

**Sustrans Limited**

# **Annual Review 2018-19**



## About us

Sustrans Limited is the charity making it easier for people to walk and cycle.

We are engineers and educators, experts and advocates. We connect people and places, create liveable neighbourhoods, transform the school run and deliver a happier, healthier commute.

Sustrans Limited works in partnership, bringing people together to find the right solutions. We make the case for walking and cycling by using robust evidence and showing what can be done.

We are grounded in communities and believe that grassroots support combined with political leadership drives real change, fast.

Join us on our journey. [www.sustrans.org.uk](http://www.sustrans.org.uk)

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# 210,000

school children engaged  
in active travel projects



Over

# 100,000

volunteer hours given to making  
it easier to walk and cycle



# 619 million

walking and cycling trips were made  
on the National Cycle Network

# Welcome

**Lynne Berry OBE**, Chair of Trustees, July 2019



In last year's Annual Review, my first as chair, I spoke of my pride in an organisation that's making a real difference to people's lives, right across the UK. Our society faces some profound challenges. From climate change and air pollution, to physical and mental health crises, the pressures on communities across our four nations are growing. There is no silver bullet but the work of Sustrans Limited and our partners provides an essential contribution to tackling these challenges.

The world is changing, and so Sustrans Limited is changing too. Last year we concluded the first half of our strategic review, re-setting our vision, mission and values as a charity. This year, we will finalise our two strategic priorities for the organisation, Paths for Everyone and Liveable Cities and Towns for Everyone, which will guide our work and focus our impact.

Sustrans Limited's vision is a society where the way we travel creates healthier places and happier lives for everyone. This can only be achieved by working together. Many others will play their part, and we need to work in partnership with other charities, governments, businesses, and most importantly, the communities we all live and work in. To change society for everyone we need to involve everyone, so we will constantly ask ourselves, who else can help us deliver more impact?

In her independent inquiry into the future of civil society, Julia Unwin described 'trust' as the "most important asset" charities have. The public is right to demand more of charities, which is why Sustrans Limited has continued to change the way it works. Last

year we introduced a new approach to safeguarding, protecting the children and vulnerable adults with whom we work. We also became an accredited Real Living Wage Employer, a public acknowledgement of the importance of all our staff and their contribution to Sustrans Limited.

The world will continue to change and Sustrans Limited will too, but with our new vision and priorities, passionate staff and thriving partnerships, I am excited about our future.

**Xavier Brice**, Chief Executive, July 2019



Our new vision marks an exciting new chapter for the charity – and a bold challenge.

We are translating this into reality through our two strategic priorities: Paths for Everyone and Liveable Cities and Towns for Everyone. With a 40-year track record of delivering practical change on the ground, I'm confident Sustrans Limited can meet this challenge.

In 2018 we launched Paths for Everyone, our review of the National Cycle Network. This unique national and local asset is a joint creation of civil society, local enterprise and government. The review was an opportunity to re-engage old partnerships and forge new ones.

Our review found that the condition of the Network prevented too many people from being able to access and enjoy it. Together, we set a bold ambition of creating an entirely traffic-free Network, accessible and safe for everyone. And thanks to the support of

our funding partners across the whole of the UK, we are already translating that vision into reality: removing physical barriers and creating new traffic-free routes.

The Network is more than just paths or the 619 million active trips it makes possible every year. It is about places where everyone can move and live well together. So the future of the Network is more than just a question of infrastructure, as important as that is. It's about working with communities to use, love and support their local paths. I'm proud that Paths for Everyone re-connects Sustrans Limited to our founders' roots: practical, community action to build a people's network.

Our second strategic priority is creating liveable cities and towns for everyone. We will be working with others to develop this further over the coming year. Sustrans Limited has long been an urban innovator and of course we are already making a difference in our urban environment, working with town halls and in neighbourhoods across the UK to change where we live and how we travel for the better.

One of the biggest opportunities to change how we travel is the journey to and from school, reaching families everywhere and helping shape lifetime habits. More than 500,000 pupils took part in our Big Pedal challenge in 2018, removing huge numbers of trips by car from the roads during the school run. That's many more healthy, chatty, sustainable journeys in just two weeks. That's incredible, but we wanted to do more. So in 2018 we decided to broaden the 2019 Big Pedal to include walking. Appropriately, this bookended the 2018/19 year with millions more active journeys – we look forward to telling you about this in next year's review.

We hope you enjoy reading more about what we have achieved and are inspired too, because it is together that we have made this happen.



**Our vision is a society where the way we travel creates healthier places and happier lives for everyone.**

**We do this by**

**making it easier for people to walk and cycle.**

### **Working with partners to further our vision**

In October 2018 we were commissioned by the Isle of Man Government as part of a £3.8 million Active Travel programme to boost the numbers of people cycling and walking to over 20% by 2021 (14% in 2011). The next stage is to discuss our proposed routes and facilities with local people, work with them to tackle any issues on the ground and help inspire long-term change to active travel.



Mark Robinson presents the Active Travel Investment Plan.

In March 2019 we launched the Places for Everyone fund in Scotland. The fund, supported by Transport Scotland, is to invest in projects that create safer, more attractive streets and places for people to walk, cycle and wheel. This partnership approach is at the core of how Sustrans Limited works. Our success isn't based on simply sharing funds but also in sharing knowledge.



Edinburgh residents on streets temporarily closed to cars.

Working with our partners in the Walking & Cycling Alliance, we successfully advocated for the inclusion of our five key policy recommendations in the UK Government's Cycling & Walking Safety Action Plan.

Funded by the Welsh Government, we have been working with all 22 local authorities in Wales to support the delivery of the Active Travel Act and develop networks of walking and cycling routes.



Pupils using active travel to get to school in Cardiff.

## Our values

### Including everyone

We are here for everyone. We create safe and accessible places, value difference, and support everyone to participate as fully as possible in everything we do.

### Having the courage to question

We are not afraid to challenge the status quo. We say what we believe, constructively, even when it's uncomfortable.

### Acting local, thinking big

We make a difference at a local level and we work from the grassroots up. We're always thinking about the bigger picture and long-term impact.

### Getting things done, together

We are doers. If we see a problem we get out there and work with others to find a solution.


### Always learning

We don't have all the answers. We never stop learning from the people and world around us and we always share what we've learnt.



Top: 'We heart clean air' spelled out by Leicester schoolchildren as part of School Streets, the co-ordinated closure of 40 streets outside schools.  
Bottom: 'Festival' celebrations in Bristol and Leeds saw volunteers come together to learn, share knowledge and forge new connections.





# Safer and more accessible paths for everyone

Ambition announced for

**5,000**

more traffic-free miles of National  
Cycle Network by 2040





**619** million

walking and cycling trips were made on  
the National Cycle Network in 2018

The National Cycle Network makes millions of people happier and healthier every year.

In November 2018 we concluded our review of the 16,500 miles of Network. The culmination of almost two years of hard work with our partners, it marks a new chapter for this vital asset. We are reclaiming our custodian role with a bold new vision for the Network, and one that makes clear that this is about so much more than cycling and a cycle network. This is about creating paths for everyone.

Our vision is an entirely traffic-free network. Over the last 20 years we've helped create over 5,000 miles of traffic-free routes. With our partners we have now set the target of doubling this by 2040. The remainder of the Network will be turned into quiet-way routes, where speed limits are low, and walking, cycling, scooting and rolling – whether in wheelchairs or mobility scooters – can take priority.

Through reducing speed limits, redesigning or removing all barriers and improving signage and way finding, we will work with others to make the Network safer and more accessible for everyone.

We are already turning our vision into reality. In early 2019 we completed a vital new route on the Caledonia Way in Scotland, linking two villages

previously connected only by a busy trunk road with no pavements. This drew on our experience and expertise in building traffic-free routes, but it would not have happened without sustained engagement over the years with the local community, from the landowner and residents to local politicians. The 1.5km off-road path now provides young people, including children from the village of North Connel, with a safe route to Lochnell Primary School in Benderloch in Argyll and Bute.

*“People can now use mobility scooters and parents with prams can have a lovely walk.”*

**William**, pupil, Lochnell Primary School

Over the next five years we will deliver at least 55 new projects to kick-start the transformation of the Network into paths for everyone. In March 2019, the UK government announced a £21m investment in the Network to support these projects; our ambitions resonate with decision-makers.

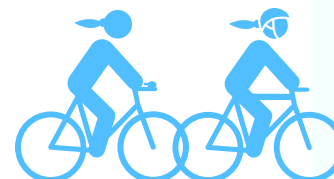


Cycling is one of Joe's (above) favourite things. For the past three years he and his carer Gareth have been going out on a tandem tricycle along National Cycle Network Route 658 in York. Now, a Sustrans Limited-funded initiative has taken down barriers to make the route more accessible.

*“When we're out cycling, Joe is very interested in the people he sees; he loves to say hello to everyone who passes by. The barrier removal has made a big difference to our lives. They used to be right beside where the library used to be. Access to that cycle path is crucial for getting in and out without any issues, especially if you've got mobility problems. The barriers coming down has been a huge benefit to everyone.”*

**Gareth**, retired teacher and Joe's carer

Left: Adapted-cycle users enjoying National Cycle Network Route 4 near Bristol. Groups such as Warmley Wheelers give everyone the chance to get into cycling.



# Removing barriers to physical activity

Approximately  
**8,000**

serious long-term health conditions  
averted by walking and cycling on  
the National Cycle Network

Approximately  
**£1 billion**

saved through the prevention of  
574 early deaths as a result of  
walking and cycling on the Network





# 90%

**of National Cycle Network users  
agreed that using the Network  
improves their wellbeing**

Whilst the benefits of walking and cycling are well understood, concerns about fitness levels, a lack of confidence, or simply not knowing which routes to take can be barriers to taking the first steps towards walking or cycling more, especially in cities and towns. Our projects work to remove these barriers.

Kilmarnock Active Travel Hub's regular Monday walks show that providing high-quality health walks, linked with other activities and information, are an effective way of enabling people to make the change to travel more actively. In partnership with East Ayrshire Council and Ayrshire Road Alliance, the hub is addressing the rising levels of health inequality in the region.

Sustrans Limited's Waves in Weston project in Hampshire is getting more people walking and cycling through volunteering in a physically active way. Meanwhile, our Leading the Way programme in Belfast aims to get people more active on their journeys to and from work and in their daily routine.

