

**Hackney  
Community  
Transport**

**Annual Report and Financial  
Statements**

31 March 2007

BUZZACOTT

Company Limited by Guarantee  
1747483 (England and Wales)

Charity Registration Number 1091318

## Reference and administrative details of the charity, its trustees and advisers

|                                    |   |
|------------------------------------|---|
| <b>Trustees</b>                    | L Alden<br>E Cato<br>J Davis<br>R Krishna<br>A Levitt<br>C Matharu<br>S Maxwell<br>R Turner<br>N Tyler<br>A Whitehead                               |
| <b>Chief Executive Officer</b>     | D Powell OBE  |
| <b>Secretary</b>                   | S Mason   |
| <b>Registered office</b>           | Ash Grove Bus Depot<br>Mare Street<br>London<br>E8 4RH  |
| <b>Company registration number</b> | 1747483 (England and Wales)   |
| <b>Charity registration number</b> | 1091318   |
| <b>Auditors</b>                    | Buzzacott LLP<br>12 New Fetter Lane<br>London<br>EC4A 1AG   |
| <b>Bankers</b>                     | Barclays Bank plc<br>99 Hatton Garden<br>London<br>EC1N 8DN   |
| <b>Solicitors</b>                  | Herbert Smith LLP<br>Exchange House<br>Primrose Street<br>London<br>EC2A 2HS<br><br>Baker & McKenzie<br>100 New Bridge Street<br>London<br>EC4V 6JA |

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The trustees, who are directors of the charitable company, present their report together with the consolidated financial statements for the year ended 31 March 2007. This trustees' report has been prepared in accordance with Part VI of the Charities Act 1993 and is also the report of the directors for purposes of the Companies Act 1985.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 17 and comply with the charitable company's Memorandum and Articles of Association, applicable laws, and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

#### **Principal aims and objectives**

Hackney Community Transport, the charity, is a non-profit making community transport organisation with a strong commitment to equal opportunities operating transport and other related services. It has three direct subsidiary companies; Islington Community Transport, a charitable company; Lambeth and Southwark Community Transport, a charitable company; and CT Plus Community Interest Company, a trading company.

The primary objectives of the charity are to provide a community transport service for the inhabitants of the London Borough of Hackney and its neighbourhood 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 to provide driver training programmes with the aim of reducing unemployment.

Islington Community Transport is a non-profit making community transport organisation with a strong commitment to equal opportunities operating transport and other related services. The primary objective of the charity is to provide relief to the residents of Islington and its environs, who have need because of age, mental or physical disability and poverty, by means of a community transport service; and to assist the charitable work of organisations engaged in promoting such provision of services.

CT Plus Community Interest Company's primary objective is to carry on any business as a general commercial company. Surpluses made by CT Plus Community Interest Company are generated with the intention of supporting the charitable objects of Hackney Community Transport. The company became a Community Interest Company on 20 April 2007.

The primary objective of CT Plus (Yorkshire) Community Interest Company, a subsidiary of CT Plus Community Interest Company, is to carry on activities which benefit the community within Yorkshire and in particular to provide transport to those who are in need of such services because of age, sickness, disability or poverty, or because of a lack of available or adequate safe public transport. Surpluses made by CT Plus (Yorkshire) Community Interest Company are generated with the intention of supporting the charitable objects of Hackney Community Transport.

Lambeth and Southwark Community Transport's primary objective is to provide a community transport service for the inhabitants of Lambeth and Southwark and its neighbourhood who are in need of such a service because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public passenger service.

**Principal aims and objectives** (continued)

The principal activity of LaSCoT Limited, a subsidiary of Lambeth and Southwark Community Transport, is to support its parent company with associated activities thereto.

**Structure, governance and management**

Hackney Community Transport, the charity, is limited by guarantee and governed by its Memorandum and Articles. It is managed by its Management Committee, a body of 13 individuals; 7 elected from the users of the services operated by the charity and 6 nominated professionals. The Management Committee are the trustees and directors of the charitable company. At every Annual General Meeting one third of this committee must retire from office; new committee members are elected at the AGM.

The Chief Executive Officer is Dai Powell OBE. He is supported by the Deputy Chief Executive Officer, Jude Winter, the Chief Finance Officer, Stephen Mason and the Chief Operations Officer, Jon McColl. These four postholders 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 Management Committee make strategic decisions and the day-to-day operations of the charity are managed by the Chief Officers of Hackney Community Transport, delegated to other staff members, as appropriate.

CT Plus Community Interest Company is a wholly owned subsidiary of Hackney Community Transport with an issued share capital of £1. Its directors are John Davis, Andrew Whitehead (Chair and Treasurer of Hackney Community Transport respectively), Adam Levitt, Robert Turner (trustees of Hackney Community Transport) and the four Chief Officers of the charity set out above.

