

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

**Annual report and financial statements**  
**for the year ended 31 March 2015**

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

# **Railway Paths Limited**

**Annual report and financial statements for the year ended 31 March 2015**

## **CONTENTS**

	<b>Pages</b>
<b>Legal and administrative information</b>	<b>1</b>
<b>Report of the Trustees</b>	<b>2-8</b>
<b>Independent auditors' report</b>	<b>9-10</b>
<b>Statement of financial activities</b>	<b>11</b>
<b>Balance sheet</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13-17</b>

## Legal and administrative information

### Constitution

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

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

Company number: 3535618

### Trustees and Directors

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

Mike Babbitt (appointed 11 May 2015)  
Greg Beecroft  
Nigel Gibbons  
Tim Harbot (resigned 25 August 2015)  
John Palmer  
Malcolm Shepherd  
Jeff Vinter  
Ian White (Chair)

### Secretary and registered office

Andy Appleby  
2 Cathedral Square  
College Green  
Bristol BS1 5DD

### Independent auditors

PricewaterhouseCoopers LLP  
Independent Auditors and Chartered  
Accountants  
2 Glass Wharf  
Bristol BS2 0FR

### Solicitors

Osborne Clarke  
2 Temple Back East  
Bristol BS1 6EG

McCartney Stewart  
1B Paisley Road  
Renfrew PA4 8JH

### Main banker

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

### Other bankers

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

Santander UK plc  
12 Baldwin Street,  
Bristol, BS1 1SD

Triodos Bank,  
Deanery Road,  
Bristol, BS1 5AS

## **Report of the trustees for the year ended 31 March 2015**

The trustees, who are also Directors of the Charity for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 March 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities issued in 2005, the Companies Act 2006 and the Charities Act 2011 in preparing the annual report and financial statements of the Charity. The legal and administration information on page 1 forms part of this report.

### **Strategic report, including the Aims and Objectives of the Charity**

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

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

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

### **Key performance indicators - bridge condition scoring**

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

A - Very Good - Full strength. In near 'as built' condition, well maintained. Examples include good paint, pointing, surfaces.

B - Good - Full strength. Superficial non-structural defects. Examples include effective paint protection, only minor cracks/spalls, mainly good joints, no movement, minor vegetation.

C - Fair - Within 90% of original strength. BE4 pass (the first standard to cover highway bridge assessment, BE4, was introduced to allow for 32 tonne vehicles). Defects affecting durability or marginally affecting strength. Safety not compromised. Examples include vegetation, open joints, paint failure, corrosion but only slight section loss, settlement.

