

**Sustrans Limited**  
**(A company limited by guarantee)**

**Annual report**  
**for the year ended 31 March 2011**

Registered no: 1797726

Charity no: 326550  
SC039263 (Scotland)

**Annual report  
for the year ended 31 March 2011**

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## Legal and administrative information

### Constitution

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

**Charity Number:** 326550  
SC039263 (Scotland)

**Company Number:** 1797726

### Trustees and Directors

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

Gordon Clarke  
Les Cullen (FC) (LC)  
Chris Curling (FC) (LC)  
Nigel Gibbons (FC) (LC)  
Marian Lauder (Chair)  
Chris Payne  
Lester Willmington

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

### Chief Executive

Malcolm Shepherd

### Senior Management Team

Andy Appleby  
Simon Craft-Stanley  
Huw Davies  
Melissa Henry  
Peter Lipman  
Tiffany Newman  
James Ryle  
Andy Wistow

### Secretary and registered office

Andy Appleby  
2 Cathedral Square  
College Green  
Bristol  
BS1 5DD

### Statutory auditors

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

### Solicitors

Osborne Clarke  
2 Temple Back East  
Bristol  
BS1 6EG

McCartney Stewart  
1B Paisley Road  
Renfrew  
PA4 8JH

### Bankers

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

Other bankers:  
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 2011**

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 31st March 2011. 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 1993 in preparing the annual report and financial statements of the Charity.

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

Sustrans is the UK's leading sustainable transport charity.

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

Our mission is to work every day on practical and imaginative solutions to the transport challenges affecting us all.

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 the need 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.

## How we work

To deliver our objectives each year we plan to:

- **Build on success** – extending the reach of our major successful programmes such as TravelSmart and Bike It to every region and country in the UK, and continuing to extend the reach of the National Cycle Network
- **Integrate our programmes** – sustainable travel behaviour change requires a mix of infrastructure and community engagement. The effectiveness of our programmes will therefore be greatly enhanced if we implement them together, wherever possible, and combine them with projects delivered by others (such as through Sustainable Travel/ Cycling Development Towns) to create area-wide solutions to enable people to walk, cycle and use public transport
- **Expand this integrated approach to every region and country in the UK** – as this happens so our offices in Scotland, Wales, Northern Ireland, London and the English regions will be responsible for developing opportunities for and delivering an ever wider range of new and existing Sustrans projects, reflecting national and regional priorities
- **Continue to innovate** – devising and testing new approaches to improving local environments and to overcoming other barriers to walking and cycling, consolidating our existing demonstration projects such as DIY Streets and Active Travel, and pioneering new ones where there is need or opportunity. We will scale up those with potential to meet our objectives and relinquish others that are capable of replication to the same high standard without our involvement
- **Expand and resource our policy work and capability** – with a view to supporting our current and future work and having greater impact on national and regional policies and practice
- **Rigorously monitor and evaluate all our programmes** – to share learning and good practice across the organisation as well as to use this to influence government policy and practice at all levels.

## What we do

We create public space to enable many more people to walk and cycle, and we focus on accessibility for residents rather than the speed of those passing through, making streets and neighbourhoods more attractive places to be.

We bring about travel behaviour change. We do this by giving local travel information to people at home, by giving children the opportunity to develop active travel habits, particularly to school, and by working with employers and communities to enable people to travel more actively for their everyday journeys.

We influence government policy. We do this by measuring and quantifying the outcomes of our work in terms of their benefit to health, the environment, quality of life and value for money.

The **National Cycle Network** is a great success story. Over 13,000 miles have been completed so far, a third of which is traffic free. While 55% of people now live within a mile of the Network, our ambition is to extend it into the heart of communities throughout the UK giving people the choice of healthy, environmentally friendly travel for many more of their everyday journeys.

**GOAL (Greenways for the Olympics and London)** is our vision for achieving this in London, and **Connect2** will achieve this in 79 communities throughout the UK by enabling people to cross busy roads, rivers and railways, connecting them to the local places they want to go.

Our **Volunteers** are our eyes and ears in communities throughout the UK – 3,000 people who give their free time to support Sustrans. Many maintain and sign the Network to enable as many people as possible to use it, others champion our efforts within schools and workplaces, and others help the charity to be more financially sustainable by holding fundraising events.

Our **Active Travel** team is persuading government to promote walking and cycling as a way of combating obesity, heart disease and cancer, and delivering a portfolio of practical projects to help demonstrate how this can be achieved.

Sustrans pioneered **TravelSmart** in the UK – a unique service that gives households the tailor-made information they need to walk, cycle and use public transport more for their everyday journeys.

**Safe Routes to Schools** was also pioneered by Sustrans in the UK, based on a Danish model, and with **Bike It**, where officers work directly with children in schools, and **Links to Schools**, Sustrans is creating the best environment to make cycling and walking to school both safe and fun. In combination our school travel work gives children the skills they need to travel independently and actively, and parents peace of mind.

City living for the 21st century should put people at the heart of their community. Our **Liveable Neighbourhoods** team seek to create streets where children can play

safely, people have good local access, neighbours can chat, and green spaces are encouraged.

Creating truly fantastic spaces that can be appreciated by everyone is key to encouraging more people to re-populate public space. Our **Art and the Travelling Landscape** team regularly commission quality public artworks including sculptures, seats and drinking fountains, positioned along the National Cycle Network and within communities throughout the UK.

## **Evaluation and feedback**

A vital part of our work is the monitoring of 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 through our work and communication programmes
- Through the widespread adoption of projects that we have successfully piloted.

The findings of our Research and Monitoring unit are published in an Annual Report, available from [www.sustrans.org.uk](http://www.sustrans.org.uk).

**Objectives, Aims and Achievements during 2010/11**

Sustrans headline achievements in 2010/11, enabling more people to walk, cycle and use public transport for millions of everyday journeys were:

- 2 million people are now more active thanks to the National Cycle Network
- 420 million zero-carbon trips were made on the National Cycle Network during 2010
- 125% increase in the number of children cycling to school every day was achieved in the schools where Sustrans works
- 76,800 children now have the option of taking a safe walking or cycling route to school as a result of our work to link schools to the National Cycle Network
- 12.6% reduction in car trips in three towns where Sustrans worked (Watford, Exeter and Lowestoft) with walking up 19% and cycling up 28%.
- a saving of nearly 8,500 tonnes of CO2 in Watford as a result of working with people at home to enable them to walk, cycle and use public transport for more of their every day journeys.
- we worked with over 180,000 pupils at a 1,000 schools UK-wide to double to increase levels of cycling to school
- 23,000 people benefited from our Active Travel walking, cycling and bike hire schemes UK-wide
- in 2010 we contributed to government consultations and white papers including the Public Health White Paper, the NHS White Paper and the Lords Science and Technology Committee inquiry into obesity

**Key performance indicators**

Sustrans does not have one or two “key performance indicators”. Instead, the success of each of our projects is measured in a number of ways, as shown in the following pages.

## Infrastructure

### National Cycle Network

We aimed to work with a wide range of partners to develop a tourism strategy and plan for the National Cycle Network (NCN) as a contribution to developing sustainable tourism in the UK responding to the need to travel less far and less fast, and to cater for people choosing to holiday at home.

- A significant proportion of the NCN serves to promote sustainable tourism. During the year new routes and maps have been launched, including the sell-out “Way of the Roses”. The current 5 year NCN strategy and more recent thinking on the future of the NCN see us working with Partners to develop tourism projects which lead to behaviour change once the holiday is over.

We aimed to continue to develop the National Cycle Network to serve everyday destinations like stations and schools. We aimed to develop links to stations in Wales, enabling people to walk and cycle to catch trains, making more sustainable integrated travel possible.

- Working with a wide range of partners we have now delivered more than 13,000 miles of National Cycle Network, and developed wherever possible links to schools and stations. In Wales we have recently undertaken a review of approaches to pedestrian and cyclist provision at rail stations and provided this information as a report to Regional Transport Consortia in Wales as part of ongoing liaison work. The report included recommendations on the need for formal station audits, which have begun.

We aimed to begin delivery of a new series of artworks around the UK by involving local communities in the design and installation of portrait benches to celebrate the completion of the local walking and cycling networks made possible by Connect 2.

- Development of the artworks which will appear around the UK as part of our Connect 2 project is well underway. We have involved local communities in the design and installation of “portrait benches” to be installed on completion of the local walking and cycling networks.