In Scotland, our Places for Everyone programme is providing housing associations and development trusts the opportunity to apply for funding to develop high-quality infrastructure in their communities, which enables more people to

walk, cycle and wheel. And across Wales, our Active Journeys programme has supported over 100 schools this year to get more pupils walking, scooting and cycling the school run.

For former head teacher Penny Kelly, National Cycle Network Route 51 is more than just a connection from Thurston to Bury St Edmunds, it is a way for her to stay active in her retirement. Walking for travel is the second most common physical activity in England and over half of all journeys on the Network are made by walkers.

*"I no longer have to rely on public transport to get around and can build exercise into my everyday routine without really thinking about it."*



**Penny Kelly**, former head teacher

# £1.2 billion

**the cost of physical inactivity to UK healthcare. There is a further cost of £1.5 billion to the wider economy**

Sustrans Limited's report published in January 2019, 'Bike Life – Transforming cities', looks at the potential of everyday cycling. It forecasts the benefits cycling could produce by 2040 and demonstrates the opportunity to transform the way we move in our cities.

*"This report models the potential benefits that could be realised if cities increased their ambition to make cycling a normal, everyday activity. In Greater Manchester cycling could avert 11,300 long-term health conditions, saving the NHS over £106 million."*

**Andy Burnham**, Mayor of Greater Manchester



Left: Active Travel Champions from Edinburgh Royal Infirmary enjoy a walk through Craigmillar Castle Park.

A photograph of two children riding scooters on a city street. The child in the foreground is a boy wearing a blue and white patterned helmet and a green puffer jacket, smiling at the camera. The child in the background is a girl wearing a purple helmet and a dark jacket with a colorful scarf. They are both on colorful scooters. The background is slightly blurred, showing a tree and a building.

# Cleaner air for children

**43%**

of children living in urban areas are  
concerned about the levels of air  
pollution near their school

**513,443**

pupils took part in the  
Big Pedal 2018



*"I enjoy cycling to school because it is fun and good exercise."*

**Rosie**, aged 9, Charlgrove Primary School

St Oswald's Primary in Fulford sits near the traffic-free National Cycle Network Routes 65 and 66. It is an ideal place to cycle, scoot or walk to school, yet the level of nitrogen dioxide in the area regularly breaches legal limits.

We have been working with St Oswald's to help combat air pollution by encouraging more of their pupils to travel actively. As a result, the school has seen yearly increases in the number of children and parents who cycle, scoot or walk the school run, and a reduction in the high levels of air pollution nearby.

Our cities and towns are choked with pollution. Over 2,000 schools in the UK are in areas with high levels of air pollution. From chronic respiratory disease to reduced cognitive function, pollution has a detrimental impact on health and wellbeing. And it is children who are most susceptible to the health impacts of dirty air as their lungs develop.

Road transport is responsible for 80% of the pollution where legal limits are broken and as many as one in four journeys during the morning rush hour are on the school run.

**63%**

**of teachers want to ban cars on the road outside their school**

Sustrans Limited's Big Pedal is the UK's largest inter-school cycling, walking and scooting challenge. It inspires pupils, staff and parents to choose people power for their journey to school.

Each year activities include the whole school community. In 2018, at Charlgrove Primary in the London Borough of Barnet the youngest children took their teddies with them and drew what they saw on their school journey. Older ones took part in initiatives such as 'bling your own bike' and workshops on heart health and route-mapping.

To make it easier for parents and pupils to continue to travel by cycle and foot, the roads outside schools need to feel safe. That's why in 2018/19 we worked with schools and partners across the UK to make streets outside the school gates car-free.

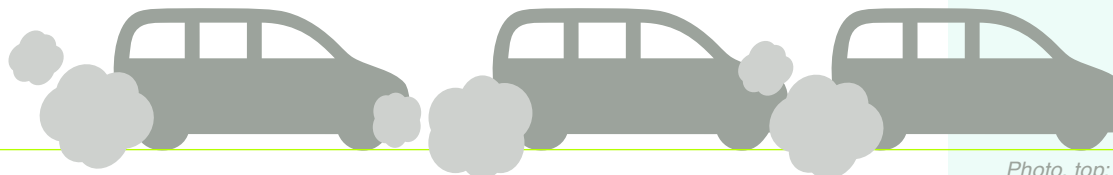


Sustrans Limited has been working with Rosemount Primary School since 2016. Situated in Derry, Northern Ireland's third most polluted metropolis, the school is passionate about getting school run cars off the road.

*"The great thing about the Big Pedal is that it includes all the kids, even those who might not be interested in cycling, scooting or walking. I've definitely noticed a huge difference in the children's energy levels and enthusiasm when they travel in the morning after an active commute. Plus, they often arrive with a big smile across their face which is a lovely sight to see."*

**Paul Bradley**, head teacher, Rosemount Primary School

Left: Children in London scooting to school as part of the Big Pedal.



Photo, top: Andrew Lyons • Cleaner air for children

A photograph of two women sitting at a table in what appears to be a meeting or discussion. The woman on the left has dark hair and is wearing a floral patterned top. The woman on the right has dark hair and is wearing a blue sweater with a fur collar. They are both looking towards the right side of the frame. A third person's head is visible on the far right, out of focus.

# Reducing the gender gap

**74%**

of women would like to see more investment in cycling

**79%**

of women would favour more protected cycle routes – even if it means less space for other road users

**30%**

of women living in Bike Life cities do not ride a bike but would like to\*



Our 2018 report 'Bike Life Women: Reducing the gender gap' details the travel habits, views, and attitudes towards cycling of over 7,700 women living in Belfast, Birmingham, Bristol, Cardiff, Edinburgh, Newcastle and Greater Manchester.

This research showed that 79% of women want more protected cycle routes. The report generated significant media coverage, featuring on BBC Breakfast and covered widely on BBC online and The Guardian.

Offering quieter, safer routes, London's Quietways (part of Transport for London's network of Cycleways) provide the kind of infrastructure that many women want to see. Project managed by Sustrans Limited as Transport for London's delivery agent, 2018 saw the opening of a new traffic-free path and cantilever bridge alongside the Thames Path on Quietway 14, meaning people walking and cycling no longer have to use the busy Woolwich

*"Riding on Quietway 2 was a delight and made me discover a whole part of town I did not know. I'll retrace my steps with the family very soon."*

**Andrea Mac-Fall**, local resident

Road.

In Belfast, our Women into Cycling programme is a free six-week course providing on-road cycle

training, bike maintenance skills and support.

In Scotland, Sustrans Limited's I Bike project is the nation's most successful and established school active travel schools programme. I Bike engages young people experiencing barriers to cycling participation, with a specific focus on reducing the gender gap in rates of cycling between boys and girls. The number of girls cycling to school over the past 10 years has increased by five percentage points in participating schools and 100% of our partners would recommend

*"Two weeks before I Bike my child couldn't and wouldn't ride a bike. The fear of doing this and not be able to cycle gave her the determination to try, and now she is much more confident."*

**Parent**, Aberdeen

I Bike to other local authorities and organisations.

51% of the UK population is female. If we do not begin to better design for both women and men we cannot solve some of the biggest challenges facing the UK, such as keeping cities moving in the face of rising population growth, improving health outcomes and reducing greenhouse gas emissions and air pollution. In 2019, we have a fresh focus on liveable cities and towns for everyone.



In March 2019, we held a roundtable discussion on women and cycling with a broad cross-section of speakers and guests who had an understanding of the issues around the lack of women cycling in our towns and cities.

*"I could talk all day about the utter joy of being on a bike. But I'd be lying if I didn't talk about any of the barriers that kept me off a bike for so long, and the fact I still encounter some of them now. My favourite takeaway from the Women and Cycling Roundtable was from Kris Muir, YWCA Scotland's Young Women Lead, who spoke towards the end of the event and highlighted the importance of all voices being listened to in order to make changes."*

**Jools Walker**, blogger, VéloCityGirl

Top and left: In March we hosted a roundtable discussion on women and cycling to determine what needs to happen next.

## Raising funds and building support

In addition to our funded work, unrestricted income is vital for Sustrans Limited to deliver real change, for everyone. We can allocate this where we see the greatest need, whether that is National Cycle Network repair or campaigning for change at government level. Our donors' loyal support has again helped us to realise our plans for the Network this year. We are seeing growth across our fundraising activities, highlighting the increasing importance of donor stewardship.

Our face-to-face fundraising programme is key to growing our donor base and continues to expand across the UK on the Network. Our team of fundraisers are also great brand ambassadors, raising awareness of and interest in the wider work of Sustrans Limited.

*"The gift my husband left to Sustrans in his will was an expression of his passion for cycling and the Network. Together we loved the many safe and beautiful pathways that Sustrans has made possible all over the UK."*

**Paula Attle**, wife of legacy donor Colin Attle

We are extremely grateful to be the recipient of several legacy gifts this year. Legacies are our third largest income source from our individual giving programme, helping pave the way for future generations. We have installed an honours board in

our Bristol office, where donors can choose to have their name displayed alongside others who have also pledged to leave a legacy.

*"Thank you all so much for your hard work and the amazing results you are continually producing. You genuinely change lives for the better: your work has most definitely enhanced my life and left me with some very happy memories!"*

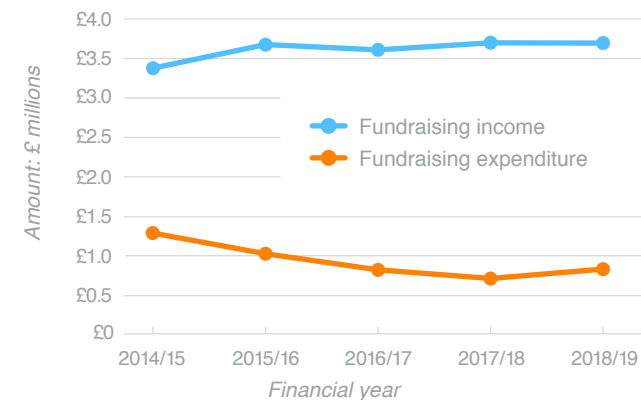
**Robin Taggart**, donor

Major philanthropic giving is crucial to realising our vision of a society where the way we travel creates healthier places and happier lives for everyone. The launch of our National Cycle Network report, Paths for Everyone, has already inspired several major gifts, one of which has enabled the feasibility study for a project that could add traffic-free miles to cycle routes in Lancashire.