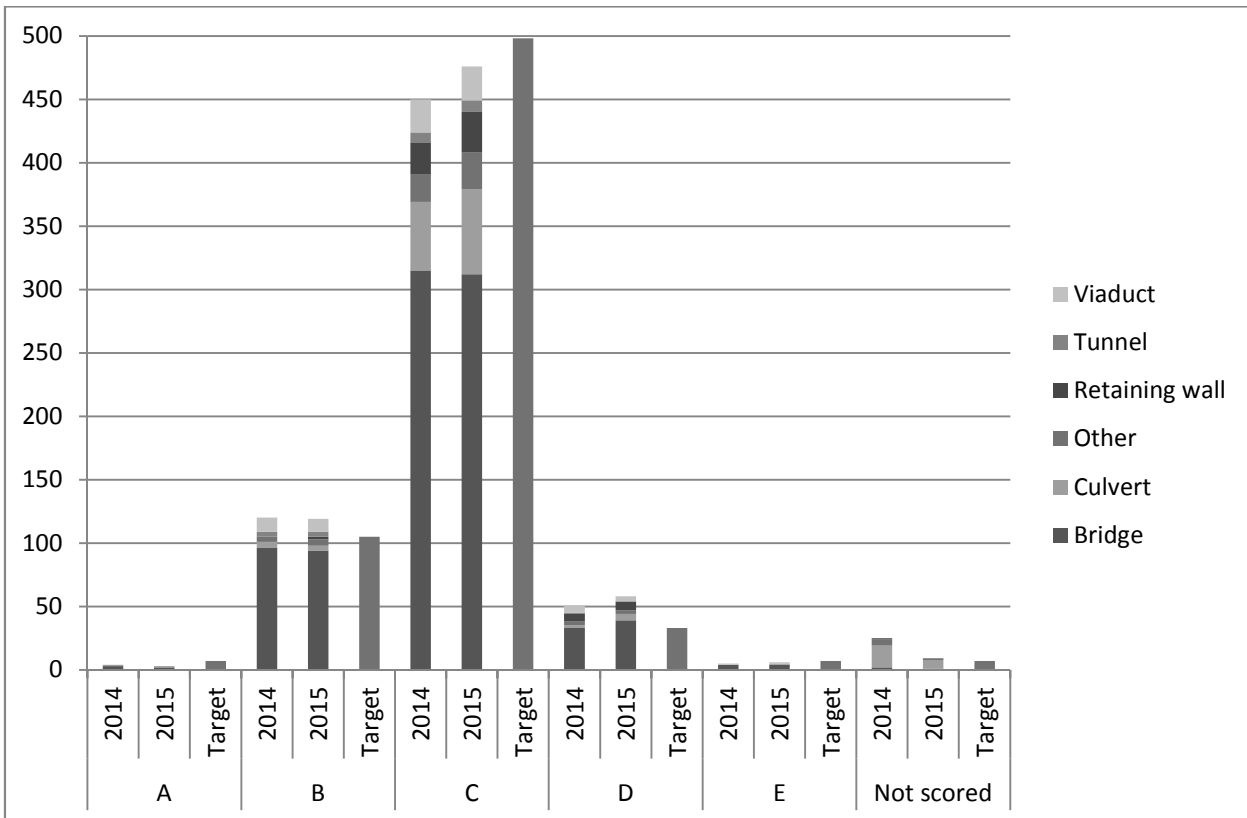
**Report of the trustees for the year ended 31 March 2015**

**Key performance indicators - bridge condition scoring (continued)**

D – Poor - Significant strength loss from original but still serviceable for current loadings. Marginal BE4 assessment. Defects significantly affecting strength and durability or marginally affecting safety. Examples include deep/extensive spalling, perishing, leakage, structural cracking, deformation, significant corrosion section losses, sub-standard parapets or safety fencing.

E - Bad - Requires a specific mitigation and management plan. Understrength for current loadings. Unstable or failed structure with significant risks. Significant safety risk if not managed appropriately. Examples include assessment failure, critical section loss, arch failure, gross settlement, no parapets.

These grades, also taken into account with Consequence of Failure assessments can be used to help prioritise works. The present levels are considered satisfactory, and the Trustees aim to reduce the number of “E” structures from the present level of 6 (2014: 5) in coming years.



## **Report of the trustees for the year ended 31 March 2015**

### **Achievements and Performance**

The Charity continued its programme of inspection and surveying of the 671 (2014: 655) structures, for which it has responsibility, on the disused railway lines in its ownership.

During the financial year the Charity spent £624,154 (2014: £247,523) on cost effective solutions to maintenance across a large number of structures where expenditure had been prioritised. The Charity has a detailed analysis of all maintenance expenditure required, which it has prioritised for the next 2 years. £153,005 (2014: £180,414) was spent on estate management and maintenance.

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

The Trustees are grateful to the Railway Heritage Trust for the significant support received during the financial year which made possible major refurbishment works to Lumb and Torksey viaducts.

Works to an approximate value of £200,000 were undertaken on the maintenance of Railway Paths Limited structures by third parties during the financial year. The most notable being £100,000 at Lasswade Road bridge in Scotland and £50,000 at bridge L18 in Northampton.

During the year the Charity received proceeds of £1,015,000 (2014: nil) from easements and £342,747 (2014: £207,268) for sales of phase 1 land and other assets (net book value=Nil)

The recently opened Borders Railway in Scotland uses land and structures including Newbattle viaduct formerly owned by RPL and transferred to Network Rail.

The large Laira viaduct which was transferred to Plymouth city council in the previous year has been refurbished and opened as a walking and cycling route. .

### **Objectives for 2015/16**

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

The Charity will continue its programme of inspection and surveying of the 671 structures, for which it has responsibility. The programme of maintenance and repairs will include major works by third parties to at least 2 structures.