### Connect 2

We aimed to complete with our many funders 10 local walking and cycling networks focused on new bridges and crossings in communities UK-wide, enabling thousands to walk and cycle to everyday destinations.

- Major schemes in Dumfries, Cardiff, Derry, Cambridge, Newton Abbey, Sale, Southampton, Sleaford, Northwich, Newport and Worcester are now open.

### Links to Schools

We aimed to work in a further 150 communities in England to create traffic-free links to schools to the benefit of many thousands of children and the wider community.

- 2010/11 was the seventh year of this highly successful project which has to date completed 409 projects, with overall costs of £120m, serving 1,028 schools. In 2010/11 we worked in 75 locations, but most of the schemes were far larger in scope than in previous years, partly because of co-funding Connect2. Around 240 schools benefitted from safer links.

### Soft Measures

#### Bike It

We said we would deliver a consistent package of practical activities which increased cycling to school.

- Results from Hands-up surveys in schools during Summer 2010 showed that the percentage of pupils saying they regularly cycle to school increased from 14% to 27%, and the percentage of pupils cycling every day increased from 4% to 9%. The Big Pedal, a virtual bike race supported by the Bike Hub, attracted 1,129 schools and generated 607,000 cycling journeys to school in just three weeks.

### Liveable Neighbourhoods

We aimed to publish the results of our work with communities to pilot affordable ways of reducing traffic speeds on residential streets and produce a toolkit and 'how to' guide to help more communities to tackle speeding traffic and improve their quality of living and work with new partners to roll out this approach to other UK neighbourhoods.

- The DIY Streets project review, containing headline results from our pilot project, was published in the summer of 2010 along with a community toolkit, 'Creating your own DIY Street, A Simple Guide'. The DIY Streets approach has been rolled out on a neighbourhood scale in the London Borough of Haringey, and on routes to schools and communities in Brixham and Southampton. We are also providing design support to the London Borough of Hounslow, and are delivering 'Street Design' in Scotland.

### School Travel

We said we would support schools wishing to promote walking and cycling by providing a free information service about sustainable travel to school.

- Funding from the Department for Transport towards this service ended in March 2011, by which time we had provided regular newsletters and information to a

total of 15,115 contacts, including 9,516 schools. We distributed cycle parking grants to 391 schools, to the value of £2.5M.

### Travelsmart

We aimed to complete our work with 25,000 individual households in Ipswich, Broxbourne and Croxley Green to enable people to walk, cycle and use public transport more.

- We completed personalised travel planning with over 25,000 households in Ipswich, Broxbourne and Croxley Green. This involved contact with around 20,000 households and distributing over 11,000 packages of individualised travel information.

We aimed to complete our evaluation of the work done during 2009 in Exeter, Lowestoft and Watford in anticipation of seeing a 10-14% reduction in car trips.

- Recent evaluation demonstrated that our personalised travel planning projects in Exeter, Lowestoft and Watford achieved reductions in car driver trips of 12%, 13% and 13% respectively. Corresponding increases in the use of sustainable travel modes included walking (18-20%), cycling (19-33%) and public transport (13-37%).

We aimed to pilot new ways of developing the work we do with households on travel behaviour change to promote a wider range of pro-environmental behaviours such as reducing energy use.

- Using the same individualised approach for changing travel behaviour we piloted the first project to promote more sustainable energy use and waste reduction amongst households in Ipswich.

### Infrastructure & Soft Measures

We aimed to bring together the experience from our established infrastructure and behaviour change programmes and from our smaller pilot projects to develop new, integrated and cost-effective solutions for promoting walking and cycling in communities, schools, colleges and universities and in workplaces across the UK.

- We established a Futures group in October 2010 to co-ordinate Sustrans' response to the challenges and opportunities arising from the rapidly-changing policy and funding environment following the creation of the new government in Westminster. A key part of the group's remit was to formulate Sustrans' "offer" to potential partners, specifically that we can:
  - work with them to ensure local transport plans address the urgent challenge of climate change whilst contributing to economic prosperity
  - deliver practical projects that reduce congestion whilst improving access to schools, workplaces, and other everyday destinations

- support public health policies by significantly increasing levels of walking and cycling as part of everyday travel choices.

### Work in Scotland

On 5th March 2010, Sustrans was awarded £1,020,000 revenue and £4,000,000 capital by the Scottish Government (SG) for the 2010-2011 financial year. Funds were provided to 'Maintain and Develop the National Cycle Network' and 'Tackle the School Run' with assessment made by a set of key performance indicators agreed between the SG and Sustrans in January 2008. In addition, on 5th July 2010, Sustrans was awarded £2,650,000 capital by the SG as a boost to the Cycling Action Plan for Scotland.

Sustrans provided grant funding for projects on a 50—50 monetary basis. Works were agreed with partners through a Memorandum of Understanding; Sustrans quality assured all projects and formal reporting of performance against KPI's will be submitted to the SG in July 2011. Partners include local authorities, national parks, British Waterways Board Scotland, Forestry Commission Scotland and others.

Highlight projects in the 2010-2011 period included the third annual 'Hands up Survey', which assesses how children travel to school; development of national route 78 Oban to Ballachulish; and construction of over 60 link paths to the National Cycle Network (NCN) and over 40 'short link' projects linking the NCN to communities.

## **Objectives and aims 2011/12**

### Infrastructure

#### National Cycle Network

Our key objective for the National Cycle Network in 2011/12 is to continue the rapid increase in usage it is experiencing. 420 million trips were made on the NCN in 2010 and our goal is to increase this to 450 million by 2012 (i.e. 7.5% annual increase). We will achieve this by continuing to extend the network into the heart of communities through Connect2, Links to Schools, and reaching everyday destinations like stations and workplaces, and by working with partners to develop leisure and tourism routes and opportunities. We will also aim to increase usage by improving the quality of routes through maintenance and signage, and by successfully promoting the network to new users.

#### Connect 2

We aim to work with our numerous community groups and partners to complete a further 33 local walking and cycling networks focused on new bridges and crossings in communities UK-wide, adding to the 11 completed in 2010/11, enabling thousands to walk and cycle to everyday destinations. This number will include new or improved routes in England, Scotland, Wales and Northern Ireland. Specific examples include the Tyne Docks, Plymouth, Hamilton to Larkhall, Kenilworth and Merthyr Tydfil schemes. In addition to this, Connect2 will continue to provide examples of best practice community involvement, research and monitoring and technical 'standards' and there will be an increasing emphasis on moving towards the completion of the overall project. As we move into the new year, Sustrans will work on establishing a plan for the legacy of Connect2 and establish an approach to gaining best value from the work and relationships that have been established to date.

#### Links to Schools

Local Sustainable Transport Fund "Transition" funding of £10.1M has been made available from DfT for 2011/12. We aim to use this to work in around 90 locations to benefit a further 200 schools. 15 of the locations will lie within Connect2 project areas. The remainder will be carefully selected to maximise the opportunities for Sustrans to further our wider strategic aims. This will be the eighth year of this highly successful project which should see completed 490 projects, with overall costs of £140m, serving 1,200 schools.

### Soft Measures

#### Active Travel

Continue work on the Active Travel projects, a portfolio of 10 projects funded by the Big Lottery's Well-being programme, with an aim of securing new funding to continue successful projects beyond December 2011. Since the programme began in January 2008, over 62,000 people have been reintroduced to the joys of walking and cycling through activities including led walks and rides, cycle maintenance courses, bike loan schemes, cycle skills training and events.

Bike It

We will continue to deliver a consistent package of practical activities which increased cycling to school.

Liveable Neighbourhoods

We will carry out robust monitoring and evaluation of schemes in Brixham and Southampton and publish the results. The Haringey project will progress throughout the year, our expectation being that the scheme will be implemented and completed by January 2012, with a further 6 months for focused active travel promotion and evaluation and monitoring. Project development is ongoing, with the aim of expanding Street Design in Scotland, and bringing DIY Streets to other communities and partners across the rest of the UK.

School Travel

We will continue to support schools wishing to promote walking and cycling by providing a free information service about sustainable travel to school.

Travel Actively

As lead partner we will oversee the final year of project activity across the portfolio, and continue to provide timely reports to the Big Lottery Fund. By June 2012 we should have reached our target of providing 1.8 million people with opportunities to be physically active through our portfolio of 50 projects. We will publish two further reports over the year: an annual review monitoring report and an annual review.