CT Plus (Yorkshire) Community Interest Company is a wholly owned subsidiary of CT Plus Community Interest Company with an issued share capital of £1. Its directors are John Davis, Andrew Whitehead (Chair and Treasurer of Hackney Community Transport respectively), Adam Levitt, Robert Turner (trustees of Hackney Community Transport) and the four Chief Officers of the charity set out above.

Islington Community Transport is a wholly controlled company limited by guarantee. The Management Committee of Hackney Community Transport are also the trustees/directors of Islington Community Transport.

On 15 June 2006 Lambeth and Southwark Community Transport became a wholly controlled subsidiary of Hackney Community Transport. It is a company limited by guarantee and the directors are John Davis, Andrew Whitehead (Chair and Treasurer of Hackney Community Transport respectively), Adam Levitt, and Robert Turner (trustees of Hackney Community Transport). It should be noted that the formal date that the charity took control was 15 June 2006 but control actually passed on 1 April 2006 and these accounts include the activity from that date.

LaSCoT Limited is a wholly owned subsidiary of Lambeth and Southwark Community Transport. Its directors are Dai Powell OBE, Jude Winter (Chief Executive and Deputy Chief Executive of Hackney Community Transport respectively) and Geoffrey Reid (Chief Executive of Lambeth and Southwark Community Transport).

**Structure, governance and management** (continued)

Trustees

The trustees in office during the year were as follows:

|               | <b>Appointed / Resigned</b> |
|---------------|-----------------------------|
| L Alden       | Appointed 19 June 2006      |
| E Cato        |                             |
| J Davis       |                             |
| R Krishna     |                             |
| A Levitt      |                             |
| C Matharu     |                             |
| S Maxwell     |                             |
| P Newton      | Resigned 15 May 2006        |
| R Turner      |                             |
| P Moffatt MBE | Appointed 16 June 2007      |
| R Williams    | Appointed 16 June 2007      |
| N Tyler       |                             |
| A Whitehead   |                             |

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

S Mason was appointed Company Secretary on 1 August 2007.

Risk management

The trustees have made an assessment of the risks to which the charity and its subsidiaries are exposed, particularly with respect to finance, staff, premises and governance. The major risks to which the charity is exposed have been identified and the trustees are satisfied that systems are in place to mitigate those risks.

Financial instruments

The charitable company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for the charitable company's operations. In addition, the charitable company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Liquidity risk

The charitable company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the charitable company has sufficient liquid resources to meet the needs of its operations.

Credit risk

Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

### **Structure, governance and management (continued)**

Methods adopted for the recruitment and appointment of new trustees

Hackney Community Transport promotes user participation across the group of companies. As part of this process user fora have been established and members of the fora – group transport, individual transport and bus users - are encouraged to put themselves forward as the elected representatives from their user group to the Management Committee. 7 trustee positions are open to users via this route.

The remaining 6 positions are reserved for individuals co-opted onto the Management Committee on the basis of their expertise in a field relevant to the organisation, such as legal, financial, transport, and human resources/ management.

Individuals wishing to become trustees must stand for election/co-option at the Annual General Meeting.

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 and requested to sign the Code of Conduct. Trustees are invited to visit the organisation whilst services are in operation, and are encouraged to do so throughout their term of office.

### **Objectives and activities**

The primary objectives of the charity are to provide a community transport service for the inhabitants of the London Borough of Hackney and its neighbourhood 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 to provide driver training programmes with the aim of reducing unemployment.

Hackney Community Transport 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 of Association, as stated in the previous paragraph. Income is secured from three primary sources; grant funding, under service level agreements with local authorities and other government agencies, and through commercial contracts (via its trading subsidiaries). The commercial contracts are with public sector bodies under which Hackney Community Transport aims to deliver a service that offers best value, in terms of quality and price, to both service users its contractors.

The activities of Hackney Community Transport fall into three main areas: Community Transport, Public Sector Contracts, and Training Programmes.

### *Community Transport*

Community Transport activities include the operation of PlusBuses – fixed route Hail-and-Ride services for people with mobility difficulties in the London boroughs of Hackney, Islington and Camden, Group Transport - providing access to a fleet of minibuses (accessible and non-accessible) for community groups in the Hackney, Lambeth, Brixton and Islington areas at a reasonable charge; and Door-to-Door services.

**Objectives and activities** (continued)

*Public Sector Contracts*

In the late 1990s Hackney Community Transport began its first public sector contracts. Its subsidiary, CT Plus Community Interest Company, now operates three Transport for London bus routes, the 153, 388 and 394, as well as providing the home-to-school transport for pupils with special needs in the London Borough of Waltham Forest. In 2006 CT Plus Yorkshire C.I.C. was created to provide Yellow School Bus Services in Wakefield and Leeds and an Access Bus service in Leeds.

*Training Programmes*

The Training Programmes are provided to enable unemployed people in the Hackney area to gain qualifications and employability skills to enable them to obtain work, usually in the transport industry.