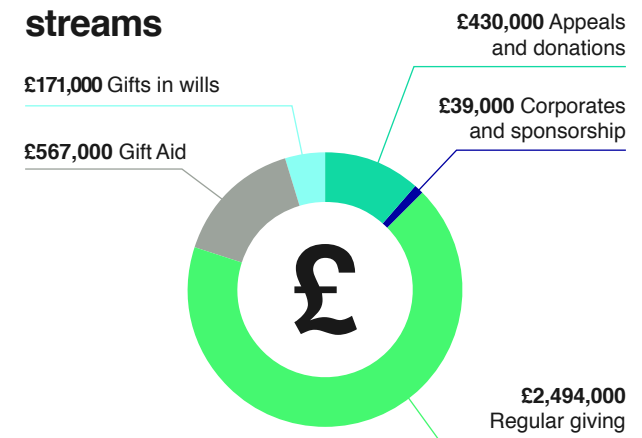
The impact of our major donors is far reaching and transformational and goes beyond the Network. Major giving also underpins our advocacy and policy work, which is shaping national and local government cycling and walking policies.

Our online shop offers the very best collection of cycle maps and guides and all profits go directly to fund our work. Our retail income has seen a 3% growth on the previous year.

### Fundraising income vs expenditure



### Fundraising income streams





## Financial review summary

Our ability to deliver impact rests on having the right people and resources in the right place, at the right time. Our financial planning and financial operations enable us to maximise our impact.

In 2018/19, we performed well against our financial targets, achieving an operating surplus of £0.26m. We exceeded our annual fundraising target, and managed our resources carefully to make sure that our support services operated efficiently.

We invested £0.6m of our reserves in developments aimed at delivering and monitoring our impact. We funded essential IT and support systems, to ensure that our staff work as effectively as possible.

We also funded a review of the National Cycle Network, resulting in our Paths for Everyone report. This sets out a clear plan for the Network, which is a key component of our ongoing strategy. We are delighted that this report has already helped us to secure £21m of Department for Transport funding to develop the Network in England in 2019/20.

We have developed our financial governance arrangements during the year, to make sure that we continue to make decisions about our money based on

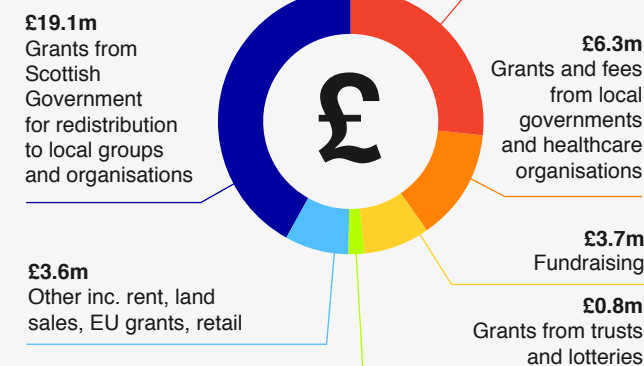
the impact that we want to have, and in an open and transparent way. We have tested our internal financial controls to ensure that we are effectively mitigating the risk of financial crime, and we will continue to improve our systems and practices during 2019/20.

The trustees believe that the charity is in a strong financial position, and will continue to deliver an impact-led programme of work in 2019/20 with adequate resources to continue operating for the foreseeable future. Accordingly, they consider the going-concern basis remains the appropriate one on which to prepare the annual report and financial statements.

We are looking forward with a clear view of the impact we want to have. We are developing our financial plans to make sure that we maximise this, so that we can make the difference that we want to make, for everyone.

The trustees would like to thank our supporters, funders, staff and volunteers for their contribution to Sustrans Limited's ongoing financial wellbeing.

### Income



### Expenditure



### Year-on-year comparison

| Overview                    | 2019 £m | 2018 £m | Change £m |
|-----------------------------|---------|---------|-----------|
| Total Income                | 45.7    | 46.8    | -1.1      |
| Total Expenditure           | 46      | 46.8    | -0.8      |
| Total Funds Carried Forward | 9.5     | 9.9     | -0.4      |

## Our people

### A happy and engaged workforce

We are a charity supported by hundreds of thousands of people. At our heart are our staff and volunteers. They are passionate, experienced and committed to creating healthier places and happier lives for everyone.

In May 2018 Sustrans Limited started a project to deliver a fresh articulation of Sustrans Limited's vision and values; this was led by our Board of Trustees with significant input from our staff and partners. It has given us a renewed focus on what we are working towards, and the kind of organisation we want to be.

An important step in 2018 was reducing our median gender pay gap to 0%, with our mean gender pay gap reducing to 7.97% (from 9.49% in 2017). These results were the consequence of a wholesale internal pay review alongside ongoing improvements to our recruitment processes, which led to a broader pool of applicants to select from. As a result, more women are being appointed to management roles.

In September 2018 we were also proud to become an accredited Real Living Wage Employer.

We made three new appointments to our Board of Trustees in 2018/19, and now have a board that is 60% female and has a slightly younger age profile. In 2019 we will be seeking to recruit new trustees to bring further diversity to the board.

2018 also saw Sustrans Limited introduce volunteer days, providing opportunities for staff to take part in a full paid day volunteering for a charity

or not-for-profit cause that is meaningful to them.

The annual staff survey also showed a marked improvement across the board. We run this for all staff, to find out more about their experiences of working at Sustrans Limited. The results inform action plans for the following year. In 2018 our scores were particularly strong on staff happiness and engagement. The areas where we saw the largest improvements in scores from 2017 were in those areas the Executive team had targeted in their improvement plan, notably pay and benefits and equality and diversity.



Right: *Our Paths for Everyone* reception at the Houses of Parliament was an excellent opportunity for our senior team to build relationships with vital stakeholders.





## Looking forward

Travel is such an important part of our lives that it has to be more than simply getting from A to B as quickly as possible. Our journeys invariably happen over spaces where others live, work and play. How we choose, and can choose, to travel has a significant impact on those places and people. We should therefore be able to move as we seek to live: with care, compassion and consideration.

Practically, this means us all being able to travel in a way that connects us to each other, to people we know and to people we don't know. It means journeys that improve our physical and mental health, that make the air we breathe cleaner, and our public places greener and more accessible for everyone.

One of our top priorities is to make it easier and enjoyable for more and different people to use the National Cycle Network. We will continue working collaboratively with stakeholders and community friends to create routes that better meet the needs of children, parents with buggies, wheelchair users, and many more people beyond: paths for everyone.

This is core to our values.

*"For 40 years, Sustrans has been a leading voice in the urban revolution about how we get around."*

**Janette Sadik-Khan**, former New York City Transport Commissioner

As ever, we will need to work together to achieve our ambitious goals. Focusing on our staff, volunteers, supporters and partnerships will be an even higher priority for us in the future. We cannot make change happen without you.

*"In time of high obesity and poor air quality, travelling actively has never been more important and the National Cycle Network is a key tool in helping address these problems."*

**Chris Boardman MBE**, Greater Manchester Cycling and Walking Commissioner



We are often at our best when we work directly with local people to help them to realise their ambitions for their communities.

In Kingston upon Thames we have been working with residents to transform a neglected, underused green space into a beautiful accessible space where people want to be and wildlife can thrive. Through fun runs, litter picks, nature walks and improving signage, the people who live there are making it easier and nicer to get about in their neighbourhood. With our support, they have now secured a small Greener City Fund Grant to create an even more appealing and accessible space to pass through and be in. With this funding we are co-designing a nature trail with local school children and working with Kingston Environment Trust to run Safari Walks.

*"Without Sustrans' support, motivation, contacts and resources we wouldn't have new benches, a willow arch, seasonal events and the new Nature Trail to be in place by the autumn."*

**Sue Longley**, community group member

## A big thank you

We are pleased to recognise the valuable support of all the people, project partners, local authorities, trusts and other organisations who have supported our work throughout 2018/19.

A big thank you to all our supporters, whose commitment to our shared vision makes them integral to all aspects of our work and essential to our future success, and especially to our dedicated volunteers, who are making a real difference in their local communities.

Together we are making it easier for people to walk and cycle.

You have all helped us to give people a choice of healthier, cleaner and cheaper journeys, and to create better spaces to move through and live in. We would not be here without you.

It is simply not possible to list everyone who has contributed to our work. We are particularly grateful to the following people and organisations for their support over the last year, as well as to all those who have chosen to remain anonymous.

Adrian Davis Associates

Alan Bolton

Andrew Balfour

Ayrshire Roads Alliance

Barcan+Kirby Solicitors

Belfast Health Development Unit

Birmingham Voluntary Services Council

British Cycling

British Land

British Horse Society

Bryce Family

C40 Cities Climate Leadership Group

Cairngorms National Park Authority

Canal and River Trust

Cardiff City Region Transport Authority

Cavill Associates

Centre for the Acceleration of Social Technology (CAST)

Chapman Charitable Trust

City of Trees

ClientEarth

Commonplace

Cumbria County Council

Cycling Grants London

Cycling Scotland

Cycling UK

Cycling UK Scotland

Department for Infrastructure

Department for Transport (UK)

Department of Agriculture, Environment and Rural Affairs NI

DeptfordFolk

Disabled Ramblers

Drings Butchers, Greenwich

East Midlands Trains

Energy Saving Trust

Esmée Fairbairn Foundation

Eunomia

European Cyclists' Federation

European Greenways Association

European Social Fund

Forestry Commission England

Forth Environment Link

Friends of the Steam Coast Trail

Future Fox

Greater London Authority

Guy's and St Thomas' Charity

Hasluck Charitable Trust

Hastings and St Leonards Foreshore Charitable Trust

Heathrow Airport Limited

Highlands and Islands Transport Partnership (HITRANS)

Highways England

Interreg North West Europe Programme

Isle of Man Government

Ivybridge Transition Group

Jane and John Hutchinson

Jo Knox

Joseph Strong Frazer Charitable Trust

Lee Valley Regional Park

Living Streets

Living Streets Scotland

Liz and Terry Bramall Foundation

Loch Lomond & The Trossachs National Park

London & South Eastern Railway Limited

London Boroughs and Managing Authorities

London Cycling Campaign

London Legacy Development Corporation

Mayor of Tower Hamlets' Air Quality Fund

Microscooters

National Institute for Health and Care Excellence (NICE)