## **Report of the trustees for the year ended 31 March 2015**

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

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

Secretary of State for Transport	1 Director (currently vacant)
Railway Heritage Trust	1 Director (currently I. White)
Sustrans	2 Directors (currently M. Shepherd and M. Babbitt)

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

### **Risk**

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

The most recent review of risks faced by the Charity identified the most significant as:

- a) Potential worsening condition of our asset through insufficient maintenance
- b) Increased burden as a result of new Local authority powers in relation to Japanese Knotweed
- c) National guidance for bridge inspector competence management is expected to be introduced which may make our model non-compliant. It will probably be more demanding in terms of training and maintenance of competence than we currently adopt. The effect may be to increase costs and make practical arrangements more onerous.

These are monitored closely on an ongoing basis by the Trustees.

**Report of the trustees for the year ended 31 March 2015****Financial risk management**

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

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

**Investment and reserves policy**

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

In 2010/11 the Charity took further property from BRB (Residuary) Ltd. (Phase 2) and the Trustees believe it is appropriate to keep the two tranches of transfers separate, such that the cash received to maintain Phase 1 is spent on Phase 1 property. Designated Funds were established by the Trustees in 2010/11 to ring-fence income to the appropriate land.

The trustees recognise their responsibility to preserve and maintain bridges, tunnels and other structures which will have a useful life of some considerable time – certainly decades, possibly centuries. It follows that the Trustees seek to add to reserves were this does not compromise the short-term maintenance demands of the estate. It is hoped that this can be achieved through the sale of assets which are not required for charitable purposes. The Trustees continually weigh the cost of performing maintenance works now against the cost of delaying those works into the future.

The Trustees recognise the implications of "risk" and "return", especially in the current environment and have agreed a "minimal risk" strategy to safeguard the Charity's reserves. The Trustees acknowledge the difficulties presented by the ongoing uncertainty within the wider economy and have sought to minimise the exposure of the charity by holding funds with four banks.

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



## **Report of the trustees for the year ended 31 March 2015**

### **Statement of Trustees' Responsibilities**

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

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

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

The trustees are responsible for keeping 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, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's 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.

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.

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.

## **Report of the trustees for the year ended 31 March 2015**

### **Public benefit**

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

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

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

### **Connected Charities**

One of the objectives of the Charity is to support the work of Sustrans Limited, a registered Charity (number; 326550 England & Wales, SC039263 Scotland) (registered office; 2 Cathedral Square, College Green, Bristol BS1 5DD). Under the guidelines of the Charities' SORP, Railway Paths Limited is a 'connected charity' as some of its members are common to Sustrans. Malcolm Shepherd, Sustrans' Chief Executive, and Mike Babbitt, Sustrans' Project Manager, are also trustees of Railway Paths Limited.

In the interests of efficiency and cost minimisation, Sustrans is contracted by Railway Paths Limited to provide accounting, company secretarial and HR services and paid £10,000 (2014, £10,000) to Sustrans in the year for these services. That charge was based upon the calculated marginal cost incurred in the provision of these services. Railway Paths Limited is contracted by Sustrans to provide Estate Management services and received £10,000 (2014, £10,000) during the year.

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

### **By order of the Board of trustees**

**Andy Appleby**  
**Company Secretary**  
**24 September 2015**

## **Independent auditors' report to the Members and Trustees of Railway Paths Limited**

### **Report on the financial statements**

---

#### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 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 (as amended).

This opinion is to be read in the context of what we say in the remainder of this report.

---

#### **What we have audited**

The financial statements, which are prepared by Railway Paths Limited, comprise:

- the balance sheet as at 31 March 2015;
- Statement of financial activities (including Income and Expenditure Account) for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

---

#### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and
- the overall presentation of the financial statement

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

---

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

---

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

## **Independent auditors' report to the Members and Trustees of Railway Paths Limited (continued)**

---

### **Other matters on which we are required to report by exception**

---

#### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

---

#### **Trustees' remuneration**

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

---

### **Responsibilities for the financial statements and the audit**

---

#### **Our responsibilities and those of the trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 6 and 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