**Achievements and performance**

The objectives set for Hackney Community Transport (HCT) in 2006/07 were as follows.

- Merger with Lambeth and Southwark Community Transport
- Award of further public sector contracts to deliver accessible transport in the London area
- The award of another bus route in London
- Expansion of Mybus operation beyond Wakefield
- Additional accessible transport services in west Yorkshire
- Successful bids for training projects both within the transport sector and outside it

The first objective has been achieved. The organisation is now part of the HCT Group. We have increased the level of activity and continue to provide group transport services in Lambeth and Southwark.

HCT has been successful in winning the tender to provide social service transport in Kensington and Chelsea and Lambeth. These contracts are for a minimum of four years and a maximum of seven.

We have achieved the objective of another bus route in London by winning the W13 route which operates in east London. This contract is for a minimum of 5 years and a maximum of 7.

Objectives 4 and 5 have been achieved with the start of a new depot in Leeds. This development was made possible by successfully winning a contract to operate 25 MyBus routes in Leeds and the award to operate access bus services in Leeds.

The training department had a successful year with contracts from LSC and others. We were also successful in securing a training contract in Health and Social Care.



#### **Financial review**

The group achieved a surplus of £121,950 for the year ended 31 March 2007 (2006 – deficit of £78,118). The results are set out in the statement of financial activities on page 11 and the notes thereto.

#### **Reserves**

The charity has three reserves funds.

The restricted funds represent monies received by the charity which are subject to restrictions on their use, but which have not yet been expended.

The fixed asset fund represents the net book value of those assets held at the balance sheet date which are not readily realisable into liquid funds less the related finance lease obligations. This fund was introduced in the year ended 31 March 2007.

The general fund represents the free working capital of the charity which enables it to plan and operate its services. At 31 March 2007 the surplus on the general fund amounted to £214,913 (2006 – £446,839 which included fixed assets). The Trustees are actively working to increase this fund.

#### **Reserves policy**

At 31 March 2007 the balance on the general reserve fund was £214,913 (2006 – £446,839). It is the intention of the charity to have between one and three months' staff costs in its general reserve. As at 31 March 2007 one month's gross pay equated to £508,289. The trustees are actively working to increase the levels of this reserve in line with this intention.

The increase in the general reserve and fixed asset reserve combined of £181,800 during the year to 31 March 2007 reflects the measures taken by management to ensure that the charity builds its reserves in line with its policy. It is anticipated that these positive results will continue into 2007/2008.

#### **Plans for the future**

It is the objective of the trustees that HCT continues to deliver services that offer best value in terms of quality and price to both service users and contractors.

HCT has the principals of a social enterprise in that we trade for social purpose. With that in mind the trustees of HCT wish to see the group expand and increase in profits to be invested in community transport.

Our community transport services will:

- Provide Group Transport services in Hackney, Islington, Lambeth, Southwark and Haringey.
- Provide PlusBus services in Hackney and Islington
- Provide Midas training in the above London boroughs
- Provide scooter loan services in Camden and Islington
- Provide training to enable unemployed people to obtain employment

**Plans for the future** (continued)

We have also identified opportunities in the following:

- Increase the number of yellow schools buses (MyBus) in Yorkshire.
- Increase in the provision of 'red bus' services in London
- Develop further operating depots outside and inside London
- Develop community transport services in areas where we undertake contractual services

**Statement of trustees' responsibilities**

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the profit and loss of the group for that period. In preparing those financial statements, the trustees are required to:-

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Each of the trustees, in his or her capacity as director of the charity confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.


**Employees**

Hackney Community Transport is committed to equal opportunities in its employment practices and encourages the employment of people with disabilities.

**Auditors**

On 30 September 2007, Buzzacott, the charity's auditors, transferred their entire business to Buzzacott LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The trustees have consented to treating the appointment of Buzzacott as auditors as extending to Buzzacott LLP. In accordance with section 385 of the Companies Act 1985, Buzzacott LLP will be proposed for re-appointment as auditors of the charity.

Signed on behalf of the board of directors:



Trustee

Approved by the board on: 15/1/2008

**Independent auditors' report to the members of Hackney Community Transport**

We have audited the financial statements on pages 11 to 31 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 15 to 17.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and independent auditors**

As described on page 7, the trustees, who are the directors of Hackney Community Transport, are responsible for the preparation of the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

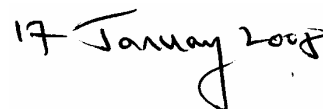
**Opinion**

In our opinion:

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the group's and the charitable company's state of affairs as at 31 March 2007 and of the incoming resources and application of resources, including income and expenditure, of the group in the year then ended;
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information given in the trustees' report is consistent with the financial statements.

A handwritten signature in black ink that reads "Buzzacott LLP". The signature is written in a cursive style and is underlined with a single horizontal line.