National Institute for Health Research

National Lottery Communities Fund

National Trust



|  |   |  |
|--|---|--|
| Network Rail   | South East of Scotland Transport Partnership (SEStran)                      | Transport for Edinburgh                                      |
| Northern Ireland Government  | Sport England   | Transport for London   |
| Office of the Commissioner for the Wellbeing of Future Generations | Swire 2765  | Transport for Quality of Life                                |
| Oxford City Council  | Tayside and Central Scotland Transport Partnership (Tactran)                | Transport Partnership for Aberdeen City and Shire (NESTRANS) |
| Patsy Wood Trust   | The Albert Hunt Trust   | Transport Scotland   |
| People's Health Trust  | The Austin and Hope Pilkington Trust  | Unicef   |
| Polis  | The Bicycle Association   | Velosure   |
| Postcode Local Trust   | The Blair Foundation  | Welsh European Funding Office                                |
| Public Health Agency NI  | The Brownsword Charitable Foundation  | Welsh Government   |
| Public Health England  | The community, officers and members at the London Borough of Waltham Forest | Wheels for Wellbeing   |
| Queen Mary Hostel  | The Freshfield Foundation   | William Brake Charitable Trust                               |
| Ramblers   | The Gunter Charitable Trust   | William Kenyon   |
| Relish The Great Outdoors  | The Health Foundation   | World Health Organisation (WHO)                              |
| Riese & Müller   | The Melbreak Charitable Trust   |  |
| Road Peace   | The Nineveh Charitable Trust  |  |
| Road Safety Trust  | The Peacock Charitable Trust  |  |
| Royal Society for Public Health                                    | The Serve All Trust   |  |
| Saddle Skedaddle   | The Spear Charitable Trust  |  |
| Schroder Charity Trust   | Tonik Energy  |  |
| Scottish Canals  | Translink   |  |
| Scottish Government  |   |  |
| Scottish Natural Heritage  |   |  |
| South Downs National Park Authority                                |   |  |



Right: A Wheels for Wellbeing participant on Quietway 1 in London

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# Sustrans Limited

(A company limited by guarantee)

## Annual report and financial statements for the year ended 31 March 2019

Registered Company Number: 1797726

Registered Charity Number: 326550

SC 039263 (Scotland)



## **Annual report and financial statements for the year ended 31 March 2019**

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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 (England and Wales)  
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 (AR)

Lynne Berry OBE (Chair)

Edward Condry (L)

Mark Edgell (AR)

Kirsty Lewin (resigned 31/12/18)

Catherine Max

Stuart Mills (FP) (L) (appointed 27/07/18)

Richard Morris (resigned 21/05/18)

Oliver Reichardt (FP) (appointed 27/07/18)

Helen Simpson (AR) (appointed 19/09/18)

Fiona Westwood (FP)

(AR = Audit and Risk Committee)

(FP = Finance and Performance Committee)

(L = Land Committee)

### Executive team

|                      |               |
|----------------------|---------------|
| Chief Executive      | Xavier Brice  |
| Development          | Susie Dunham  |
| England              | Anita Konrad  |
| Finance              | Su McNab      |
| London               | Matt Winfield |
| People               | Harry Hayer   |
| Scotland and Ireland | John Lauder   |
| Wales                | Steve Brooks  |

### Secretary and registered office

Andy Appleby  
2 Cathedral Square, Bristol BS1 5DD

### Independent auditors

Crowe U.K. LLP  
Lypiatt Road  
Cheltenham GL50 2QJ

### Solicitors

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

HSBC Bank plc  
3 Temple Quay  
Bristol BS1 6DZ

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 2019

## Achievement of 2018/19 objectives

### Delivering our objectives

Our vision is a society where the way we travel creates healthier places and happier lives for everyone. Our mission is to make it easier for people to walk and cycle.

The activities currently carried out by the charity for the public benefit include:

- creating places that are walkable and cycle-friendly
- supporting people, in their communities, to have the opportunity and ability to walk, cycle, scoot or wheel
- working with decision-makers to create policies that make walking and cycling a more attractive choice.

We secure the most change where we do these things together.

In setting our programmes of work each year we consider the role of walking, cycling and healthy, pleasant places in creating public benefit; we also have regard for the Charity Commission's general guidance on public benefit.

The trustees always ensure that the programmes we undertake are in line with Sustrans Limited's charitable objects and aims.

### Our six 2018/19 business plan priorities

#### 1. Deliver impactful work across our three focus areas: connecting people and places, creating liveable neighbourhoods and transforming the school run and commute.

At the beginning of 2018 we identified the strategically important projects and programmes of work that we would report on to our Executive team and Board of Trustees. Highlights from these programmes in 2018/19 include:

- In December 2018 we completed our Quietways contract with

Transport for London, having delivered over 100km of Quietways over four years and made cycling safer at 86 junctions. New routes have driven increases in cycling by more than 50%.

- Our three infrastructure funds in Scotland supported over 300 projects across 55 partners. Community Links projects saw increases in cyclists of 116%, with increases of 62% for walkers and 74% for all users.
- In 2018 Big Pedal engaged 513,443 pupils from schools right across the UK who made nearly one million journeys. 82% of schools surveyed said that pupils continued to cycle or scoot to school following Big Pedal.

#### 2. Revitalise the National Cycle Network

In November 2018 we concluded our systematic and evidenced review of the National Cycle Network. Launched in the UK parliament and at events throughout the UK, our Paths for Everyone report represented the culmination of almost two years of hard work. It gives us a fresh way of talking about this asset and the difference it makes, as well as setting out our vision and ambition for the next phase of the Network's development.

Through the last quarter of 2018/19 we moved from review to implementation, kick starting a major overhaul of the Network with new projects to open up walking and cycling to everyone, including children, wheelchair users and the less physically active.

#### 3. Strengthen our reputation as an authoritative voice on walking and cycling

Awareness of Sustrans Limited increased from 18% to 21% in our annual YouGov survey, the highest it has been since we started recording in 2008. Recognition of the National Cycle Network has gone up to 32% from a low of 26% last year. The Third Sector Charity Brand Index Score sees us move up only slightly from 144th place in 2017

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to 142nd place in 2018; the assessment that Sustrans Limited lacks distinctiveness will take time to address.

#### **4. Increase our financial sustainability**

We exceeded our financial targets in 2018/19, including exceeding our annual fundraising target. Our strong financial performance will enable us to take a strategic approach to allocating our resources to deliver the best possible impact, and to strengthen our capacity and capability.

#### **5. Measure our impact in a consistent way**

National Cycle Network monitoring and evaluation improved as we developed a more robust approach to estimating the number of people who use the Network on an annual basis and understanding who they are and how they use it. We have now introduced route user survey questions to understand the impact of the Network on the wellbeing of users and we are developing our approach to be able to express the extent to which the Network is helping inactive people to become more physically active.

#### **6. Attract and retain passionate, skilled staff and volunteers**

Our staff survey showed an increase in average scores and in particular increased scores for staff happiness and engagement.

Staff turnover remained at a healthy level. The organisation grew by 9%, with the majority of that growth in Scotland (53% growth).

In 2018 a comprehensive review and restructure of pay increased transparency of our pay structure, removed salary negotiation for new recruits and increased pay for maternity, adoption and paternity leave. We have now been awarded Real Living Wage accreditation.

Our volunteer engagement remains strong. The role volunteers play has continued to diversify as we have evolved the programme to be more flexible and accessible.



## Objectives for 2019/20

In 2019/20 our main focus will be developing our new liveable cities and towns priority, and delivering on the ambitions set out in our Paths for Everyone report. We will be aligning resource behind our priorities, and the assets and capabilities that are most needed to deliver them. This means developing new strategies around our brand, our estate, IT and income generation, and continuing to develop how we measure and talk about our impact.

### Paths for everyone

Our paths for everyone vision is of a UK-wide Network of traffic-free paths for everyone, connecting cities, towns and countryside, loved by the communities they serve.

It has taken over 20 years to deliver 5,000 miles of traffic-free infrastructure; we have now set ourselves, and our partners, the target of doubling this by 2040: over 10,000 miles of traffic-free or segregated routes.

The remainder of the Network will be turned into quiet-way routes, where speed limits are low, and walking and cycling can take priority. Where there is no other solution to improving the Network, as a last resort, we will de-designate sections. By 2040 the entire Network will be of a good or very good standard.

We have set out UK-wide targets for the next five years, which include our published 2023 ambitions, as set out in the Paths for Everyone report. Our impact will be monitored and reported against the following metrics in 2019/20:

- Number of existing traffic-free miles improved
- Number of on-road miles to traffic-free delivered
- Number of barriers re-designed or removed
- Total Network miles planned
- Improved % of Network categorised as good or very good
- Improved prompted recognition of the National Cycle Network

- Improved recognition of Sustrans Limited as the charity behind the National Cycle Network

### Liveable cities and towns for everyone

This is a new priority, which we need to take time to define and scope. In 2019/20 we will work with our teams, our communities and our partners to develop a clear definition of this priority, with objectives for the impact that we want to have in cities and towns.

### Financial sustainability

If we are to deliver prolonged impact against our two strategic priorities, we must be financially sustainable. As part of our financial strategy, we have committed to strengthening our income generation capacity, and increasing our charitable income to enable us to do more of the work that we need to do. We are also working to align our resources to the areas where they are most needed in order to deliver the impact we want to have. We continue to find ways to improve our systems and processes, to ensure that we are working as efficiently as we can.

## Governance and management

Sustrans Limited is governed by its Board of Trustees operating under the terms of the Articles of Association. The objects of the Charity are to promote and encourage, both in the U.K. and overseas, for the public benefit the development in the community of, and the provision of safe routes, paths and facilities for, cycling, walking and other forms of low energy transport and to undertake and carry on projects and activities of a charitable nature which will assist in promoting healthy recreation, the protection of the environment and the conservation of energy resources.

Sustrans Limited is committed to developing and implementing programmes and services which help people to walk and cycle. The policy of grant awards, is to invest in projects that fit within Sustrans Limited's strategic vision and objectives and are able to clearly demonstrate high-value and best practice. The procedure for making grant awards is through a robust application process with all successful submissions being subject to a rigorous assessment through the charity's advisory panels. There is a formal funding agreement in place for all approved grant awards.