Travelsmart

We will start a 4-year programme of personalised travel planning in Wales funded by the Welsh Government. This will involve working in each of the Welsh Sustainable Travel Centres and will target over 100,000 households.

Universities

We will continue to support and share best practice amongst our existing projects in Nottingham, Leeds and Lincoln. Programme development is ongoing, with notable progress being made in Belfast at Queen's University on a bike loan scheme as well as on a joint proposal with the NUS. Other outputs this year will include an FE/HE best practice toolkit along with a Universities champions training programme.

## Financial Review

Sustrans has continued the trend of growth seen over recent years, in 2010/11 almost exclusively due to the delivery of infrastructure across the UK. The UK-wide Connect 2 project funded by the Big Lottery Fund, the Valley Cycle Network project funded by the Welsh Government, Links to Schools in England funded by the Department for Transport, and the highly successful NCN enhancement project funded by the Scottish Government, which is now in its ninth year, are significant contributors to this growth.

In addition to these ongoing projects, infrastructure in England has benefitted in 2010/11 from the work made possible by the Future Jobs Fund. This project, which provided employment and training for young job seekers delivered approximately £2.6m of work over a 9-month period.

Sustrans staff numbers again rose, from 308 in 2009/10 to 430 in 2010/11 (full time equivalent average). This growth was mainly due to the Future Jobs Fund, but not at the expense of soft-measures, where Bike It in particular continued the upward trend of recent years, increasing staff numbers by 10%. The average full time equivalent number of employees on the Future Jobs Fund was 88, so excluding the Future Jobs Fund, average full time equivalent number of employees increased during the year by 34 (11%). Full details are given in note 7.

2010/11 was the third full year of activity on our two large projects part-funded by the Big Lottery Fund, "Travel Actively" and "Connect2". The nature of these projects is explained elsewhere in this report, and on our website at [www.sustrans.org.uk](http://www.sustrans.org.uk). Connect 2 has seen income more than double in the year.

Overall therefore it is not surprising to see another significant jump in income, from £40.7m last year to £47.5m in 2010/11. However, when comparing these figures the rules under which these financial statements are prepared must be remembered. The Charities Statement of Recommended Practice (SORP) requires preparers of accounts to recognise grant income when received (unless the grant is "performance related") rather than when work is performed. Accordingly, large receipts can be received and therefore recognised in a different financial year to that in which the work is delivered.

The Trustees continue to review the reserves of the Charity as part of the planning process. In the financial year reserves increased by £2,253k (2009/10: £931k) - the explanation for movements between Restricted, Designated and Unrestricted funds is given in Notes 12, 14, and 15 to the financial statements, respectively. The reserves policy of the Charity is shown in notes 15 and 16.

A significant proportion of the surplus arising in 2010/11 is due to the accounting treatment of our Future Jobs Fund project. The work has brought the standard of maintenance on Sustrans' sections of NCN to a high standard. The total income (and expenditure) on this project was £2.6m. This is approximately 3 times our normal annual expenditure on maintenance. This will reduce the amount of "normal" expenditure required in 2011/12, providing a future economic benefit to be

depreciated over two years. The £750k surplus shown in the current year will be matched by an equivalent deficit in 2011/12.

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 Sustrans 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 four 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, and Royal Bank of Scotland plc where the UK Government is a major shareholder.

## **Employees**

Sustrans does employ 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 and 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 decisions that affect their current jobs or future prospects.

## **Governance and Management**

Sustrans is governed by its Trustees operating under the terms of the Memorandum & Articles of Association. The senior executive committee is the Senior Management Team (SMT) which recommends strategies to the Board for approval. This Group comprises senior staff drawn from all disciplines of the organisation. Meetings are held monthly and usually last for one day. Their purpose is to review the performance of the Charity's work, address issues arising on the integration and co-ordination of projects and the allocation of resources, geographically and by project.

Sustrans is governed by an independent Trustee body, the members of which 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 SMT, identify the skills, experience, and geographical location required among the Trustees, and ensure that the board reflects this need each year. 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 four times a year, usually for two days, to review strategy and performance and to agree operating plans and annual budgets. Trustees also form key committees within Sustrans, including the Finance and Land Committees, which meet as required, typically quarterly. 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 establish 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.

As part of its normal planning procedures, the Board of Trustees has reviewed during the year an assessment of the risks to which the charity is exposed, particularly 'business', 'operational', 'liquidity' and financial risks, and 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 involved staff in recognition of risk in all their activities.

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

According to Charities' best practice, Sustrans' Trustees have conducted an exercise to ensure that a set of new criteria for charities, set out in the Charities Act 2006, 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 in the Objectives, Aims and Achievements for 2010/11

## **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).

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.

## **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 some of its members are common to Sustrans. Mr. M. Shepherd, Sustrans' Chief Executive, and Mr. H. Davies, Sustrans' NCN Director, are also trustees of Railway Paths Limited. Mr. C. Curling is a Trustee of both Sustrans and Railway Paths Limited.

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 (2010: £10,000) for this service in the year under review. Railway Paths Ltd is contracted by Sustrans to provide Estate Management services and received £10,000 (2010: £10,000) during the year.

## **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**

Andy Appleby  
Company Secretary  
2<sup>nd</sup> July 2011

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES AND MEMBERS OF SUSTRANS LIMITED**

We have audited the financial statements of Sustrans Limited for the year ended 31 March 2011 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement 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 15, 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.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 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 2011 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 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) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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  
4<sup>th</sup> July 2011

PricewaterhouseCoopers LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**Statement of Financial Activities  
for the year ended 31 March 2011  
(including Income and Expenditure account)**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds 2011 £'000	Total Funds 2010 £'000
<b>Incoming resources</b>					
<b>Incoming resources from charitable activities</b>					
Infrastructure		2,259	28,889	<b>31,148</b>	25,195
Soft measures		2,395	10,380	<b>12,775</b>	12,454
	3	<u>4,654</u>	<u>39,269</u>	<u><b>43,923</b></u>	<u>37,649</u>
<b>Incoming resources from generated funds</b>					
Interest received and rental income		365	36	<b>401</b>	169
Donations from Supporters		2,892	-	<b>2,892</b>	2,870
Realised gains on disposal of land		277	-	<b>277</b>	27
		<u>3,534</u>	<u>36</u>	<u><b>3,570</b></u>	<u>3,066</u>
<b>Total incoming resources</b>		<u><b>8,188</b></u>	<u><b>39,305</b></u>	<u><b>47,493</b></u>	<u><b>40,715</b></u>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Fundraising and supporters costs		<u>698</u>	<u>-</u>	<u><b>698</b></u>	<u>648</u>
<b>Charitable activities</b>					
Infrastructure		3,170	28,293	<b>31,463</b>	26,596
Soft measures		2,635	10,385	<b>13,020</b>	12,484
		<u>5,805</u>	<u>38,678</u>	<u><b>44,483</b></u>	<u>39,080</u>
<b>Governance costs</b>		<u>59</u>	<u>-</u>	<u><b>59</b></u>	<u>56</u>
<b>Total resources expended</b>	4	<u><b>6,562</b></u>	<u><b>38,678</b></u>	<u><b>45,240</b></u>	<u><b>39,784</b></u>
<b>Net income / (expenditure)</b>	6	1,626	627	<b>2,253</b>	931
Gross transfers between funds	16	(41)	41	-	-
<b>Net movement in funds</b>		<u>1,585</u>	<u>668</u>	<u><b>2,253</b></u>	<u>931</u>
<b>Total funds brought forward at 1 April</b>		<u>5,666</u>	<u>888</u>	<u><b>6,554</b></u>	<u>5,623</u>
<b>Total funds carried forward at 31 March</b>	16	<u><b>7,251</b></u>	<u><b>1,556</b></u>	<u><b>8,807</b></u>	<u><b>6,554</b></u>

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 incoming resources for the year stated above and its historical cost equivalent.