Buzzacott LLP  
Chartered Accountants and Registered Auditors  
12 New Fetter Lane  
London  
EC4A 1AG

A handwritten date in black ink that reads "17 January 2008". The date is written in a cursive style.

## Consolidated statement of financial activities Year to 31 March 2007

|   | Notes | Unrestricted funds<br>£ | Restricted funds<br>£ | Total 2007 funds<br>£ | Total 2006 funds<br>£ |
|---|-------|-------------------------|-----------------------|-----------------------|-----------------------|
| <b>Incoming resources</b>   |       |                         |                       |                       |                       |
| Incoming resources from generated funds   |       |                         |                       |                       |                       |
| . Voluntary income  | 1     | —                       | 505,616               | <b>505,616</b>        | 593,339               |
| . Investment income   |       | 170                     | —                     | <b>170</b>            | 2,466                 |
| Incoming resources from charitable activities                                   |       |                         |                       |                       |                       |
| . Income from transport services  | 2     | 11,979,590              | 31,008                | <b>12,010,598</b>     | 9,585,579             |
| Other incoming resources  |       |                         |                       |                       |                       |
| . Management charges  |       | 54,750                  | —                     | <b>54,750</b>         | 70,000                |
| . Miscellaneous income  |       | 4,593                   | —                     | <b>4,593</b>          | 9,157                 |
| <b>Total incoming resources</b>   |       | <b>12,039,103</b>       | <b>536,624</b>        | <b>12,575,727</b>     | <b>10,260,541</b>     |
| <b>Resources expended</b>   |       |                         |                       |                       |                       |
| Charitable activities   |       |                         |                       |                       |                       |
| . Community transport   | 3     | 1,235,668               | 550,172               | <b>1,785,840</b>      | 1,008,227             |
| . Public sector contracts   | 3     | 10,045,981              | 44,189                | <b>10,090,170</b>     | 8,751,593             |
| . Training programmes   | 3     | 525,007                 | 2,113                 | <b>527,120</b>        | 555,372               |
| Governance costs  | 4     | 50,647                  | —                     | <b>50,647</b>         | 23,467                |
| <b>Total resources expended</b>   |       | <b>11,857,303</b>       | <b>596,474</b>        | <b>12,453,777</b>     | <b>10,338,659</b>     |
| <b>Net incoming (outgoing) resources</b>  |       |                         |                       |                       |                       |
|   | 6     | 181,800                 | (59,850)              | <b>121,950</b>        | (78,118)              |
| <b>Fund balances transferred from Lambeth and Southwark Community Transport</b> |       |                         |                       |                       |                       |
|   | 25    | 186,850                 | 67,213                | <b>254,063</b>        | —                     |
| <b>Fund balances at 1 April 2006</b>  |       | <b>446,839</b>          | <b>325,044</b>        | <b>771,883</b>        | <b>850,001</b>        |
| <b>Fund balances at 31 March 2007</b>   |       | <b>815,489</b>          | <b>332,407</b>        | <b>1,147,896</b>      | <b>771,883</b>        |

There were no other recognised gains or losses other than the net incoming resources for the above two financial years.

All of the group's activities in the above two financial years derived from continuing operations.

## Group and charity balance sheets 31 March 2007

|  | Notes | Group              |             | Charity            |           |
|--|-------|--------------------|-------------|--------------------|-----------|
|  |       | 2007<br>£          | 2006<br>£   | 2007<br>£          | 2006<br>£ |
| <b>Fixed assets</b>  |       |                    |             |                    |           |
| Tangible fixed assets  | 7     | 1,774,829          | 1,277,475   | 769,840            | 868,677   |
| <b>Current assets</b>  |       |                    |             |                    |           |
| Stock  |       | 63,776             | 70,509      | 11,116             | 12,562    |
| Debtors  | 8     | 2,424,459          | 1,671,406   | 1,775,698          | 1,101,864 |
| Cash at bank and in hand                                       |       | 737,819            | 119,881     | 20,681             | 5,110     |
|  |       | <b>3,226,054</b>   | 1,861,796   | <b>1,807,495</b>   | 1,119,536 |
| <b>Creditors:</b> amounts falling due within one year          | 9     | <b>(2,766,041)</b> | (1,642,183) | <b>(1,333,486)</b> | (845,327) |
| <b>Net current assets</b>                                      |       | <b>460,013</b>     | 219,613     | <b>474,009</b>     | 274,209   |
| <b>Total assets less current liabilities</b>                   |       | <b>2,234,842</b>   | 1,497,088   | <b>1,243,849</b>   | 1,142,886 |
| <b>Creditors:</b> amounts falling due after more than one year | 10    | <b>(1,086,946)</b> | (725,205)   | <b>(380,505)</b>   | (424,194) |
| <b>Net assets</b>  |       | <b>1,147,896</b>   | 771,883     | <b>863,344</b>     | 718,692   |
| <b>Reserves</b>  |       |                    |             |                    |           |
| Restricted funds   | 18    | 332,407            | 325,044     | 276,408            | 239,146   |
| Unrestricted funds:  |       |                    |             |                    |           |
| . Designated Fund  |       | 600,576            | —           | 72,358             | —         |
| . General fund   |       | 214,913            | 446,839     | 514,578            | 479,546   |
| <b>Total charity funds</b>                                     |       | <b>1,147,896</b>   | 771,883     | <b>863,344</b>     | 718,692   |

