

## Trustees' report 31 March 2017

The trustees, who are directors of the charity, present their report together with the consolidated financial statements for the year ended 31 March 2017. This trustees' report has been prepared in accordance with the Charities Act 2011 and is also the report of the directors for purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies as set out later in this document and comply with the charity's Memorandum and Articles of Association, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

### Principal aims and objectives

HCT Group, the charity, is a social enterprise with a strong commitment to equal opportunities that operates community transport, other types of passenger transport and other related services.

The objects of HCT Group are for such purposes as may be charitable in law but in particular:

- a. to provide community transport services for people who are in need of such services because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public transport; and
- b. the relief of unemployment for public benefit through the provision of training programmes.

The objects of HCT Group are carried out by the holding company and its nine active direct subsidiary companies.

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### Structure, governance and management

HCT Group is a registered charity and is incorporated as a company limited by guarantee and governed by its Memorandum and Articles of Association. It is managed by its Board of Trustees who are the trustees and directors of the charity. New trustees and directors are selected and appointed for a fixed term of office by the Board.

Board members are proposed by the HCT Group's Governance Committee which seeks to ensure that the Board of Trustees has a broad range of appropriate skills and experience. The board meets at least six times a year.

New trustees are provided with an induction to the charity, which includes an induction pack introducing the organisation and its activities, and outlines the rights and responsibilities of charity trustees. Prior to the first meeting a trustee is introduced to senior staff within the HCT Group, requested to sign the Code of Conduct and to make a declaration concerning conflicts of interest. Trustees are invited to visit the organisation whilst services are in operation, and are encouraged to do so throughout their term of office.

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### Structure, governance and management (continued)

Following a governance review it was decided that the Regional Advisory Committees could be replaced with a different arrangement to more effectively engage with communities. In order to keep the social mission at the forefront of our business decisions, we have a rolling programme of direct stakeholder outreach in each of our operating regions. We meet regularly with local community leaders, elected officials and heads of community groups to understand local priorities.

We also conduct direct outreach with service users to better understand their needs – through surveys, focus groups and open user or passenger meetings. These enable us to remain accountable to passengers or service users, take feedback, listen to concerns and explore new ideas.

There are two sub-committees of the Board, the Governance and Remuneration Committee which meets once a year and the Audit Committee which meets twice a year.

In addition there is a Social Impact Advisory Committee, which meets twice a year to review our social impact.

The Chief Executive Officer is Dai Powell OBE. He has been supported during the year by the Chief Financial Officer, John Smart and the Chief Operations Officer, Jane Desmond. These three post holders are known as the Chief Officers and they form the core of the senior management team, together with the heads of department and project managers.

The Board of Trustees make strategic decisions and the day-to-day operations of the charity are managed by the Chief Officers of HCT Group, delegated to other staff members, as appropriate.

### Trustees

The trustees in office during the year were as follows:

	<b>From/To</b>
Sir V Cable	From 22/09/16
P Brennan	
C Hewitt	
E Siegel	
R Sewell	From 01/11/16
A Levitt	
J Moseley	To 22/09/16
A Ross	
A Whitehead	To 22/09/16
J Winter	

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None of the trustees has or had any beneficial interest in the charity or its subsidiaries.

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### Structure, governance and management (continued)

#### Key management personnel

The key management personnel have been classified as the three Chief Officers who served during the year. They are ably supported by the Senior Management Team which comprises of the three Regional Directors and heads of service from Community Transport, Business Development, Communications, Engineering, Training and Education, Finance, HR and Innovation.

The remuneration of the Chief Officers is determined by the Governance Committee giving due regard to current market rates and delivery of the business plan.

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#### Objectives and activities

The primary objectives of HCT Group are to provide community transport services to those who are in need of such services because of age, sickness, disability (mental or physical) or poverty, or because of a lack of availability of adequate and safe public transport, and also the relief of unemployment for public benefit through the provision of training programmes.

HCT Group pursues its primary objectives by securing income on a continuing basis that allows it to provide services which fulfil the criteria set down in its Memorandum and Articles of Association, as stated in the previous paragraph. Income is secured from three primary sources; commercial contracts (via its trading subsidiaries), grant funding, and under

service level agreements with local authorities and other government agencies. The commercial contracts are with public sector bodies under which HCT Group aims to deliver a service that offers best value, in terms of quality and price, to both service users and its contractors.

The Group is committed to providing a proportion of any profit generated in each of the areas in which it operates to provide services in that area.

The activities of the Group are set out in the Strategic Report.

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#### Statement of trustees' responsibilities

The trustees (who are also directors of HCT Group for the purposes of company law) are responsible for preparing the trustees' report, strategic report and 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 charity and the group and of the income and expenditure of the group for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;

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### Statement of trustees' responsibilities (continued)

- observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees confirms that:

- so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and

- the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

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### Employees

HCT Group is committed to equal opportunities in its employment practices and encourages the employment of people with disabilities.

Signed on behalf of the board of trustees:



Trustee

Approved by the board on: 26 June 2017