The senior executive committee is the Executive team, which recommends strategies to the board for approval. Executive meetings are held monthly, with interim fortnightly calls as required. Their purpose is to review the performance of the Charity's work, and to address any issues and opportunities arising with regards to health and safety, risk management, resourcing and programmes of delivery and influencing work.

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.

The Executive ensure that appropriate structures and processes are in place to enable effective oversight, scrutiny and decision making across the organisation, that there is accountability for those decisions and that there is effective leadership of, and communication with, staff across the organisation.

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, which cover the roles and responsibilities of Trustees. The Trustees receive periodic updates and guidance on their role as Trustees of the Charity.

The Trustees meet six times a year, to review strategy and performance, 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 Performance Committee, the Audit and Risk Committee and the Land Committee, which meet as required, typically quarterly for the Finance and Performance Committee and the Audit and Risk Committee, and annually for the Land Committee. The members of these committees are shown on page 22.

### **Trustees monitor and have overall responsibility for:**

- approving the overall strategy and the business plan of the organisation, ensuring 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.



## Our approach to fundraising and conforming to recognised standards

Sustrans Limited is, and always has been, committed to employing a transparent and ethical approach to fundraising activities. We are registered with the Fundraising Regulator and fully adhere to the Code of Fundraising Practice. A representative of the Board of Trustees oversees fundraising, regularly reporting back to the Board.

Our staff are trained in accordance with the Fundraising Regulator's code and this ensures that our fundraising activities are neither intrusive nor persistent. Our fundraising promise further demonstrates our clear commitment to how we treat our donors:

- We will commit to high standards
- We will be clear, honest and open
- We will be respectful
- We will be fair and reasonable
- We will be accountable and responsible.

### Personal data and consent

Our donors' personal data is held in accordance with the requirements of General Data Protection Regulations (GDPR). All data is held securely and only for as long as required. We will never sell or share donors' details with other organisations to use for their own purposes, other than when we are required to do so by law.

We make every effort to ensure that our fundraising activity never feels unreasonably intrusive, persistent or pressurised, but rather focuses on inspiring support and celebrating the impact of fundraised income. Donors can manage their permissions online or by calling our supporter service centre. We always respect the wishes of donors who do not wish to receive fundraising communications, including those who have registered with the Fundraising Preference Service.

### Fundraising complaints

Our ethical and open approach to fundraising is reflected in the low number of fundraising complaints that we have received (14 in 2018). Any complaint received about our fundraising activities is carefully handled and responded to following our clear fundraising complaints policy.

### Face-to-face fundraising and how we monitor it

A major strand of our fundraising activity uses face-to-face fundraisers to recruit new donors on the National Cycle Network. All our face-to-face fundraisers are recruited as temporary workers via Inspired People. They receive Sustrans Limited-specific in-depth training, managed directly by us.

Our fundraisers are always required to be friendly, professional and never engage in actions that could be construed as pressurising or manipulative. Our team of fundraisers are supervised by a team leader, who assesses their performance and conduct on a daily basis. Ongoing coaching and formal performance reviews are conducted with all of our fundraisers.

## Risk, reserves and investment policy

The Board of Trustees regularly reviews the Executive's Operational Risk Management Plan. In 2018/19 risks were categorised as follows: financial, workforce and culture, business development and delivery, regulatory, and reputational.

The Board of Trustees and Executive have 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 Executive reviews strategic and operational risks, and the progress and impact of identified mitigation measures, as part of its standing agenda.

As part of its normal planning procedures, the Board of Trustees has made an assessment of the principal strategic risks to which the Charity is exposed, and has agreed and monitored the actions taken to manage each one:

1. The loss of more than one of Sustrans Limited's major funding sources: We are working to maximise our various unrestricted income streams to protect us against the loss of a major funding source. We have designated reserves to ensure that the charity can remain operational in the event of the sudden loss of a significant source of funding.
2. Continued austerity and the squeeze on local authority budgets, particularly in relation to revenue programmes: We work in partnership with local authorities to develop creative solutions to promote and increase active travel, which offer value for money as well as impact.
3. The implications and ramifications of Brexit: We keep a close watching brief on political developments. We are not reliant on European Union funding. We communicate with our staff regularly to provide reassurance of our support for their ongoing employment.
4. The impact of extreme weather and other damage to the Network: We routinely inspect our network, and we have set aside part of our annual budget to address urgent repair issues, alongside a comprehensive programme of planned maintenance. We have a specific designated fund of £1m to deal with emergency repairs outside of our normal budgets.

5. The proper safeguarding of children and adults with whom we are working: We have reviewed and updated our safeguarding procedures, and provide training to all of our staff and volunteers who work with children and vulnerable adults. We have a team of designated safeguarding officers who oversee our safeguarding processes. We work closely with schools and other organisations to ensure that we are reporting safeguarding concerns appropriately, and we report on safeguarding matters routinely to our trustees.
6. The recruitment and retention of people with the skills and the experience that we need to deliver impact against our priority areas: We have reviewed our pay policy to ensure that it is transparent and fair. We treat our staff kindly, and offer flexibility which allows a good work-life balance, and we have created a great place to work, which is reflected in our annual staffing survey results.

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

- Cost and income risk: The Charity negotiates grants and fees awarded to finance the Charity's activities and incorporates this information into its business plans. Salary costs are clear, and our staffing structure is reviewed as part of our business planning process. Prices of materials purchased are subject to contracts with suppliers, based on current market prices. Our financial management processes enable us to respond effectively to changes in our forecast outturn.
- 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 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.

The explanation for Restricted and Designated reserves funds are given respectively in Notes 11 and 12 to the financial statements.

Available reserves are those funds which are available to be spent by the charity in line with its strategy. Available reserves are released

by the Trustees on an annual basis for inclusion in the business planning process, up to a maximum amount of £1M per annum.

In the financial year available reserves decreased by £967k (2018 decreased by £251k) to £1,965k at 31 March 2019. This decrease is

due to the annual loss of £335K, the increase to designated funds of £498K, and movements on restricted funds of £134K.

The Trustees consider the current level of available reserves to be adequate, and they will continue to review the deployment of reserves

above the level needed for the reserves policy.

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.

In line with Charities' best practice, Sustrans Limited's 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 Limited's purposes remain charitable
- Sustrans Limited satisfies the public benefit test.

Details on how the funds have been used for public benefit are included earlier in this report as detailed on page 23.

## 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

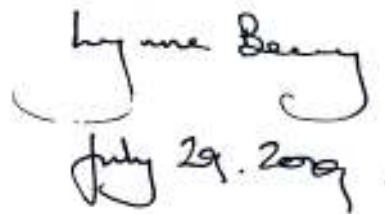
ownership of a number of disused railway lines from Rail Property Ltd. One of the charitable objectives of Railway Paths Limited is to make these lines available to Sustrans Limited for development of walking and cycling routes.

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

Each charity supports the work of the other. To aid efficiency Sustrans Limited provides an accounting and administrative service to Railway Paths Limited, and charged £10,000 (2018: £10,000) for this service in the year under review. Railway Paths Limited is contracted by Sustrans Limited to provide Estate Management services and received £10,000 (2018: £10,000) during the year.

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

Lynne Berry OBE  
Chair  
29th July 2019





# Independent auditors' report to the members and trustees of Sustrans Limited

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Sustrans Limited for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion based on the work undertaken in the course of our audit

- the information given in the trustees' report, which includes the trustees' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; 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

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor 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 the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Guy Biggin  
Senior Statutory Auditor

For and on behalf of  
**Crowe U.K LLP**  
Lypiatt Road  
Cheltenham GL50 2QJ

15 August 2019



# Statement of Financial Activities for the year ended 31 March 2019

(Including Income and Expenditure account)

| Note ref. |                                    | Unrestricted Funds<br>£'000 | Restricted Funds<br>£'000 | Total Funds 2019<br>£'000 | Total Funds 2018<br>£'000 |
|-----------|------------------------------------|-----------------------------|---------------------------|---------------------------|---------------------------|
|           | <b>Income from:</b>                |                             |                           |                           |                           |
|           | Donations and legacies             | 3,695                       | -                         | 3,695                     | 3,699                     |
| 2         | Charitable activities              | 9,703                       | 32,099                    | 41,802                    | 42,988                    |
|           | Investments                        | 188                         | -                         | 188                       | 124                       |
|           | <b>Total</b>                       | <b>13,586</b>               | <b>32,099</b>             | <b>45,685</b>             | <b>46,811</b>             |
|           | <b>Expenditure on:</b>             |                             |                           |                           |                           |
|           | Raising funds                      | 863                         | -                         | 863                       | 716                       |
| 3         | Charitable activities              | 13,028                      | 32,129                    | 45,157                    | 46,100                    |
|           | <b>Total</b>                       | <b>13,891</b>               | <b>32,129</b>             | <b>46,020</b>             | <b>46,816</b>             |
| 5         | Net expenditure                    | (305)                       | (30)                      | (335)                     | (5)                       |
| 11,12     | Transfers between funds            | (164)                       | 164                       | -                         | -                         |
|           | <b>Net movement in funds</b>       | <b>(469)</b>                | <b>134</b>                | <b>(335)</b>              | <b>(5)</b>                |
|           | <b>Reconciliation of funds:</b>    |                             |                           |                           |                           |
|           | Total funds brought forward        | 8,492                       | 1,383                     | 9,875                     | 9,880                     |
|           | <b>Total funds carried forward</b> | <b>8,023</b>                | <b>1,517</b>              | <b>9,540</b>              | <b>9,875</b>              |

The notes on pages 37 to 53 form part of these financial statements.

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 income / (expenditure) for the years stated above and their historical cost equivalents.