Signed on behalf of the board of trustees by:

Trustee

Approved by the board on:

## Consolidated cash flow statement Year to 31 March 2007

|  | Notes | 2007<br>£        | 2006<br>£ |
|--|-------|------------------|-----------|
| <b>Cash inflow from operating activities</b>           | A     | <b>567,180</b>   | 131,181   |
| <b>Returns on investments and servicing of finance</b> | C     | <b>(86,442)</b>  | (47,220)  |
| <b>Capital expenditure and financing investments</b>   | C     | <b>(653,795)</b> | (648,358) |
| <b>Financing</b>                                       | C     | <b>588,579</b>   | 388,814   |
| <b>Increase (decrease) in cash</b>                     | B     | <b>415,522</b>   | (175,583) |

Notes to the cash flow statement for the year to 31 March 2007.

### A Adjustment of net incoming (outgoing) resources before transfers to net cash inflow from operating activities

|  | 2007<br>£      | 2006<br>£      |
|--|----------------|----------------|
| Net incoming (outgoing) resources before transfers | 121,950        | (78,118)       |
| Depreciation charge                                | 325,608        | 201,261        |
| Loss on disposal                                   | 5,000          | 25,885         |
| Interest receivable                                | (170)          | (2,466)        |
| Interest payable                                   | 86,612         | 49,686         |
| Net cash acquired from new subsidiary undertaking  | 79,896         | —              |
| Increase in debtors                                | (753,053)      | (255,367)      |
| Decrease (increase) in stock                       | 6,733          | (35,109)       |
| Increase in creditors                              | 694,604        | 225,409        |
| <b>Net cash inflow from operating activities</b>   | <b>567,180</b> | <b>131,181</b> |

### B Reconciliation of cash flow to movement in net debt

|  | £         |
|--|-----------|
| Increase in cash in the year                             | 415,522   |
| Cash outflow from repayments of debt and lease financing | 588,579   |
| Change in net debt resulting from cash flows             | 1,004,101 |
| Net finance leases                                       | (839,519) |
| Movement in net debt in the year                         | 164,582   |
| Net debt at 1 April 2006                                 | (852,114) |
| Net debt at 31 March 2007                                | (687,532) |



## Consolidated cash flow statement Year to 31 March 2007

### C Gross cash flows

|  | 2007<br>£        | 2006<br>£        |
|--|------------------|------------------|
| <b>Returns on investments and servicing of finance</b> |                  |                  |
| Interest received                                      | 170              | 2,466            |
| Interest element of finance lease rental payments      | (39,521)         | (30,307)         |
| Interest element of loan payments                      | (47,091)         | (19,379)         |
|  | <b>(86,442)</b>  | <b>(47,220)</b>  |
| <b>Capital expenditure and financial investment</b>    |                  |                  |
| Payments to acquire tangible fixed assets              | <b>(653,795)</b> | <b>(648,358)</b> |
| <b>Financing</b>                                       |                  |                  |
| Loan Advance   | <b>200,000</b>   | 501,991          |
| Lease rental advance                                   | <b>639,519</b>   | 294              |
| Capital element of finance lease rental payments       | <b>(174,326)</b> | (74,212)         |
| Capital element of loan payments                       | <b>(76,614)</b>  | (38,965)         |
|  | <b>588,579</b>   | <b>388,814</b>   |

### D Analysis of changes in net debt

|                                     | At<br>1 April<br>2006<br>£ | Cash<br>flows<br>£ | Other<br>changes<br>£ | At<br>31 March<br>2007<br>£ |
|-------------------------------------|----------------------------|--------------------|-----------------------|-----------------------------|
| Cash at bank                        | 119,881                    | 617,938            | —                     | <b>737,819</b>              |
| Overdraft                           | (302,314)                  | (202,416)          | —                     | <b>(504,730)</b>            |
| Finance leases due within one year  | (72,236)                   | 174,326            | (209,844)             | <b>(107,754)</b>            |
| Loan – due within one year          | (55,334)                   | 76,614             | (267,934)             | <b>(246,654)</b>            |
| Finance leases – due after one year | (293,211)                  | —                  | (408,396)             | <b>(701,607)</b>            |
| Loans - due after one year          | (431,994)                  | —                  | 46,655                | <b>(385,339)</b>            |
| <b>Total</b>                        | <b>(1,035,208)</b>         | <b>666,462</b>     | <b>(839,519)</b>      | <b>(1,208,265)</b>          |

## **Principal accounting policies** Year to 31 March 2007

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) have been followed in preparing these financial statements.