## Balance Sheet at 31 March 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	<b>Total Funds 2011 £'000</b>	Total Funds 2010 £'000
<b>Fixed Assets</b>					
Tangible assets	8a	1,469	1,121	<b>2,590</b>	2,940
<b>Current Assets</b>					
Tangible assets	8b	-	750	<b>750</b>	-
Debtors	9	2,241	-	<b>2,241</b>	1,657
Cash at bank and in hand	10	17,036	15,862	<b>32,898</b>	26,596
		<u>19,277</u>	<u>16,612</u>	<b><u>35,889</u></b>	<u>28,253</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(13,495)</u>	<u>(16,177)</u>	<b><u>(29,672)</u></b>	<u>(24,639)</u>
<b>Net current assets / (liabilities)</b>		<u>5,782</u>	<u>435</u>	<b><u>6,217</u></b>	<u>3,614</u>
<b>Net assets</b>		<u>7,251</u>	<u>1,556</u>	<b><u>8,807</u></b>	<u>6,554</u>
<b>Funds</b>					
Restricted	12			<b>1,556</b>	888
Designated	14			<b>3,969</b>	4,300
Unrestricted	15			<b>3,282</b>	1,366
<b>Total funds</b>				<b><u>8,807</u></b>	<u>6,554</u>

The financial statements on pages 20 to 39 were approved by the trustees on 2<sup>nd</sup> July 2011 and were signed on their behalf by:

**Marian Lauder**  
Trustee

## Cashflow Statement for the year ended 31 March 2011

	2011 £'000	2010 £'000
Net cash inflow from operating activities	<u>6,994</u>	<u>14,003</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	194	111
Rental receipts	<u>61</u>	<u>58</u>
	<u>255</u>	<u>169</u>
<b>Capital expenditure</b>		
Purchase of tangible assets	(1,649)	(165)
Sale of tangible assets	<u>704</u>	<u>100</u>
	<u>(945)</u>	<u>(65)</u>
<b>Cash inflow before financing</b>	<b>6,304</b>	14,107
<b>Financing</b>		
Repayment of interest free loans from supporters	(2)	(5)
Increase in cash in the year (note 10)	<u><u>6,302</u></u>	<u><u>14,102</u></u>

	2011 £'000	2010 £'000
<b>Operating activities</b>		
Net incoming resources for the year	2,253	931
Net return on investments and servicing of finance	<u>(255)</u>	<u>(169)</u>
Net incoming resources before returns on investments and servicing of finance	1,998	762
Depreciation of fixed assets	822	71
Property impairment	-	34
Realised gains on disposal of land	(277)	(27)
(Increase) / Decrease in trade debtors	(394)	695
Increase in sundry debtors and prepayments	(190)	(9)
Increase / (Decrease) in trade creditors	751	(602)
Increase in taxation and social security	64	56
Increase in deferred income	55	239
Increase in grants payable to partner organisations and other accruals	4,429	12,861
Decrease in Landfill Tax receipts in advance	(264)	(77)
<b>Net cash inflow from operating activities</b>	<u><u>6,994</u></u>	<u><u>14,003</u></u>

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

## Notes to the Financial Statements for the year ended 31 March 2011

### 1 Principal accounting policies

#### (a) Basis of Preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments that are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards, the Charities Act 1993 and the Companies Act 2006.

#### (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 14 to the financial statements.

**Restricted Funds** - The major project of the Charity is the design, development and construction of the National Cycle Network. Any income identified specifically for other projects by the donor or by the terms of an appeal is treated as restricted funds. Likewise, funds established through agreements with local authorities and BRB (Residuary) Ltd (formerly British Rail) for the future maintenance and development of specific routes are restricted funds. The assets and liabilities attached to these agreements form part of these funds, as does any income arising from the use of the assets. The description and purpose of these restricted funds are provided in Note 12.

#### (c) Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Invoices outstanding on the Charity's construction and other expenditure to the year end have been included in these financial statements. In some cases payments have been made in advance of expenditure or an initial mobilisation payment received. In these cases the element of payment in advance has been included in creditors.

Receipts under the landfill tax credit scheme and other payments in advance are accounted for as deferred income within creditors until the Charity has met the conditions of the relevant project, at which point the creditor is released to income over the life of the project.

**(d) Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Support costs and costs that cannot be directly attributed to particular headings, have been allocated to activities on the basis of the head count. Non-recoverable VAT is attributed to the heading of cost where the expenditure is incurred.

All expenditure up to the year-end payable on projects under the management of the Charity has been included in the financial statements. Some wages and operating costs were funded through various employment action schemes administered by other agencies. This expenditure was not paid through the Charity and has not 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.

**(e) Tangible assets**

The cost to the Charity of freehold land and buildings purchased with the resources of the Charity and of fixtures and fittings is capitalised.

Land to be used for paths and landscaping has not been revalued, but is retained at not less than cost. It is not the intention of the trustees to dispose of such land.

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. Freehold land and buildings are not depreciated because, in the opinion of the Trustees, the net realisable value of these assets is not materially different from their cost. Assets not depreciated are subjected to an annual impairment review.

The rates of depreciation utilised are as follows:

NCN Centre refit	10% per annum
Computer Equipment	33.3% per annum
Plant and machinery	30.0% per annum
Future Jobs Fund	50.0% per annum

**(f) 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.

**(g) Taxation**

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

**(h) Operating Leases**

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

**(i) 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.

**2 Grant programmes in respect of Partners**

Sustrans is the coordinator of a number of grant programmes which further the development of the National Cycle Network and other projects. During the financial year, funds from the Welsh European Funding Office, the Scottish Government, the Big Lottery Fund, and the Department for Transport were paid over to Local Authority Partners. Further details of these projects can be found in note 12 to these financial statements and on Sustrans website ([www.sustrans.org.uk](http://www.sustrans.org.uk)).

Our Travel Actively project is delivered through a consortium of partners. They are Cyclists' Touring Club, Ramblers, Leeds University, Cycling Projects, Cornwall & Isles of Scilly PCT, London Cycling Campaign, Living Streets and Walk England.

### 3 Incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	Total 2011 £'000	Total 2010 £'000
<b>Infrastructure</b>				
<b>National Cycle Network</b>				
NCN route development	807	312	1,119	4,253
NCN construction funded by Landfill Tax Credits	-	21	21	46
Scottish Government funded NCN enhancement	-	5,738	5,738	2,869
VCN funded through Welsh European Funding Office	-	1,553	1,553	314
Grants including Charitable Trusts	168	-	168	181
Maintenance	123	29	152	144
Sculpture	24	13	37	58
Volunteer Ranger Programme	70	328	398	134
National and Regional implementation	515	262	777	514
Mapping and publications	288	-	288	602
Research & Monitoring Unit	191	-	191	885
Future Jobs Fund	73	2,193	2,266	346
	<b>2,259</b>	<b>10,449</b>	<b>12,708</b>	<b>10,346</b>
<b>Connect 2- part funded by Big Lottery Fund</b>	-	5,540	5,540	2,113
<b>Department for Transport funded Links to Schools</b>	-	12,900	12,900	12,736
	<b>2,259</b>	<b>28,889</b>	<b>31,148</b>	<b>25,195</b>
<b>Soft measures</b>				
<b>Active Travel</b>				
Active Travel England	103	12	115	178
Active Travel Scotland	29	193	222	190
Active Travel Wales	169	203	372	304
Travel Actively - part funded by Big Lottery Fund	57	650	707	701
	<b>358</b>	<b>1,058</b>	<b>1,416</b>	<b>1,373</b>
<b>Bike It</b>				
Bicycle Association / Cycling England / Local Authorities	107	1,263	1,370	1,196
Cycling Demonstration Towns & City	28	750	778	720
Primary Care Trusts	691	-	691	655
Transport for London	-	80	80	158
Travel Actively - part funded by Big Lottery Fund	127	535	662	832
Welsh National Assembly / Bicycle Association	-	120	120	120
Bicycle Association - NI	-	94	94	41
Bicycle Association - Scotland	-	120	120	120
	<b>953</b>	<b>2,962</b>	<b>3,915</b>	<b>3,842</b>
<b>Liveable Neighbourhoods</b>	<b>101</b>	<b>202</b>	<b>303</b>	<b>229</b>
<b>School Travel</b>				
School Travel Scotland	3	1,688	1,691	1,741
School Travel Northern Ireland	-	-	-	55
School Travel Wales	-	40	40	53
School Travel UK	5	107	112	134
	<b>8</b>	<b>1,835</b>	<b>1,843</b>	<b>1,983</b>
<b>Travel Actively- part funded by Big Lottery Fund</b>	-	3,562	3,562	3,667
<b>Travelsmart</b>				
Travel Actively - part funded by Big Lottery Fund	86	30	116	707
Wales Personalised Travel Planning	-	150	150	-
Other projects	367	581	948	515
	<b>453</b>	<b>761</b>	<b>1,214</b>	<b>1,222</b>
<b>Universities</b>	<b>522</b>	<b>-</b>	<b>522</b>	<b>138</b>
	<b>2,395</b>	<b>10,380</b>	<b>12,775</b>	<b>12,454</b>
	<b>4,654</b>	<b>39,269</b>	<b>43,923</b>	<b>37,649</b>

