in favour of the appropriate authority. The legal charges in existence are as follows:

- a) Land situated at Naburn, Escrick and Riccall, North Yorkshire is covered by a fixed charge in favour of Selby District Council
- b) Land on the Consett to Sunderland Railway is covered by a fixed charge in favour of Derwentside and Chester-le-Street District Councils (now Durham County Council) and Sunderland City Council
- c) 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
- d) The Worthington Branch Line is covered by a fixed charge in favour of Derbyshire County Council and Leicestershire County Council
- e) The Foss Island branch line is covered by a fixed charge in favour of the City of York Council

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****16 Grants paid to institutions**

During the reporting period grants of more than £100k have been paid to the following institutions as reimbursement for project delivery:

	2016 £'000
Scottish Canals	2,636
Fife Council	1,795
City Of Edinburgh Council	1,691
Falkirk Council	997
Dundee City Council	995
Highland Council	910
Hitrans	855
West Lothian Council	759
The Moray Council	733
The Scottish Government	700
North Ayrshire Council	625
Glasgow City Council	608
Aberdeen City Council	595
South Lanarkshire Council	518
Shetland Island Council	495
East Dunbartonshire Council	489
Aberdeenshire Council	341
Clyde Gateway Urc	334
Loch Lomond & The Trossachs National Park Authority	301
Dumfries & Galloway Council	291
Stirling Council	285
Midlothian Council	242
North Lanarkshire Council	233
Perth And Kinross Council	213
Derbyshire County Council	213
Cairngorms National Park Authority	197
Scottish Borders Council	175
East Ayrshire Council	159
Forth Environment Link	145
Network Rail	143
West Dunbartonshire Council	139
South Ayrshire Council	127
Buckinghamshire County Council	117
East Lothian Council	113
NHS Ayrshire And Arran	113

**Notes to the Financial Statements for the year ended 31 March 2016
(continued)****17 Statement of Financial Activity (including Income and Expenditure account)
comparative figures**

	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2015 £'000
Income from:			
Donations and legacies	3,376	-	3,376
Charitable activities	35,206	25,301	60,507
Investments	211	64	275
Other	74	-	74
Total	38,867	25,365	64,232
Expenditure on:			
Raising funds	1,298	-	1,298
Charitable activities	37,421	25,414	62,835
Total	38,719	25,414	64,133
Net (expenditure) / income	148	(49)	99
Transfers between funds	(482)	482	-
Net movement in funds	(334)	433	99
Reconciliation of funds:			
Total funds brought forward	9,390	746	10,136
Total funds carried forward	9,056	1,179	10,235

18 Transition to FRS 102

This is the first year that the Charity has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS102 was 1 April 2014. Income and expenditure on charitable activities in the year to March 2015 have both been restated in line with a change to the accounting policy for income recognition shown in note 1c. This has not impacted the surplus for the year.

Investments and cash have also been restated in line with the change to accounting policy shown at note 1k.