### **Basis of consolidation**

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of Hackney Community Transport and its subsidiaries, Islington Community Transport, CT Plus Community Interest Company and CT Plus (Yorkshire) Community Interest Company, Lambeth and Southwark Community Transport and LaSCoT Ltd made up at the balance sheet date.

The formal date that the charity took control of Lambeth and Southwark Community Transport and LaSCoT Ltd was 15 June 2006 although actual control took place earlier. The charity actually took control on 1 April 2006 and these financial statements consolidate the activities of the two wholly controlled subsidiaries from that date.

### **Incoming resources**

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it, for example contractual income, or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as incoming resources from charitable activities where these amount to a contract for services, but as donations where the money is given or with greater freedom of use, for example monies for core funding.

No separate statement of financial activities has been presented for Hackney Community Transport alone, as permitted by s230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

Hackney Community Transport had total incoming resources of £3,307,113 (2006 - £2,699,926) and net incoming resources of £144,652 for the year ended 31 March 2007 (2006 – net outgoing resources of £65,705).

**Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report.

Such costs include:

- ◆ staff costs
- ◆ premises costs, equipment and utilities
- ◆ professional fees

The majority of costs are directly attributable to specific activities. Certain shared support costs are apportioned to charitable activities.

Indirect costs are apportioned on a basis which reflects the overall activity of head office.

Office costs and property related costs are allocated in the same proportion as directly attributable staff costs.

- b. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

**Tangible fixed assets**

All assets costing more than £500 and with an expected useful life of more than one year are capitalised.

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates based on the estimated useful life of the assets as follows:

- |   |                                   |
|---|-----------------------------------|
| ◆ Motor vehicles – Buses and large mini-buses | straight line basis over 10 years |
| ◆ Motor vehicles – Other                      | straight line basis over 7 years  |
| ◆ Fixtures and fitting                        | 25% reducing balance              |
| ◆ Plant and Equipment                         | 25% reducing balance              |
| ◆ IT Equipment                                | straight line basis over 3 years  |
| ◆ Portacabins                                 | straight line basis over 3 years  |
| ◆ Modular Buildings                           | straight line basis over 20 years |

**Pensions**

The charity's contributions to the pension schemes for its employees, all of which are defined contribution schemes, are charged to the income and expenditure account in the period in which they fall due.

Contributions in respect of the London Borough of Waltham Forest Pension Fund, which the eligible employees of CT Plus Community Interest Company became members of with effect from 1 May 2004, are charged to the income and expenditure account as explained in note 15 to the financial statements.

**Fund accounting**

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

**Leased assets**

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the lease term.

Assets held under finance leases are capitalised and depreciated over their useful lives. The corresponding lease obligation is treated in the balance sheet as a liability. The interest element is charged against income over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

**Stock**

Stock represents the cost, net of VAT, as at 31 March 2007 of diesel, vehicle parts, oils/lubricants and other vehicle related consumables.

**1 Voluntary income – grants receivable**

Grants receivable are income of the charities Hackney Community Transport and Islington Community Transport.

|  | 2007<br>£      | 2006<br>£ |
|--|----------------|-----------|
| Community Transport Grants                                   |                |           |
| . Urban Bus Challenge  | <b>405,581</b> | 453,435   |
| . Bridge House Estate Trust Fund                             | <b>6,030</b>   | 30,150    |
| Training Grants  |                |           |
| . Hackney Works ILM Programme                                | <b>23,098</b>  | 54,144    |
| . ECI – New deal for communities                             | <b>39,286</b>  | 12,500    |
| . Finsbury Park SRB Partnership                              | –              | 8,324     |
| . BASSAC – Department of Health Opportunities for Volunteers | <b>25,000</b>  | 27,168    |
| . London Borough of Camden                                   | <b>6,621</b>   | 7,995     |
| . European Social Fund                                       | –              | (377)     |
|  | <b>505,616</b> | 593,339   |

**2 Income from transport services**

The analysis of incoming resources from charitable activities, all of which is derived from the UK is as follows:

|                            | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | 2007<br>Total<br>funds<br>£ | 2006<br>Total<br>funds<br>£ |
|----------------------------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Public Sector Contracts    |                            |                          |                             |                             |
| . Bus Operations           | 6,645,301                  | –                        | <b>6,645,301</b>            | 5,469,924                   |
| . Home to School Transport | 3,678,431                  | –                        | <b>3,678,431</b>            | 3,080,617                   |
| Community Transport        |                            |                          |                             |                             |
| . Contracts                | 179,128                    | –                        | <b>179,128</b>              | 314,885                     |
| . Group Transport          | 892,479                    | 31,008                   | <b>923,487</b>              | 199,999                     |
| . Door-to-Door             | 12,031                     | –                        | <b>12,031</b>               | 12,990                      |
| . ScootAbility             | 107,270                    | –                        | <b>107,270</b>              | 70,600                      |
| Training Programmes        |                            |                          |                             |                             |
| . Training                 | 419,950                    | –                        | <b>419,950</b>              | 412,663                     |
| . Travel Training          | –                          | –                        | –                           | 10,000                      |
| Other                      |                            |                          |                             |                             |
| . Consultancy              | 45,000                     | –                        | <b>45,000</b>               | 3,040                       |
| . Other                    | –                          | –                        | –                           | 10,861                      |
|                            | <b>11,979,590</b>          | <b>31,008</b>            | <b>12,010,598</b>           | <b>9,585,579</b>            |