**Statement of financial activities for the year ended 31 March 2015  
(Including Income and Expenditure account)**

	Note	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
<b>Incoming resources</b>					
<b>Incoming resources from charitable activities</b>					
Preservation of structures, buildings, and land		-	400,000	<b>400,000</b>	-
<b>Incoming resources from generated funds</b>					
Realised gains on disposal of land & other assets		342,747	-	<b>342,747</b>	207,268
Rental income		138,941	-	<b>138,941</b>	130,216
Advertising income		31,423	-	<b>31,423</b>	33,877
Interest received		21,194	-	<b>21,194</b>	33,458
Income from Easements		1,015,000	-	<b>1,015,000</b>	-
Recovery of legal costs		30,673	-	<b>30,673</b>	12,957
Other income		10,729	-	<b>10,729</b>	31,764
Phase2 income		10	-	<b>10</b>	-
<b>Total incoming resources</b>		<b>1,590,717</b>	<b>400,000</b>	<b>1,990,717</b>	<b>449,540</b>
<b>Resources expended</b>					
<b>Charitable activities</b>					
Preservation of structures, buildings, and land					
Bridge maintenance and management		224,154	400,000	<b>624,154</b>	247,523
Estate maintenance and management		153,005	-	<b>153,005</b>	180,414
Legal costs		43,444	-	<b>43,444</b>	34,056
Insurance		40,882	-	<b>40,882</b>	37,411
Other expenditure		30,619	-	<b>30,619</b>	19,593
Phase 2 expenditure		-	-	-	50,000
		<b>492,104</b>	<b>400,000</b>	<b>892,104</b>	<b>568,997</b>
Governance costs	5	14,608	-	<b>14,608</b>	7,787
<b>Total resources expended</b>		<b>506,712</b>	<b>400,000</b>	<b>906,712</b>	<b>576,784</b>
Net income / (expenditure) for the year	2	1,084,005	-	<b>1,084,005</b>	(127,244)
<b>Fund balances brought forward at 1 April</b>		<b>1,930,025</b>	-	<b>1,930,025</b>	2,057,269
<b>Fund balances carried forward at 31 March</b>	9,10	<b>3,014,030</b>	-	<b>3,014,030</b>	<b>1,930,025</b>

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 its historical cost equivalent.

**Balance sheet as at 31 March 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	6	1,510	829
<b>Current assets</b>			
Debtors	7	83,552	122,243
Cash at bank and in hand		<u>3,233,360</u>	<u>1,867,630</u>
<b>Total current assets</b>		<u>3,316,912</u>	<u>1,989,873</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(304,392)</u>	<u>(60,677)</u>
<b>Total assets less current liabilities</b>		<u>3,012,520</u>	<u>1,929,196</u>
<b>Net assets</b>		<u><u>3,014,030</u></u>	<u><u>1,930,025</u></u>
<b>The funds of the charity</b>			
Designated	9	<u><u>3,014,030</u></u>	<u><u>1,930,025</u></u>

The notes on pages 13 to 17 are an integral part of these financial statements.

The financial statements on pages 11 to 17 were approved by the Board of Directors on 24 September 2015 and were signed on its behalf by:

**Ian White**  
Trustee

**Notes to the financial statements for the year ended 31 March 2015****1 Principal Accounting Policies**

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

**a) Basis of accounting**

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

**b) Cash flow statement**

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

**c) Fund Accounting**

The purpose of the Charity is to manage the ownership of numerous disused railway lines and the structures on them.

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

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 9 to the financial statements.

Restricted funds - income identified for specific projects by the donor is treated as restricted funds. The description and purpose of these restricted funds are provided in Note 10.

**d) Incoming Resources**

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

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

## Notes to the financial statements for the year ended 31 March 2015

### e) Resources Expended

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

### f) Tangible fixed assets

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

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

The rate of depreciation is as follows:

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

### g) Maintenance

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

### h) Pension scheme

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

### i) Operating Leases

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

### j) Taxation

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

### k) Investments

Funds are invested for terms generally not exceeding 12 months. All funds of this nature, regardless of deposit term, are classified as cash at bank and in hand.