## 4 Analysis of total resources expended

	Direct staff costs £'000	Support costs £'000	Other direct costs £'000	Total 2011 £'000	Total 2010 £'000
<b>Cost of generating funds</b>					
Fundraising and supporters	211	7	480	698	648
<b>Costs in furtherance of the charity's objects</b>					
<b>Infrastructure</b>					
<b>National Cycle Network</b>					
NCN route development	213	5	1,056	1,274	3,403
NCN construction funded by Landfill Tax Credits	-	-	21	21	46
Scottish Government funded NCN enhancement	241	-	5,499	5,740	2,869
VCN funded through Welsh European Funding Office	149	-	1,519	1,668	314
Maintenance	414	15	391	820	1,215
Sculpture	42	1	33	76	116
Volunteer Ranger Programme	358	11	382	751	518
National and Regional implementation	726	61	6	793	1,533
Mapping and publications	121	4	150	275	571
Research & Monitoring Unit	33	16	42	91	818
Future Jobs Fund	865	86	562	1,513	346
	3,162	199	9,661	13,022	11,749
<b>Connect 2- part funded by Big Lottery Fund</b>	1,010	5	4,526	5,541	2,111
<b>Department for Transport funded Links to Schools</b>	864	4	12,032	12,900	12,736
	5,036	208	26,219	31,463	26,596
<b>Soft measures</b>					
<b>Active Travel</b>					
Active Travel UK	25	4	133	162	128
Active Travel Scotland	99	2	117	218	209
Active Travel Wales	211	5	134	350	361
Travel Actively - part funded by Big Lottery Fund	427	12	270	709	700
	762	23	654	1,439	1,398
<b>Bike It</b>					
Bicycle Association / Cycling England / Local Authorities	1,141	37	181	1,359	1,170
Cycling Demonstration Towns & City	368	8	409	785	718
Primary Care Trusts	310	3	408	721	655
Transport for London	74	2	72	148	165
Travel Actively - part funded by Big Lottery Fund	397	16	327	740	827
Welsh National Assembly / Bicycle Association	90	2	28	120	119
Bicycle Association - NI	22	-	81	103	50
Bicycle Association - Scotland	54	-	66	120	120
	2,456	68	1,572	4,096	3,824
<b>Liveable Neighbourhoods</b>	168	5	203	376	285
<b>School Travel</b>					
School Travel Scotland	161	5	1,539	1,705	1,739
School Travel Northern Ireland	-	-	-	-	62
School Travel Wales	33	1	6	40	51
School Travel UK	109	4	7	120	134
	303	10	1,552	1,865	1,986
<b>Travel Actively- part funded by Big Lottery Fund</b>	232	2	3,328	3,562	3,666
<b>Travelsmart</b>					
Travel Actively - part funded by Big Lottery Fund	71	6	18	95	646
Wales PTP	-	-	150	150	-
Other projects	244	4	667	915	542
	315	10	835	1,160	1,188
<b>Universities</b>	198	6	318	522	137
	4,434	124	8,462	13,020	12,484
<b>Costs in furtherance of the charity's objects</b>	9,470	332	34,681	44,483	39,080
<b>Governance costs</b>					
Costs of Trustee travel and accomodation	-	-	6	6	5
Apportionment of staff and support costs	29	-	7	36	34
Audit fees	-	-	15	15	15
Trustees' indemnity insurance	-	-	2	2	2
	29	-	30	59	56
<b>Total Resources Expended</b>	9,710	339	35,191	45,240	39,784

For 2010/11, expenditure on Research and Monitoring is shown within the programme to which it relates.

## 5 Summary of Practical Projects

	2011			2010		
	Income £'000	Expenditure £'000	Surplus / (deficit) £'000	Income £'000	Expenditure £'000	Surplus / (deficit) £'000
<b>Infrastructure</b>						
<b>National Cycle Network</b>						
NCN route development	1,119	1,274	(155)	4,253	3,403	850
NCN construction funded by Landfill Tax Credits	21	21	-	46	46	-
Scottish Government funded NCN enhancement	5,751	5,740	11	2,869	2,869	-
VCN funded through Welsh European Funding Office	1,553	1,668	(115)	314	314	-
Grants including Charitable Trusts	168	-	168	181	-	181
Maintenance	152	820	(668)	144	1,215	(1,071)
Sculpture	24	76	(52)	58	116	(58)
Volunteer Ranger Programme	398	751	(353)	134	518	(384)
National and Regional implementation	777	793	(16)	514	1,533	(1,019)
Mapping and publications	288	275	13	602	571	31
Research & Monitoring Unit	191	91	100	885	818	67
Future Jobs Fund	2,266	1,513	753	346	346	-
	<b>12,708</b>	<b>13,022</b>	<b>(314)</b>	<b>10,346</b>	<b>11,749</b>	<b>(1,403)</b>
<b>Connect 2- part funded by Big Lottery Fund</b>	<b>5,540</b>	<b>5,541</b>	<b>(1)</b>	<b>2,113</b>	<b>2,111</b>	<b>2</b>
<b>Department for Transport funded Links to Schools</b>	<b>12,900</b>	<b>12,900</b>	<b>-</b>	<b>12,736</b>	<b>12,736</b>	<b>-</b>
	<b>31,148</b>	<b>31,463</b>	<b>(315)</b>	<b>25,195</b>	<b>26,596</b>	<b>(1,401)</b>
<b>Soft measures</b>						
<b>Active Travel</b>						
Active Travel England	115	162	(47)	178	128	50
Active Travel Scotland	222	218	4	190	209	(19)
Active Travel Wales	372	350	22	304	361	(57)
Travel Actively - part funded by Big Lottery Fund	707	709	(2)	701	700	1
	<b>1,416</b>	<b>1,439</b>	<b>(23)</b>	<b>1,373</b>	<b>1,398</b>	<b>(25)</b>
<b>Bike It</b>						
Bicycle Association / Cycling England / Local Authorities	1,370	1,359	11	1,196	1,170	26
Cycling Demonstration Towns & City	778	785	(7)	720	718	2
Primary Care Trusts	691	721	(30)	655	655	-
Transport for London	80	148	(68)	158	165	(7)
Travel Actively - part funded by Big Lottery Fund	662	740	(78)	832	827	5
Welsh National Assembly / Bicycle Association	120	120	-	120	119	1
Bicycle Association - NI	94	103	(9)	41	50	(9)
Bicycle Association - Scotland	120	120	-	120	120	-
	<b>3,915</b>	<b>4,096</b>	<b>(181)</b>	<b>3,842</b>	<b>3,824</b>	<b>18</b>
<b>Liveable Neighbourhoods</b>	<b>303</b>	<b>376</b>	<b>(73)</b>	<b>229</b>	<b>285</b>	<b>(56)</b>
<b>School Travel</b>						
School Travel Scotland	1,691	1,705	(14)	1,741	1,739	2
School Travel Northern Ireland	-	-	-	55	62	(7)
School Travel Wales	40	40	-	53	51	2
School Travel UK	112	120	(8)	134	134	-
	<b>1,843</b>	<b>1,865</b>	<b>(22)</b>	<b>1,983</b>	<b>1,986</b>	<b>(3)</b>
<b>Travel Actively- part funded by Big Lottery Fund</b>	<b>3,562</b>	<b>3,562</b>	<b>-</b>	<b>3,667</b>	<b>3,666</b>	<b>1</b>
<b>Travelsmart</b>						
Travel Actively - part funded by Big Lottery Fund	116	95	21	707	646	61
Wales PTP	150	150	-	-	-	-
Other projects	948	915	33	515	542	(27)
	<b>1,214</b>	<b>1,160</b>	<b>54</b>	<b>1,222</b>	<b>1,188</b>	<b>34</b>
<b>Universities</b>	<b>522</b>	<b>522</b>	<b>-</b>	<b>138</b>	<b>137</b>	<b>1</b>
	<b>12,775</b>	<b>13,020</b>	<b>(245)</b>	<b>12,454</b>	<b>12,484</b>	<b>(30)</b>
	<b>43,923</b>	<b>44,483</b>	<b>(560)</b>	<b>37,649</b>	<b>39,080</b>	<b>(1,431)</b>