## Balance Sheet at 31 March 2019

| Note ref. |  | Unrestricted Funds<br>£'000 | Restricted Funds<br>£'000 | Total Funds 2019<br>£'000 | Total Funds 2018<br>£'000 |
|-----------|--|-----------------------------|---------------------------|---------------------------|---------------------------|
|           | <b>Fixed Assets:</b>                           |                             |                           |                           |                           |
| 7         | Tangible assets                                | 1,234                       | 1,082                     | 2,316                     | 2,247                     |
|           | <b>Current Assets</b>                          |                             |                           |                           |                           |
|           | Stock  | 239                         | -                         | 239                       | 254                       |
| 8         | Debtors  | 5,633                       | -                         | 5,633                     | 6,048                     |
|           | Investments                                    | -                           | -                         | -                         | 3,000                     |
|           | Cash at bank and in hand                       | 81,651                      | 896                       | 82,547                    | 25,377                    |
|           | Total current assets                           | 87,523                      | 896                       | 88,419                    | 34,679                    |
| 9         | Creditors: amounts falling due within one year | (80,734)                    | (461)                     | (81,195)                  | (27,051)                  |
|           | Net current assets                             | 6,789                       | 435                       | 7,224                     | 7,628                     |
|           | <b>Total net assets</b>                        | 8,023                       | 1,517                     | 9,540                     | 9,875                     |
|           | <b>The funds of the charity:</b>               |                             |                           |                           |                           |
| 11        | Restricted income funds                        |                             |                           | 1,517                     | 1,383                     |
| 12        | Designated funds                               |                             |                           | 6,058                     | 5,560                     |
|           | Unrestricted funds                             |                             |                           | 1,965                     | 2,932                     |
|           | Total unrestricted funds                       |                             |                           | 8,023                     | 8,492                     |
|           | <b>Total charity funds</b>                     |                             |                           | 9,540                     | 9,875                     |

The notes on pages 37 to 53 are an integral part of these financial statements.

The financial statements on pages 34 to 53 were approved by the trustees on 29th July 2019 and were signed on their behalf by:

Lynne Berry OBE  
Chair

# Statement of cash flows for the year ended 31 March 2019

|  | 2019<br>£'000 | 2018<br>£'000  |
|--|---------------|----------------|
| <b>Net expenditure for the reporting period (as per the statement of financial activities)</b> | <b>(335)</b>  | <b>(5)</b>     |
| <b>Adjustments for:</b>  |               |                |
| Depreciation charges   | 50            | 57             |
| Interest from investments  | (188)         | (124)          |
| (Profit) on the sale of fixed assets   | (107)         | (142)          |
| Decrease / (increase) in stocks  | 15            | (82)           |
| Decrease / (increase) in debtors   | 415           | (2,226)        |
| Increase / (decrease) in creditors   | 54,144        | (2,362)        |
| <b>Net cash provided by / (used by) operating activities</b>                                   | <b>53,994</b> | <b>(4,884)</b> |
| <b>Cash flows from investing activities:</b>   |               |                |
| Interest from investments  | 188           | 124            |
| Proceeds from the sale of property, plant and equipment  | 111           | 289            |
| Purchase of property, plant and equipment  | (123)         | (77)           |
| Decrease in investments  | 3,000         | 13,172         |
| <b>Net cash provided by investing activities</b>   | <b>3,176</b>  | <b>13,508</b>  |
| <b>Change in cash and cash equivalents in the reporting period</b>                             | <b>57,170</b> | <b>8,624</b>   |
| <b>Cash and cash equivalents at the beginning of the reporting period</b>                      | <b>25,377</b> | <b>16,753</b>  |
| <b>Cash and cash equivalents at the end of the reporting period</b>                            | <b>82,547</b> | <b>25,377</b>  |

The notes on pages 37 to 53 form part of these financial statements.

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



# Notes to the Financial Statements for the year ended 31 March 2019

## 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. The financial statements have been prepared on the basis that it is a public benefit entity under FRS 102.

### 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 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.

- Donations – Donations are accounted for in the year in which they are receivable.
- Legacies – For legacies, entitlement is taken as the earlier of: the date on which the charity is aware that probate has been granted; the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or when a distribution is received from the estate.
- Grants receivable – Grants from government bodies and other sources are received for specific projects and are recognised in accordance with their individual terms and conditions. Income is recognised when the charity has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

### 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 regulations.

#### **e. Tangible assets**

Tangible fixed assets costing more than £2,000 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        | 25% per annum |
| Plant and machinery | 25% 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. There were no estimates or assumptions during the accounting year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **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 when there is a constructive obligation.

#### **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 to the statement of financial activities 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**

As described in the Report of the Trustees on page 31, Sustrans Limited has a connected charity called Railway Paths Ltd. During the year, costs were incurred and recharged on behalf of Railway Paths Ltd totalling £115K (2018: £159K). This includes a £10K management charge relating to finance and HR services administered by Sustrans Limited staff. Equally, costs were incurred by Railway Paths Ltd on behalf of Sustrans Limited and recharged totalling £32K (2018: £12K). This includes a £10K management charge for estate management services in relation to Sustrans Limited's land. At year end, a balance of £82K (2018: £129K) remained outstanding.

Railway Paths Ltd

Registered Company Number: 3535618

Registered Charity Number: 1070003  
SC039256 (Scotland)

#### **m. Operating leases**

Rentals applicable to operating leases, where substantially all the benefits and risk of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis.

#### **n. Grants**

Grants payable in furtherance of the charity's objects are recognised when the commitment is communicated to the grant recipient or when payment is due in accordance with the terms of the contract, which is normally upon providing evidence of the project work being undertaken.

#### **o. 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. The Trustees are not aware of any material uncertainties that cast doubt on the going concern assumption.

#### **p. Address and country of incorporation**

Legal and administrative information is shown on page 22 of this document.

#### **q. Volunteers**

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

#### **r. 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.

#### **s. Change in accounting estimate**

The Charity has re-evaluated the expected useful lives of tangible fixed assets and revised depreciation rates accordingly.

|                     |                                  |
|---------------------|----------------------------------|
| IT Equipment        | 25% per annum (previously 33.3%) |
| Plant and machinery | 25% per annum (previously 30%)   |



## 2. Income from Charitable Activities

|                  | Unrestricted Funds<br>£'000 | Restricted Funds<br>£'000 | Total 2019<br>£'000 | Total 2018<br>£'000 |
|------------------|-----------------------------|---------------------------|---------------------|---------------------|
| Central          | 970                         | 471                       | 1,441               | 1,854               |
| England          | 4,359                       | 1,044                     | 5,403               | 5,703               |
| London           | 1,967                       | 90                        | 2,057               | 3,014               |
| Northern Ireland | 916                         | 146                       | 1,062               | 998                 |
| Scotland         | 944                         | 30,077                    | 31,021              | 30,732              |
| Wales            | 547                         | 271                       | 818                 | 687                 |
|                  | 9,703                       | 32,099                    | 41,802              | 42,988              |

## 3. Expenditure on Charitable Activities

|                  | Activities<br>undertaken<br>directly<br>£'000 | Grant funding<br>of activities (to<br>institutions)*<br>£'000 | Support costs<br>£'000 | Total 2019<br>£'000 | Total 2018<br>£'000 |
|------------------|---|---|------------------------|---------------------|---------------------|
| Central          | 1,798   | -   | 720                    | 2,518               | 2,759               |
| England          | 5,624   | 113   | 1,412                  | 7,149               | 7,890               |
| London           | 2,309   | -   | 549                    | 2,858               | 3,034               |
| Northern Ireland | 1,102   | -   | 266                    | 1,368               | 1,125               |
| Scotland         | 9,850   | 19,114  | 1,314                  | 30,278              | 30,295              |
| Wales            | 821   | -   | 165                    | 986                 | 997                 |
| Total 2019       | 21,504  | 19,227  | 4,426                  | 45,157              |                     |
| Total 2018       | 22,307  | 21,153  | 2,640                  |                     | 46,100              |

\* See note 16 on page 48.

**4. Analysis of support costs**

|                  | <b>Brand and Marketing<br/>£'000</b> | <b>Chief Executive and Governance<br/>£'000</b> | <b>Development<br/>£'000</b> | <b>Finance<br/>£'000</b> | <b>HR and support services<br/>£'000</b> | <b>Total 2019<br/>£'000</b> | <b>Total 2018<br/>£'000</b> |
|------------------|--------------------------------------|---|------------------------------|--------------------------|--|-----------------------------|-----------------------------|
| Raising funds    | 10                                   | 9   | 17                           | 16                       | 33                                       | <b>85</b>                   | 57                          |
| Central          | 86                                   | 77  | 145                          | 136                      | 276                                      | <b>720</b>                  | 445                         |
| England          | 168                                  | 151   | 283                          | 267                      | 543                                      | <b>1,412</b>                | 996                         |
| London           | 65                                   | 59  | 110                          | 104                      | 211                                      | <b>549</b>                  | 366                         |
| Northern Ireland | 32                                   | 28  | 53                           | 50                       | 103                                      | <b>266</b>                  | 146                         |
| Scotland         | 156                                  | 141   | 264                          | 248                      | 505                                      | <b>1,314</b>                | 571                         |
| Wales            | 20                                   | 18  | 33                           | 31                       | 63                                       | <b>165</b>                  | 116                         |
| Total 2019       | 537                                  | 483   | 905                          | 852                      | 1,734                                    | <b>4,511</b>                |                             |
| Total 2018       | -                                    | 584   | -                            | 794                      | 1,319                                    |                             | 2,697                       |

In 2018/19 support costs include Brand and Marketing and Development costs, which also support the delivery of our charitable objectives across the UK. We have not restated our prior year figures to reflect this updated definition.