In the year the London Borough of Hackney provided Hackney Community Transport with income of £100,000 (2006 - £100,000) for a project that provided a community transport service; a range of wheelchair accessible minibuses for use by voluntary and community groups, and a volunteer-run door-to-door service for individuals with disabilities.

The Training Programmes of the charity were also supported by Job Centre Plus and the Learning and Skills Council who provided funds of £177,525 and £104,430 respectively (2006 – £256,275 and £112,550).

## Notes to the financial statements Year to 31 March 2007

### 3 Total resources expended

|   | Basis of allocation<br>£ | Community Transport<br>£ | Public Sector Contracts<br>£ | Training Pro-grammes<br>£ | Governance<br>£ | Total 2007<br>£   | Total 2006<br>£   |
|---|--------------------------|--------------------------|------------------------------|---------------------------|-----------------|-------------------|-------------------|
| <b>Costs directly allocated to activities</b>     |                          |                          |                              |                           |                 |                   |                   |
| Provision of transport services                   |                          |                          |                              |                           |                 |                   |                   |
| . Bus operations                                  | Direct                   | –                        | 5,606,955                    | –                         | –               | <b>5,606,955</b>  | 4,799,753         |
| . Home to School Transport                        | Direct                   | –                        | 3,491,830                    | –                         | –               | <b>3,491,830</b>  | 2,999,036         |
| . Group transport                                 | Direct                   | 912,248                  | –                            | –                         | –               | <b>912,248</b>    | 130,318           |
| . Door-to-Door                                    | Direct                   | 27,316                   | –                            | –                         | –               | <b>27,316</b>     | 15,552            |
| . Contracts                                       | Direct                   | 215,453                  | –                            | –                         | –               | <b>215,453</b>    | 259,226           |
| . Plusbus   | Direct                   | 361,980                  | –                            | –                         | –               | <b>361,980</b>    | 411,756           |
| . ScootAbility                                    | Direct                   | 48,548                   | –                            | –                         | –               | <b>48,548</b>     | 34,085            |
| . Other   | Direct                   | 40,000                   | –                            | –                         | –               | <b>40,000</b>     | 35,600            |
| Training Programmes                               |                          |                          |                              |                           |                 |                   |                   |
| . Driver training programmes                      | Direct                   | –                        | –                            | 464,584                   | –               | <b>464,584</b>    | 443,751           |
| . Travel training                                 | Direct                   | –                        | –                            | –                         | –               | <b>–</b>          | 2,892             |
| . Hackney Works ILM Programme                     | Direct                   | –                        | –                            | 15,137                    | –               | <b>15,137</b>     | 49,401            |
| <b>Support costs allocated to activities</b>      |                          |                          |                              |                           |                 |                   |                   |
| Finance, Human Resources and general office staff |                          |                          |                              |                           |                 |                   |                   |
| Turnover  |                          | 39,720                   | 218,402                      | 10,442                    | –               | <b>268,564</b>    | 249,273           |
| Management staff                                  | Turnover                 | 49,987                   | 274,865                      | 13,142                    | –               | <b>337,994</b>    | 322,355           |
| Premises costs                                    | Turnover                 | 38,218                   | 210,151                      | 10,048                    | –               | <b>258,417</b>    | 184,927           |
| Office costs                                      | Turnover                 | 13,900                   | 76,430                       | 3,654                     | –               | <b>93,984</b>     | 87,315            |
| Other costs                                       | Turnover                 | 20,793                   | 114,337                      | 5,466                     | –               | <b>140,596</b>    | 190,535           |
| Legal and professional fees                       | Turnover                 | 9,689                    | 53,276                       | 2,547                     | 50,647          | <b>116,159</b>    | 70,066            |
| Depreciation                                      | Turnover                 | 7,988                    | 43,924                       | 2,100                     | –               | <b>54,012</b>     | 52,818            |
|   |                          | <b>1,785,840</b>         | <b>10,090,170</b>            | <b>527,120</b>            | <b>50,647</b>   | <b>12,453,777</b> | <b>10,338,659</b> |