## 6 Net incoming resources

		<b>2011</b>	2010
		<b>£'000</b>	£'000
<b>These are stated after charging:</b>			
Fees payable for audit		<b>15</b>	15
Fees payable to the auditors for other services pursuant to legislation		-	1
Fees payable to the auditors for taxation services		<b>3</b>	4
Depreciation of tangible fixed assets	Note 8a	<b>72</b>	72
Depreciation of tangible current assets	Note 8b	<b>750</b>	-
Board costs		<b>7</b>	7
Operating leases rentals:			
land and buildings		<b>248</b>	242
other		<b>22</b>	23

Board costs of £7,373 (2010: £6,573) includes provision of trustee liability insurance of £1,838 (2010: £1,838). The remaining costs include travel and other expenses paid on behalf of 7 (2010: 7) Trustees for attendance at Board and other meetings. The trustees of the Charity are not paid.

## 7 Staff Costs

The average full time equivalent number of employees during the year was:

	2011 Number	2010 Number
<b>Infrastructure</b>	<u>256</u>	<u>146</u>
<b>Soft measures</b>		
Active Travel	27	26
Bike It	80	73
Liveable Neighbourhoods	6	7
School Travel	7	12
Travel Actively- part funded by Big Lottery Fund	2	2
Travelsmart	13	16
Universities	7	3
	<u>142</u>	<u>139</u>
<b>Support functions</b>	<u>32</u>	<u>23</u>
	<u>430</u>	<u>308</u>

The average number of employees during the year was:

	2011 Number	2010 Number
<b>Infrastructure</b>	<u>276</u>	<u>161</u>
<b>Soft measures</b>		
Active Travel	30	27
Bike It	87	78
Liveable Neighbourhoods	6	7
School Travel	7	12
Travel Actively- part funded by Big Lottery Fund	2	2
Travelsmart	28	40
Universities	7	3
	<u>167</u>	<u>169</u>
<b>Support functions</b>	<u>33</u>	<u>24</u>
	<u>476</u>	<u>354</u>

The average full time equivalent number of employees and average number of employees on the Future Jobs Fund, included in the figures above, was 88. Excluding the Future Jobs Fund, average full time equivalent number of employees and average number of employees during the year have increased by 34 (11%) and 34 (10%) respectively.

Staff costs (for the above persons):

	2011 £'000	2010 £'000
Wages and Salaries	9,713	7,770
Social Security costs	897	738
Employer's pension contributions	124	108
	<u>10,734</u>	<u>8,616</u>
Direct staff costs capitalised	<u>(1,024)</u>	-
Staff costs as per note 4	<u>9,710</u>	<u>8,616</u>

The number of employees whose emoluments fell within the range £70,000 to £80,000 during the year was one (2009/10: one). The number of employees whose emoluments fell within the range £60,000 to £70,000 during the year was nil (2009/10: nil)

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

## 8 Tangible assets

### a) Fixed

	Freehold Land and Buildings £'000	NCN Centre Refit £'000	IT Equipment £'000	Plant & Machinery £'000	Total £'000
<b>Cost</b>					
At 1 April 2010	3,058	200	173	116	3,547
Additions	70	-	41	38	149
Disposals	(557)	-	-	(20)	(577)
<b>At 31 March 2011</b>	<b>2,571</b>	<b>200</b>	<b>214</b>	<b>134</b>	<b>3,119</b>
<b>Accumulated Depreciation</b>					
At 1 April 2010	243	125	149	90	607
Charge for year	-	20	28	24	72
Disposals	(134)	-	-	(16)	(150)
<b>At 31 March 2011</b>	<b>109</b>	<b>145</b>	<b>177</b>	<b>98</b>	<b>529</b>
<b>Net book amount</b>					
At 31 March 2011	<b>2,462</b>	<b>55</b>	<b>37</b>	<b>36</b>	<b>2,590</b>
At 31 March 2010	2,815	75	24	26	2,940

Tangible fixed assets held in restricted funds total £1.12m (2010: £1.14m) and comprise the National Cycle Network Centre £0.96m (2010: £0.98m), and land holdings in Scotland, Yorkshire, and Derbyshire £0.16m (2010: £0.16m).

Within Freehold Land and Buildings is £263k (2010: £806k) being the cost of one (2010: three) property now held for resale. The value of this property has been impaired by £59k (2010: £192k) since purchase.

### b) Current

Future Jobs Fund	Cost £'000	Depreciation £'000	Net book amount £'000
At 1 April 2010	-	-	-
Movements in the year	1,500	(750)	750
<b>At 31 March 2011</b>	<b>1,500</b>	<b>(750)</b>	<b>750</b>

Sustrans' Future Jobs Fund project established 13 teams of 14 trainees, a total of 182 young people, who worked for 6 months on enhancing the condition of NCN route across the UK. The first trainees were employed from 22nd April 2010, and recruitment was ongoing through May and early June. All Trainees completed their six month contract by the end of December 2010.

The work has brought the standard of maintenance on some Sustrans' sections of NCN up to a high standard. The total income (and expenditure) on this project was £2.6m, of which £1.5m is capital. This is approximately 3 times our normal annual expenditure on maintenance. This will reduce the amount of "normal" expenditure required in 2011/12, providing a future economic benefit to be depreciated over two years.

## 9 Debtors

	2011 £'000	2010 £'000
Trade Debtors	1,851	1,457
Sundry Debtors and prepayments	390	200
	<u>2,241</u>	<u>1,657</u>

## 10 Cash

The cash balances of £32.9m are made up of the following:

	2011 £'000	2010 £'000
<b>Unrestricted Balances</b>		
General funds held at the end of the financial year	17,036	11,687
<b>Restricted Funds</b>		
Construction and maintenance funds	545	546
DfT Links to Schools	13,207	12,180
Connect 2	1,884	894
Active Travel Consortium	69	863
Landfill Tax Credit Accounts – funds held for the future construction of 9 projects on the NCN	144	408
Other Restricted Funds	13	18
	<u>15,862</u>	<u>14,909</u>
Total Cash Balances	<u>32,898</u>	<u>26,596</u>
Brought forward cash balance	26,596	12,494
Increase in cash in the year	<u>6,302</u>	<u>14,102</u>

## 11 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	1,720	969
Tax and social security	501	437
Interest free loans from supporters for land purchase	160	162
Grants payable to partner organisations & other accruals	25,383	20,954
Deferred Income	1,764	1,709
Landfill Tax receipts in advance	144	408
	<u>29,672</u>	<u>24,639</u>

The movement in deferred income and landfill tax receipts in advance is analysed below

<b>Deferred Income (Inc Landfill Tax receipts in advance)</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Deferred income at 1 April	2,117	1,955
Amounts released from previous years	(1,993)	(1,594)
Incoming resources deferred in 2010/11	1,784	1,756
Deferred income at 31 March	<u>1,908</u>	<u>2,117</u>