**5. Net expenditure**

|  | <b>2019<br/>£'000</b> | <b>2018<br/>£'000</b> |
|--|-----------------------|-----------------------|
| <b>This is stated after charging/(crediting):</b>  |                       |                       |
| Governance costs (the Trustees of the Charity are not paid):   |                       |                       |
| Travel and associated expenses incurred by staff and 11 (2018: 12) Trustees for attendance at meetings | <b>14</b>             | 22                    |
| Fees payable for statutory audit   | <b>18</b>             | 19                    |
| Provision of trustee liability insurance   | <b>2</b>              | 2                     |
| Governance costs   | <b>34</b>             | 43                    |
| Fees payable to the auditors for assurance services other than statutory audit                         | <b>2</b>              | 2                     |
| Depreciation of tangible fixed assets  | <b>50</b>             | 57                    |
| (Profit) on the sale of fixed assets   | <b>(107)</b>          | (142)                 |

## 6. Staff Costs

| Average full time equivalent (FTE) number of employees | 2019<br>number | 2018<br>number |
|--|----------------|----------------|
| Raising funds  | 8.0            | 8.8            |
| Support  | 44.3           | 45.8           |
| <b>Charitable Activities</b>                           |                |                |
| Central  | 71.6           | 66.9           |
| England Midlands                                       | 45.3           | 43.2           |
| England North  | 46.7           | 53.0           |
| England South  | 55.2           | 53.2           |
| London   | 50.9           | 55.1           |
| Northern Ireland                                       | 24.7           | 22.1           |
| Scotland   | 123.6          | 85.9           |
| Wales  | 18.3           | 17.2           |
|  | 488.6          | 451.1          |

The average head count (number of staff employed) during the year was 550 (2018: 505).

| Staff costs (for the above persons) | 2019<br>£'000 | 2018<br>£'000 |
|-------------------------------------|---------------|---------------|
| Wages and Salaries                  | 14,538        | 12,973        |
| Social Security costs               | 1,306         | 1,184         |
| Employer's pension contributions    | 454           | 415           |
|                                     | 16,298        | 14,572        |

Statutory redundancy payments totalling £4k (2018: £59k) were made during the year. There was nothing outstanding for payment at the year end (2018: nil).

| The following number of employees received emoluments falling within the following ranges: | 2019<br>number | 2018<br>number |
|--|----------------|----------------|
| £60,000 to £69,999   | 4              | 3              |
| £70,000 to £79,999   | 2              | -              |
| £90,000 to £99,999   | -              | -              |
| £110,000 to £120,000   | 1              | 1              |

| Pension contributions made on behalf of employees whose emoluments fell within the following ranges were: | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| £60,000 to £69,999  | 3             | 7             |
| £70,000 to £79,999  | 5             | -             |
| £90,000 to £99,999  | -             | -             |
| £110,000 to £120,000  | 1             | 5             |

Outstanding pension contributions at the year-end were nil (2018: nil).

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.

The key management personnel are considered to be the Executive team, and during the year, total remuneration paid to them was £799k in aggregate (2018: £624k).



**7. Tangible assets**

|                                 | <b>Freehold Land and<br/>Buildings<br/>£'000</b> | <b>NCN Centre<br/>Refit £'000</b> | <b>IT<br/>Equipment<br/>£'000</b> | <b>Plant and<br/>Machinery<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---------------------------------|--|-----------------------------------|-----------------------------------|--|------------------------|
| <b>Cost</b>                     |  |                                   |                                   |  |                        |
| <b>At 1 April 2018</b>          | 2,150  | 259                               | 189                               | 201                                      | 2,799                  |
| Additions                       | 19   | -                                 | 15                                | 89                                       | 123                    |
| Disposals                       | -  | -                                 | (2)                               | (19)                                     | (21)                   |
| <b>At 31 March 2019</b>         | <b>2,169</b>                                     | <b>259</b>                        | <b>202</b>                        | <b>271</b>                               | <b>2,901</b>           |
| <b>Accumulated depreciation</b> |  |                                   |                                   |  |                        |
| <b>At 1 April 2018</b>          | -  | 224                               | 170                               | 158                                      | 552                    |
| Charge for year                 | -  | 6                                 | 9                                 | 35                                       | 50                     |
| Disposals                       | -  | -                                 | (2)                               | (15)                                     | (17)                   |
| <b>At 31 March 2019</b>         | <b>-</b>   | <b>230</b>                        | <b>177</b>                        | <b>178</b>                               | <b>585</b>             |
| <b>Net book amount</b>          |  |                                   |                                   |  |                        |
| <b>At 31 March 2019</b>         | <b>2,169</b>                                     | <b>29</b>                         | <b>25</b>                         | <b>93</b>                                | <b>2,316</b>           |
| At 31 March 2018                | 2,150  | 35                                | 19                                | 43                                       | 2,247                  |

Tangible fixed assets held in restricted funds total £1,082k (2018: £1,088k) and comprise the National Cycle Network Centre £932k (2018: £938k), and land holdings in Yorkshire £150k (2018: £150k).

**8. Debtors**

|                                | <b>2019<br/>£'000</b> | <b>2018<br/>£'000</b> |
|--------------------------------|-----------------------|-----------------------|
| Trade debtors                  | <b>4,093</b>          | 3,541                 |
| Accrued income                 | <b>1,093</b>          | 2,079                 |
| Sundry debtors and prepayments | <b>447</b>            | 428                   |
|                                | <b>5,633</b>          | 6,048                 |

## 9. Creditors: amounts falling due within one year

|  | 2019<br>£'000 | 2018<br>£'000 |
|--|---------------|---------------|
| Trade creditors  | 1,356         | 1,793         |
| Payments received on account for contracts or performance related grants | 78,192        | 23,798        |
| Accruals   | 541           | 544           |
| Taxation and social security   | 1,066         | 872           |
| Other creditors  | 40            | 44            |
|  | <b>81,195</b> | <b>27,051</b> |

|   |               |
|---|---------------|
| Reconciliation of payments received on account for contracts or performance related grants: | 2019<br>£'000 |
| Brought forward at 1 April 2018   | 23,798        |
| Released in the year  | (22,795)      |
| New balances deferred   | 77,189        |
| Carried forward at 31 March 2019  | 78,192        |

The new balances deferred in the year of £77.2m includes funding from the Department for Transport (£27.7m) and Transport Scotland (£56.8m). Of the Transport Scotland funds received, £10.9m was released in the year.

## 10. Financial instruments

|  | 2019<br>£'000 | 2018<br>£'000 |
|--|---------------|---------------|
| <b>Financial Assets</b>                                  |               |               |
| Cash   | 82,547        | 25,377        |
| Accrued income   | 1,093         | 2,079         |
| Trade debtors (settlement amount after trade discount)   | 4,093         | 3,541         |
| Bank deposits  | -             | 3,000         |
| <b>Financial Liabilities</b>                             |               |               |
| Trade creditors (settlement amount after trade discount) | (1,356)       | (1,793)       |
| Accruals   | (541)         | (544)         |

**11. Restricted income funds**

|                                     | <b>Note</b> | <b>Balance 1 April 2018<br/>£'000</b> | <b>Income<br/>£'000</b> | <b>Expenditure<br/>£'000</b> | <b>Transfers from<br/>Unrestricted<br/>funds £'000</b> | <b>Balance 31<br/>March 2019<br/>£'000</b> |
|-------------------------------------|-------------|---------------------------------------|-------------------------|------------------------------|--|--|
| Consett & Sunderland Railway Path   |             | -                                     | 97                      | (84)                         | -  | <b>13</b>                                  |
| Paisley to Kilwinning and Kilmacolm |             | 86                                    | 7                       | -                            | -  | <b>93</b>                                  |
| York to Selby Railway Path          |             | 440                                   | 25                      | (37)                         | 13   | <b>441</b>                                 |
| Worthington Railway Path - Derby    |             | -                                     | -                       | (26)                         | 26   | -  |
| Mirehouse Railway Path              |             | 41                                    | -                       | (28)                         | -  | <b>13</b>                                  |
| <b>Historic railway path funds</b>  | (1)         | 567                                   | 129                     | (175)                        | 39   | <b>560</b>                                 |
| National Cycle Network Centre       | (2)         | 498                                   | -                       | (13)                         | -  | <b>485</b>                                 |
| Kirklees maintenance fund           | (3)         | 100                                   | -                       | -                            | -  | <b>100</b>                                 |
| Two Tunnels maintenance fund        | (4)         | 185                                   | -                       | (21)                         | -  | <b>164</b>                                 |
| Catterick maintenance fund          | (5)         | 22                                    | -                       | -                            | -  | <b>22</b>                                  |
| Frome's missing link donations      | (6)         | 11                                    | -                       | -                            | 1  | <b>12</b>                                  |
| Track of the Ironmasters            |             | -                                     | 144                     | (146)                        | 2  | -  |
| Castleford Greenway                 | (7)         | -                                     | -                       | -                            | 122  | <b>122</b>                                 |
| Lune Valley Cycleway                | (8)         | -                                     | 56                      | (4)                          | -  | <b>52</b>                                  |
|                                     |             | 816                                   | 200                     | (184)                        | 125  | <b>957</b>                                 |
| Central                             |             | -                                     | 416                     | (416)                        | -  | -  |
| England                             |             | -                                     | 770                     | (770)                        |  |  |
| London                              |             | -                                     | 90                      | (90)                         | -  | -  |
| Northern Ireland                    |             | -                                     | 146                     | (146)                        | -  | -  |
| Scotland                            |             | -                                     | 30,077                  | (30,077)                     | -  | -  |
| Wales                               |             | -                                     | 271                     | (271)                        | -  | -  |
|                                     |             | -                                     | 31,770                  | (31,770)                     | -  | -  |
|                                     |             | 1,383                                 | 32,099                  | (32,129)                     | 164  | <b>1,517</b>                               |

1. 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. Where unrestricted funds have been spent on these routes these are shown as transfers in to the fund.



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. 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.
3. A maintenance fund from Yorkshire Water to be spent on the network within Kirklees.
4. A fund restricted to the long-term maintenance of the Two Tunnels in Bath.
5. Funds received for the long-term maintenance of the Connect 2 project at Catterick, Yorkshire.
6. Donations held for a 'missing link' in Frome, Somerset.
7. Funds received in 2017/18 from the Railway Heritage Trust for the viaduct and greenway phases connecting to the Castleford Greenway in Yorkshire.
8. Funds received from a major donor for the Lune Valley Cycleway in Lancashire.

## 12. Designated funds

|                                   | Note | Balance 1<br>April 2018<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Transfers<br>£'000 | Balance 31<br>March 2019<br>£'000 |
|-----------------------------------|------|----------------------------------|-----------------|----------------------|--------------------|-----------------------------------|
| Natural disaster contingency fund | (1)  | 1,000                            | -               | -                    | -                  | 1,000                             |
| Fixed asset fund                  | (2)  | 1,159                            | -               | (44)                 | 119                | 1,234                             |
| Restructure fund                  | (3)  | 3,401                            | -               | -                    | 423                | 3,824                             |
|                                   |      | 5,560                            | -               | (44)                 | 542                | 6,058                             |

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

1. 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 Limited, and at particular risk of damage could be re-instated in the event of natural disaster.
2. 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.
3. The restructure fund has been set up to cope with a scenario in which Sustrans Limited has to restructure to reduce activities significantly because of a lack of funding but retain a core activity which could be funded by continuing charitable donations. In the year this fund has increased in line with staff FTE numbers.