**Notes to the financial statements for the year ended 31 March 2015**

**2 Net income / (expenditure)**

	<b>2015</b>	2014
	£	£
<b>This is stated after charging:</b>		
Fees payable for audit	<b>1,480</b>	1,435
Depreciation of tangible fixed assets	Note 6 <b>931</b>	415
Board costs	<b>6,191</b>	2,130

Rental and advertising income of £170,364 (2014: £164,093) arises from a small number of properties owned by the Charity (Net book value = nil).

**3 Trustees' emoluments**

Board costs of £6,191 (2014: £2,130) includes travel and other expenses paid on behalf of 7 (2014: 8) Trustees for attendance at Board and other meetings. The trustees of the Charity are not paid.

**4 Employee information**

The average monthly full-time equivalent number of employees during the year was 5.6 (2014: 5.0).

	<b>2015</b>	2014
	£	£
Wages and salaries	<b>166,045</b>	147,373
Social Security costs	<b>16,252</b>	14,837
Other pension costs	<b>6,208</b>	5,209
	<b><u>188,505</u></b>	<u>167,419</u>

These costs are allocated to Bridge management £61,130 (2014: £58,512), Estate management £112,067 (2014: £108,907), and Other expenditure £15,308 (2014: nil). Under the Articles of Association, members of the Board are not permitted to receive remuneration from the Charity. No employee earns more than £60,000 per annum (2014: nil). Outstanding pension contributions at the year-end were nil (2014:nil)

**5 Governance costs**

	<b>2015</b>	2014
	£	£
Board meeting expenses	<b>12,128</b>	5,352
Audit fee	<b>1,480</b>	1,435
Company Secretarial charges	<b>1,000</b>	1,000
	<b><u>14,608</u></b>	<u>7,787</u>

Board meeting expenses includes the involvement of stakeholders.

**Notes to the financial statements for the year ended 31 March 2015**

**6 Tangible assets**

	<b>Computer Equipment</b>
	<b>£</b>
<b>Cost</b>	
As at 1 April 2014	4,138
Additions	1,612
Disposals	-
As at 31 March 2015	<u><u>5,750</u></u>
<b>Accumulated depreciation</b>	
As at 1 April 2014	3,309
Charge for the year	931
Disposal	-
At 31 March 2015	<u><u>4,240</u></u>
<b>Net book value</b>	
At 31 March 2015	<u><u>1,510</u></u>
At 31 March 2014	<u><u>829</u></u>

**7 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade Debtors	<b>51,363</b>	79,030
Tenancies	<b>9,793</b>	21,753
Prepayments and accrued income	<b>22,396</b>	21,460
	<u><u>83,552</u></u>	<u><u>122,243</u></u>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade Creditors	<b>54,325</b>	25,222
PAYE/NIC	<b>4,370</b>	3,969
VAT	<b>195,989</b>	18,407
Accruals and deferred income	<b>49,708</b>	13,079
	<u><u>304,392</u></u>	<u><u>60,677</u></u>

**Notes to the financial statements for the year ended 31 March 2015**

**9 Designated funds**

	Balance 1 April 2014	Incoming	Outgoing	<b>Balance 31 March 2015</b>
	£	£	£	£
Phase 1	1,664,094	1,590,707	(506,712)	<b>2,748,089</b>
Phase 2	265,931	10	-	<b>265,941</b>
	<b>1,930,025</b>	<b>1,590,717</b>	<b>(506,712)</b>	<b>3,014,030</b>

The Charity was established in 1998 to take ownership of disused railway lines from BRB (Residuary) Ltd, formerly Rail Property Ltd. This responsibility was accompanied by a “capital bond” with the intention that the property, which includes many structures, bridges, etc. be maintained to an appropriate standard. This property is referred to above as “Phase 1”.

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

In 2010/11 the Charity took further property from BRB (Residuary) Ltd. (Phase 2) and the Trustees believe it is appropriate to keep the two tranches of transfers separate, such that the cash received to maintain Phase 1 is spent on Phase 1 property. Designated Funds were established by the Trustees in 2010/11 to ring-fence income to the appropriate land.

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

**10 Restricted funds**

Income identified for specific projects by the donor is treated as restricted funds. During the year a total of £400,000 was received from Railway Heritage Trust for renovation works to Lumb and Torksey viaducts. All funds were spent during the year in accordance with the restriction.

**11 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.