## 12 Restricted funds

	Notes	Movement in resources				Balance 31 March 2011 £'000
		Balance 1 April 2010 £'000	Incoming £'000	Outgoing £'000	Transfers from Unrestricted funds £'000	
<b>Infrastructure</b>						
<b>National Cycle Network</b>						
Consett & Sunderland Railway Path		143	32	(77)	-	98
Paisley to Kilwinning and Kilmacolm		-	4	(4)	-	-
York to Selby Railway Path		115	-	(7)	-	108
Worthington Railway Path - Derby		-	5	(46)	41	-
<b>Construction and Maintenance Funds</b>	(1)	258	41	(134)	41	206
The National Cycle Network Centre	(2)	625	-	(25)	-	600
NCN route development	(3)	-	312	(312)	-	-
NCN construction funded by Landfill Tax Credits	(4)	-	21	(21)	-	-
Scottish Government funded NCN enhancement	(5)	-	5,738	(5,738)	-	-
VCN funded through Welsh European Funding Office	(6)	-	1,553	(1,553)	-	-
Maintenance	(7)	-	24	(24)	-	-
Sculpture	(8)	-	13	(13)	-	-
Volunteer Ranger Programme	(9)	-	328	(328)	-	-
National and Regional implementation	(10)	-	262	(262)	-	-
Future Jobs Fund	(11)	-	2,193	(1,443)	-	750
		883	10,485	(9,853)	41	1,556
<b>Connect 2- part funded by Big Lottery Fund</b>	(12)	-	5,540	(5,540)	-	-
<b>Department for Transport funded Links to Schools</b>	(13)	-	12,900	(12,900)	-	-
		883	28,925	(28,293)	41	1,556
<b>Soft measures</b>						
<b>Active Travel</b>						
Active Travel England	(14)	-	12	(12)	-	-
Active Travel Scotland	(15)	5	193	(198)	-	-
Active Travel Wales	(16)	-	203	(203)	-	-
Travel Actively - part funded by Big Lottery Fund	(17)	-	650	(650)	-	-
		5	1,058	(1,063)	-	-
<b>Bike It</b>						
Bicycle Association / Cycling England / Local Authorities	(18)	-	1,263	(1,263)	-	-
Cycling Demonstration Towns & City	(20)	-	750	(750)	-	-
Primary Care Trusts	(21)	-	-	-	-	-
Transport for London	(22)	-	80	(80)	-	-
Travel Actively - part funded by Big Lottery Fund	(23)	-	535	(535)	-	-
Welsh Government / Bicycle Association	(24)	-	120	(120)	-	-
Bicycle Association - NI	(25)	-	94	(94)	-	-
Bicycle Association - Scotland	(26)	-	120	(120)	-	-
		-	2,962	(2,962)	-	-
<b>Liveable Neighbourhoods</b>	(27)	-	202	(202)	-	-
<b>School Travel</b>						
School Travel Scotland	(28)	-	1,688	(1,688)	-	-
School Travel Wales	(29)	-	40	(40)	-	-
School Travel UK	(30)	-	107	(107)	-	-
		-	1,835	(1,835)	-	-
<b>Travel Actively- part funded by Big Lottery Fund</b>	(31)	-	3,562	(3,562)	-	-
<b>Travelsmart</b>						
Travel Actively - part funded by Big Lottery Fund	(32)	-	30	(30)	-	-
Welsh Government - PTP associated initiatives	(33)	-	150	(150)	-	-
Other projects	(34)	-	581	(581)	-	-
		-	761	(761)	-	-
		5	10,380	(10,385)	-	-
		888	39,305	(38,678)	41	1,556

1. The construction and maintenance funds cover the routes acquired from BRB (Residuary) Ltd over which the Charity has a maintenance liability as a result of agreements with the relevant Local Authorities. The transfer from unrestricted funds relates to expenditure made on the Worthington Railway Path on which the original restricted fund has been exhausted.
2. In the financial year to 31 March 2004 the Charity acquired a building in central Bristol to be the new National Cycle Network Centre. The full Millennium Commission grant was for £605,000, and now that the redevelopment of the building is complete has been drawn down in full. An appeal to supporters and trusts raised a further £332k
3. The Charity has developed new NCN routes during the financial year funded by grants which are restricted to a specific purpose.
4. The Charity is a registered 'Environmental Body' with Entrust, the regulator of the Landfill Tax Community Fund. The Charity has received funding through the scheme for construction of various projects on the National Cycle Network.
5. Following on from the successful completion of works funded by the Scottish Executive / Scottish Government since 2002/03, the Charity was awarded a further grant during this financial year.
6. The Charity has received funding for new walking and cycling infrastructure in Wales as part of the Valley Cycle Network projects, part-funded by ERDF.
7. The Charity has maintained NCN routes during the financial year funded by grants which are restricted to a specific purpose.
8. During the financial year the Charity has worked on 5 (2010:4) sculpture projects on the National Cycle Network. We are grateful to the Big Lottery Fund, Ernest Cook and Arts Council England for their support of the Arts programme.
9. The National Community Volunteer Rangers Programme is now in its ninth year. We have in place over 3,000 volunteers, who 'look after' sections of the National Cycle Network and liaise with local communities to encourage use of the Network through arranging events. The volunteer Ranger programme in Wales is funded by the Big Lottery Fund - Saddles and Secateurs project: £26,625 and the Welsh Government (Active Community via WCVA).
10. Funding continued from the Welsh Government and Scottish Government towards the activities of the Charity within those nations.
11. The Charity established 13 teams of 14 trainees, a total of 182 young people funded by the Government's Future Jobs Fund. They worked for 6 months on enhancing the condition of NCN routes across the UK. Please see note 8 for further information.
12. Connect2 is a project made up of 79 schemes across the UK, aiming to solve problems of severance. This might mean building a foot or cycle bridge over a river or railway, creating a pleasant path that will become the first option people think of for shorter journeys in their area. Connect2 was one of the projects competing for a single £50 million pound grant from the Big Lottery Fund's "Living Landmarks: The People's Millions" competition. Connect 2 won the public TV vote in December 2007.
13. During the financial year the Charity was awarded a grant of £13m from the Department for Transport for the continuation of its "Links to Schools" program. This project will provide links to over 300 schools.
14. Active Travel is a project that aims to raise the profile of cycling and walking as cost-effective forms of health promotion.
15. The Active Travel project in Scotland has been funded by the Scottish Government.

16. In Wales the Active Travel programme has been made possible by funding from the Welsh Government and the Sports Council. The Active Travel in Caerphilly project is funded by the Big Lottery Fund - £63,496.
17. Active Travel officers across England are funded through the Big Lottery Fund's Wellbeing programme, as part of the Travel Actively portfolio of projects. The project in Ashington is part funded by Northern Rock Foundation.
18. Building on the outstanding success of Sustrans' Bike It project, piloted in 2004, the programme now employs 60 officers, 5 supervisors, 3 part-time action day officers, 3 part-time support officers, and a national manager. Each officer works to promote cycling in about 10 schools across their area.
19. The Bicycle Association, Cycling England and Local Authorities fund 20 officers in England.
20. The Cycling Demonstration Towns & City funding pays for 12 officers in England.
21. Primary Care Trusts fund 11 officers in England.
22. Transport for London fund 2 officers in London.
23. The BIG Lottery Fund's Wellbeing Programme, as part of the Travel Actively Portfolio, and Local Authorities, fund 10 officers in England.
24. Welsh Government & Bicycle Association fund 2 officers in Wales.
25. The Bicycle Association funds an officer in Northern Ireland
26. The Bicycle Association funds 2 officers in Scotland.
27. DIY Streets, run by our Liveable Neighbourhoods programme helps residents to redesign their own streets to make them safer and more attractive places to live. Work this year in Scottish communities has been made possible thanks to funding from the Scottish Government.
28. Our School Travel programme in Scotland has benefited from the support of the Scottish Government. The funding has enabled us to carry out training and support to the network of School Travel Co-ordinators and provide training to school champions. In addition we have been able to supplement the information service developed across the UK with Scotland-specific case studies, newsletters and information sheets. Another key area of work developed with this funding has been policy and partnership work with key national organisations in Scotland and the Scottish Government.
29. School Travel Wales is funded by Sports Council Wales.
30. School Travel is a UK project run by Sustrans to encourage safe cycling and walking to school. The programme has been supported by the Department for Transport.
31. Grants are paid to our partners in the Big Lottery Fund's Wellbeing programme, as part of the Travel Actively portfolio of projects.
32. TravelSmart works with households offering tailor-made information and support, enabling people to walk, cycle and use public transport more often. It delivers measurable and sustained reductions in car use by enabling people to make a few changes to their daily travel choices when and where it suits them best. Projects in Watford, Croxley Green, Exeter and Lowestoft are part-funded by the Big Lottery Fund's Wellbeing programme.
33. Personalised Travel Planning work has begun this year in Wales thanks to funding from the Welsh Government.
34. Projects in Broxbourne and Ipswich are being part funded by Defra's Greener Living Fund.