**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**

| The total of future minimum lease payments under non-cancellable operating leases for each of the following periods | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| i. not later than one year;   | 316           | 225           |
| ii. later than one year and not later than five years   | 227           | 82            |
|   | 543           | 307           |
| Lease payments recognised as an expense   | 307           | 309           |

**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 Limited from the floating charge, but the fixed charge over the building in central Bristol remains.

Over a number of years Sustrans Limited 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 (now Durham County Council) 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 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 Council

## 16. Grants paid to institutions

Grants of more than £100k were paid to the following institutions as reimbursement for project delivery in the current and prior period:

|                                 | 2019<br>£'000 | 2018<br>£'000 |  | 2019<br>£'000 | 2018<br>£'000 |
|---------------------------------|---------------|---------------|--|---------------|---------------|
| Glasgow City Council            | 3,420         | 913           | Tactran  | 303           | 107           |
| Fife Council                    | 2,027         | 769           | South Ayrshire Council                                 | 287           | 372           |
| City of Edinburgh Council       | 1,566         | 2,395         | Loch Lomond & The Trossachs<br>National Park Authority | 248           | 517           |
| Aberdeen City Council           | 1,249         | 2,254         | West Lothian Council                                   | 211           | 193           |
| Falkirk Council                 | 1,086         | 1,190         | HiTrans  | 187           | 101           |
| Scottish Canals                 | 1,039         | 3,061         | Renfrewshire Council                                   | 173           | 235           |
| Stirling Council                | 694           | 1,515         | Orkney Islands Council                                 | 168           | 247           |
| East Dunbartonshire Council     | 615           | 895           | Central Scotland Green Network                         | 119           | 146           |
| Highland Council                | 598           | 647           | North Lanarkshire Council                              | 109           | -             |
| Scottish Borders Council        | 490           | 418           | South East Scotland Transport                          | 100           | 100           |
| Dumfries & Galloway Council     | 453           | 219           | Perth and Kinross Council                              | 93            | 110           |
| Argyll & Bute Council           | 417           | 392           | Angus Council  | 92            | 239           |
| Dundee City Council             | 413           | 325           | Perth and Kinross Countryside Trust                    | 79            | 242           |
| Clackmannanshire Council        | 392           | 195           | Aberdeenshire Council                                  | 57            | 194           |
| RSPB Scotland                   | 382           | -             | Midlothian Council                                     | 39            | 261           |
| Edinburgh & Lothians Greenspace | 359           | -             | West Dunbartonshire Council                            | 34            | 124           |
| North Ayrshire Council          | 348           | 521           | Shetland Island Council                                | 10            | 228           |
| East Renfrewshire Council       | 345           | -             | The Moray Council                                      | 7             | 333           |
| East Lothian Council            | 344           | 782           |  |               |               |



**17. Grants received from government bodies**

During the reporting period grants of more than £100k were received from government bodies in relation to a wide number of projects that fall under the charity's objectives as outlined in the Trustee's Report. The granting government bodies were:

|                          | <b>2019</b>   | 2018   |
|--------------------------|---------------|--------|
|                          | <b>£'000</b>  | £'000  |
| Transport Scotland       | <b>29,054</b> | 28,653 |
| Department for Transport | <b>305</b>    | 143    |
| Heritage Lottery Fund    | <b>134</b>    | 368    |
| Welsh Government         | <b>130</b>    | 100    |
| Other local government   | <b>91</b>     | 179    |

## 18. Comparative notes from 2017/18 financial statements – statement of financial activities

| Note ref. |                                    | Unrestricted Funds<br>£'000 | Restricted Funds<br>£'000 | Total Funds 2018<br>£'000 |
|-----------|------------------------------------|-----------------------------|---------------------------|---------------------------|
|           | <b>Income from:</b>                |                             |                           |                           |
|           | Donations and legacies             | 3,699                       | -                         | 3,699                     |
| 2         | Charitable activities              | 10,521                      | 32,467                    | 42,988                    |
|           | Investments                        | 124                         | -                         | 124                       |
|           | <b>Total</b>                       | <b>14,344</b>               | <b>32,467</b>             | <b>46,811</b>             |
|           | <b>Expenditure on:</b>             |                             |                           |                           |
|           | Raising funds                      | 716                         | -                         | 716                       |
| 3         | Charitable activities              | 13,611                      | 32,489                    | 46,100                    |
|           | <b>Total</b>                       | <b>14,327</b>               | <b>32,489</b>             | <b>46,816</b>             |
| 5         | <b>Net income / (expenditure)</b>  | 17                          | (22)                      | (5)                       |
|           | Transfers between funds            | (15)                        | 15                        | -                         |
|           | <b>Net movement in funds</b>       | 2                           | (7)                       | (5)                       |
|           | <b>Reconciliation of funds:</b>    |                             |                           |                           |
|           | Total funds brought forward        | 8,490                       | 1,390                     | 9,880                     |
|           | <b>Total funds carried forward</b> | <b>8,492</b>                | <b>1,383</b>              | <b>9,875</b>              |

**19. Comparative notes from 2017/18 financial statements – balance sheet**

| Note ref. |   | Unrestricted Funds<br>£'000 | Restricted Funds<br>£'000 | Total Funds 2018<br>£'000 |
|-----------|---|-----------------------------|---------------------------|---------------------------|
|           | <b>Fixed Assets:</b>                                  |                             |                           |                           |
| 7         | Tangible assets                                       | 1,159                       | 1,088                     | 2,247                     |
|           | <b>Current Assets</b>                                 |                             |                           |                           |
|           | Stock   | 254                         | -                         | 254                       |
| 8         | Debtors   | 6,048                       | -                         | 6,048                     |
|           | Investments   | 3,000                       | -                         | 3,000                     |
| 3         | Cash at bank and in hand                              | 24,565                      | 812                       | 25,377                    |
|           | <b>Total current assets</b>                           | 33,867                      | 812                       | 34,679                    |
| 9         | <b>Creditors:</b> amounts falling due within one year | (26,534)                    | (517)                     | (27,051)                  |
|           | <b>Net current assets</b>                             | 7,333                       | 295                       | 7,628                     |
|           | <b>Total net assets</b>                               | 8,492                       | 1,383                     | 9,875                     |
|           | <b>The funds of the charity:</b>                      |                             |                           |                           |
| 11        | Restricted income funds                               |                             |                           | 1,383                     |
| 12        | Designated funds                                      |                             |                           | 5,560                     |
|           | Total charity funds                                   |                             |                           | 2,932                     |
|           | Total unrestricted funds                              |                             |                           | 8,492                     |
|           | <b>Total charity funds</b>                            |                             |                           | 9,875                     |

## 20. Comparative notes from 2017/18 financial statements – restricted funds

|                                     | Note | Balance 1 April<br>2017 £'000 | Income<br>£'000 | Expenditure<br>£'000 | Transfers from<br>Unrestricted<br>funds £'000 | Balance 31<br>March 2018<br>£'000 |
|-------------------------------------|------|-------------------------------|-----------------|----------------------|---|-----------------------------------|
| Consett & Sunderland Railway Path   |      | -                             | 7               | (38)                 | 31  | -                                 |
| Paisley to Kilwinning and Kilmacolm |      | 82                            | 4               | -                    | -   | 86                                |
| York to Selby Railway Path          |      | 439                           | 1               | -                    | -   | 440                               |
| Worthington Railway Path - Derby    |      | -                             | -               | (3)                  | 3   | -                                 |
| Mirehouse Railway Path              |      | 41                            | -               | -                    | -   | 41                                |
| <b>Historic railway path funds</b>  | (1)  | 562                           | 12              | (41)                 | 34  | 567                               |
| National Cycle Network Centre       | (2)  | 515                           | -               | (17)                 | -   | 498                               |
| Kirklees maintenance fund           | (3)  | 100                           | -               | -                    | -   | 100                               |
| Two Tunnels maintenance fund        | (4)  | 185                           | -               | -                    | -   | 185                               |
| Catterick maintenance fund          | (5)  | 22                            | -               | -                    | -   | 22                                |
| Frome's missing link donations      | (6)  | 11                            | -               | -                    | -   | 11                                |
| Track of the Ironmasters            |      | 3                             | -               | -                    | (3)   | -                                 |
| Pembury Community Fund              |      | 16                            | -               | -                    | (16)  | -                                 |
|                                     |      | 852                           | -               | (17)                 | (19)  | 816                               |
| Central                             |      | -                             | 721             | (721)                | -   | -                                 |
| England Midlands                    |      | -                             | 424             | (424)                | -   | -                                 |
| England North                       |      | -                             | 529             | (529)                | -   | -                                 |
| England South                       |      | -                             | 81              | (81)                 | -   | -                                 |
| London                              |      | -                             | 395             | (395)                | -   | -                                 |
| Northern Ireland                    |      | -                             | 95              | (95)                 | -   | -                                 |
| Scotland                            |      | (24)                          | 29,977          | (29,953)             | -   | -                                 |
| Wales                               |      | -                             | 233             | (233)                | -   | -                                 |
|                                     |      | (24)                          | 32,455          | (32,431)             | -   | -                                 |
|                                     |      | 1,390                         | 32,467          | (32,489)             | 15  | 1,383                             |



**21. Comparative notes from 2017/18 financial statements – designated funds**

|                                   | Note<br>ref. | Balance 1<br>April 2017<br>£'000 | Income<br>£'000 | Expenditure<br>£'000 | Transfers<br>£'000 | <b>Balance 31<br/>March 2018<br/>£'000</b> |
|-----------------------------------|--------------|----------------------------------|-----------------|----------------------|--------------------|--|
| Natural disaster contingency fund | (1)          | 1,000                            | -               | -                    | -                  | <b>1,000</b>                               |
| Fixed asset fund                  | (2)          | 1,195                            | 20              | (23)                 | (33)               | <b>1,159</b>                               |
| Restructure fund                  | (3)          | -                                | -               | -                    | 3,401              | <b>3,401</b>                               |
|                                   |              | 2,195                            | 20              | (23)                 | 3,368              | <b>5,560</b>                               |

# Contact us

Right: *Open Country, a Harrogate-based charity, use the National Cycle Network for their tandem rides.*

Sustrans Limited is the charity making it easier for people to walk and cycle.

We connect people and places, create liveable neighbourhoods, transform the school run and deliver a happier, healthier commute. Join us on our journey. [www.sustrans.org.uk](http://www.sustrans.org.uk)

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