## 13 Restricted income by major funding source

	Big Lottery Fund	Dept. for Transport	Scottish Govn.	Welsh Assembly	Other	Total Funds 2011 £'000	Total Funds 2010 £'000
<b>Infrastructure</b>							
<b>National Cycle Network</b>							
Consett & Sunderland Railway Path	-	-	-	-	32	32	3
Paisley to Kilwinning and Kilmacolm	-	-	-	-	4	4	5
York to Selby Railway Path	-	-	-	-	-	-	-
Worthington Railway Path - Derby	-	-	-	-	5	5	-
<b>Construction and Maintenance Funds</b>	-	-	-	-	41	41	8
The National Cycle Network Centre	-	-	-	-	-	-	-
NCN route development	-	84	-	-	228	312	924
NCN construction funded by Landfill Tax Credits	-	-	-	-	21	21	46
Scottish Government funded NCN enhancement	-	-	5,550	-	188	5,738	2,869
Welsh Assembly Government funded Celtic Trail / VCN	-	-	-	1,553	-	1,553	314
Maintenance	-	-	-	-	24	24	16
Sculpture	-	-	13	-	-	13	43
Volunteer Ranger Programme	27	-	74	-	227	328	84
National and Regional implementation	-	-	100	113	49	262	102
Mapping and publications	-	-	-	-	-	-	266
Research & Monitoring Unit	-	-	-	-	-	-	651
Future Jobs Fund	-	1,500	-	-	693	2,193	346
	27	1,584	5,737	1,666	1,471	10,485	5,669
<b>Connect 2- part funded by Big Lottery Fund</b>	5,530	-	-	-	10	5,540	2,111
<b>Department for Transport funded Links to Schools</b>	-	12,900	-	-	-	12,900	12,736
	5,557	14,484	5,737	1,666	1,481	28,925	20,516
<b>Soft measures</b>							
<b>Active Travel</b>							
Active Travel England	-	-	-	-	12	12	51
Active Travel Scotland	-	-	193	-	-	193	190
Active Travel Wales	-	-	-	203	-	203	147
Travel Actively - part funded by Big Lottery Fund	650	-	-	-	-	650	620
	650	-	193	203	12	1,058	1,008
<b>Bike It</b>							
Bicycle Association / Cycling England / Local Authorities	-	831	-	-	432	1,263	874
Cycling Demonstration Towns & City	-	750	-	-	-	750	3
Primary Care Trusts	-	-	-	-	-	-	179
Transport for London	-	-	-	-	80	80	158
Travel Actively - part funded by Big Lottery Fund	535	-	-	-	-	535	687
Welsh Government / Bicycle Association	-	-	-	80	40	120	120
Bicycle Association - NI	-	-	-	-	94	94	41
Bicycle Association - Scotland	-	-	-	-	120	120	120
	535	1,581	-	80	766	2,962	2,182
<b>Liveable Neighbourhoods</b>	-	-	202	-	-	202	85
<b>School Travel</b>							
School Travel Scotland	-	-	1,688	-	-	1,688	1,741
School Travel Northern Ireland	-	-	-	-	-	-	14
School Travel Wales	-	-	-	-	40	40	50
School Travel UK	-	-	-	-	107	107	106
	-	-	1,688	-	147	1,835	1,911
<b>Travel Actively- part funded by Big Lottery Fund</b>	3,462	100	-	-	-	3,562	3,667
<b>Travelsmart</b>							
Travel Actively - part funded by Big Lottery Fund	30	-	-	-	-	30	485
WAG - PTP associated initiatives	-	-	-	150	-	150	-
Other projects	-	-	-	-	581	581	236
	30	-	-	150	581	761	721
	4,677	1,681	2,083	433	1,506	10,380	9,574
<b>Total Funds 2011</b>	10,234	16,165	7,820	2,099	2,987	39,305	
Total Funds 2010	7,555	13,795	5,091	643	3,006		30,090

## 14 Designated funds

	Notes	Balance 1 April 2010 £'000	Incoming £'000	Outgoing £'000	New designations £'000	<b>Balance 31 March 2011 £'000</b>
Land acquisition fund	(i)	500	277	(208)	(69)	<b>500</b>
Long-term Maintenance fund	(ii)	2,000	123	(661)	538	<b>2,000</b>
Fixed asset fund	(iii)	1,800	148	(479)	-	<b>1,469</b>
		<b>4,300</b>	<b>548</b>	<b>(1,348)</b>	<b>469</b>	<b>3,969</b>

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

- (i) The trustees have established a land acquisition fund with the aim of earmarking sufficient resources to cover the land costs for and legal fees associated with essential purchases to meet the targeted growth of the National Cycle Network over two years. At 31 March 2011, 13,051 miles of the Network were completed.
- (ii) Owing to the continuing success of the National Cycle Network and the consequent increase in distance of route established, the trustees recognise the need to provide for the future maintenance of that route on land owned by the Charity, or where it has accepted a maintenance responsibility to the extent that it is not funded in other ways. This fund is in addition to the Restricted Funds identified in Note 12 to these accounts. The trustees note expenditure of £661k in the year in this Designated Fund together with expenditure in the Restricted Funds (see Note 12(1)) of £134k. The trustees have created new designations totalling £538k in the year.
- (iii) The fixed asset fund has been set up to facilitate the identification of those funds that are not free funds. It represents the net book value of tangible fixed assets except for those that form part of Restricted Funds. Fixed assets held in restricted funds total £2,427k (please see the Balance Sheet), and comprise the National Cycle Network Centre (£958k), land holdings in Scotland, Yorkshire, and Derbyshire (£160k) and the Future Jobs Fund (£1,306k). The change in the fixed asset fund over the year arises from the net change in unrestricted tangible fixed assets during this period.

## 15 Unrestricted funds

The unrestricted funds of the Charity have increased in the year to £3,282k. This represents approximately 35 weeks of unrestricted expenditure (£95k per week) at current levels of activity. This level of unrestricted funds is considered adequate for the coming financial year.

This policy level is periodically reviewed as part of the Charity's planning process.

## 16 Movement of funds

The trustees have actively sought to add to total reserves in recent years, to provide flexibility of working capital and a sufficient 'buffer' to ensure continuity of activities in a period of sustained economic uncertainty. They have set a target of adding £2.5m over the five year period ending March 2012. This reserves target is designed to recognise that the successful delivery of our Connect 2 programme will increase our ongoing liabilities for maintenance, in addition to the ongoing growth of the NCN. Reserves stood at £4.2m in April 2007. Over the four year period to March 2011 a total of £5.2m has been added, however the Trustees anticipate a deficit in 2011/12 due principally to the £750k depreciation charge on the Future Jobs Fund.

	Unrestricted	Designated	Total	Restricted	Total 2011	2010
	£'000	£'000	Unrestricted	£'000	£'000	£'000
			£'000			
At 1 April	1,366	4,300	5,666	888	<b>6,554</b>	5,623
Net incoming/(outgoing) resources	2,426	(800)	1,626	627	<b>2,253</b>	931
Transfer/new designations	(510)	469	(41)	41	-	-
At 31 March	<u>3,282</u>	<u>3,969</u>	<u>7,251</u>	<u>1,556</u>	<u><b>8,807</b></u>	<u>6,554</u>

The transfers totalling £41k into Restricted Funds are explained in Note 12. The trustees created new designations totalling £469k. Explanations of these new designations are included within Note 14 to these financial statements.

## 17 Share capital

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

## 18 Financial commitments

At 31 March the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other Assets	
	2011 £'000	2010 £'000	2011 £'000	2010 £'000
Expiring within one year	52	29	19	22
Expiring within one to five years	179	213	3	-
Expiring in more than five years	17	-	-	1
	<u>248</u>	<u>242</u>	<u>22</u>	<u>23</u>

## 19 Legal Charges

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:

- Land situated at Naburn, Escrick and Riccall, North Yorkshire is covered by a fixed charge in favour of Selby District Council
- Land on the Consett to Sunderland Railway is covered by a fixed charge in favour of Derwentside and Chester-le-Street District Councils and Sunderland City Council
- Land forming the track bed of part of the disused railway in Cumbria is covered by a fixed charge in favour of Copeland Borough Council
- The Camerton Bridge (Workington) is covered by a fixed charge in favour of Allendale Borough Council
- The Worthington Branch Line is covered by a fixed charge in favour of Derbyshire County Council and Leicestershire County Council
- The Foss Island branch line is covered by a fixed charge in favour of the City of York

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

We received a grant of £605k from the Millennium Commission towards the acquisition of the National Cycle Network Centre. A fixed charge over this building was added to the existing Debenture in October 2005.