### 4 Governance costs

|                        | Unrestricted funds<br>£ | Restricted funds<br>£ | 2007 Total funds<br>£ | 2006 Total funds<br>£ |
|------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| Auditors' remuneration | 47,465                  | –                     | <b>47,465</b>         | 20,791                |
| Other governance costs | 3,182                   | –                     | <b>3,182</b>          | 2,676                 |
|                        | <b>50,647</b>           | <b>–</b>              | <b>50,647</b>         | <b>23,467</b>         |

### 5 Staff costs

|                    | 2007<br>£        | 2006<br>£        |
|--------------------|------------------|------------------|
| Wages and salaries | <b>6,332,958</b> | 5,376,656        |
| Social security    | <b>593,410</b>   | 505,787          |
| Pension costs      | <b>199,169</b>   | 157,200          |
|                    | <b>7,125,537</b> | <b>6,039,643</b> |

**5 Staff costs** (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

|                   | 2007<br>Number | 2006<br>Number |
|-------------------|----------------|----------------|
| £60,000 - £70,000 | 2              | 1              |
| £70,000 - £80,000 | 1              | –              |
| £80,000 - £90,000 | 1              | 1              |
|                   | <b>4</b>       | <b>2</b>       |

The trustees receive no remuneration for their services (2006 - £nil). No expenses have been reimbursed to trustees (2006 - £nil).

Charity and charity trustees indemnity insurance has been purchased to protect the charity from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity for the year totalled £1,050 (2006 - £997) and provides cover of up to a maximum of £250,000 (2006 - £250,000).

The average number of employees during the year was 366 (2006 – 326):

|                                | 2007<br>£  | 2006<br>£  |
|--------------------------------|------------|------------|
| Operations                     | 310        | 270        |
| Engineering (Infrastructure)   | 9          | 9          |
| Transport Unit                 | 5          | 5          |
| Management and Finance         | 12         | 12         |
| Training                       | 14         | 14         |
| Community Transport Volunteers | 16         | 16         |
|                                | <b>366</b> | <b>326</b> |

The estimated average number of full time equivalent employees is 294 (2006 – 240).

**6 Net incoming (outgoing) resources**

This is stated after charging/(crediting):

|   | 2007<br>£ | 2006<br>£ |
|---|-----------|-----------|
| Depreciation                                  | 325,608   | 201,261   |
| Loss on sale of fixed assets                  | –         | 25,885    |
| Auditors' remuneration                        |           |           |
| · Audit fees                                  | 29,300    | 27,250    |
| · Other services                              | 12,600    | 6,650     |
| Bank deposit interest                         | (170)     | (2,466)   |
| Interest payable in respect of finance leases | 39,521    | 30,307    |
| Interest payable in respect of loans          | 47,091    | 19,379    |



**7 Fixed assets**

| <b>Group</b>              | Leasehold improvement<br>£ | IT equipment<br>£ | Fixtures and fittings<br>£ | Plant and equipment<br>£ | Motor vehicles<br>£ | Modular buildings<br>£ | <b>Total<br/>£</b> |
|---------------------------|----------------------------|-------------------|----------------------------|--------------------------|---------------------|------------------------|--------------------|
| <b>Cost</b>               |                            |                   |                            |                          |                     |                        |                    |
| At 1 April 2006           | —                          | 211,854           | 79,831                     | 27,389                   | 1,485,160           | 541,890                | <b>2,346,124</b>   |
| Additions                 | 38,462                     | 12,746            | 2,628                      | 6,233                    | 571,149             | 22,577                 | <b>653,795</b>     |
| Acquired on merger        | —                          | 16,559            | —                          | 2,910                    | 326,470             | —                      | <b>345,939</b>     |
| Disposals                 | —                          | —                 | —                          | —                        | (207,469)           | —                      | <b>(207,469)</b>   |
| At 31 March 2007          | <b>38,462</b>              | <b>241,159</b>    | <b>82,459</b>              | <b>36,532</b>            | <b>2,175,310</b>    | <b>564,467</b>         | <b>3,138,389</b>   |
| <b>Depreciation</b>       |                            |                   |                            |                          |                     |                        |                    |
| At 1 April 2006           | —                          | 171,171           | 62,797                     | 12,450                   | 808,684             | 13,547                 | <b>1,068,649</b>   |
| Depreciation on Disposals | —                          | —                 | —                          | —                        | (202,469)           | —                      | <b>(202,469)</b>   |
| Acquired on merger        | —                          | 5,521             | —                          | 1,169                    | 165,082             | —                      | <b>171,772</b>     |
| Charge for the year       | 4,666                      | 35,097            | 4,605                      | 5,815                    | 247,202             | 28,223                 | <b>325,608</b>     |
| At 31 March 2007          | <b>4,666</b>               | <b>211,789</b>    | <b>67,402</b>              | <b>19,434</b>            | <b>1,018,499</b>    | <b>41,770</b>          | <b>1,363,560</b>   |
| <b>Net book value</b>     |                            |                   |                            |                          |                     |                        |                    |
| At 31 March 2007          | <b>33,796</b>              | <b>29,370</b>     | <b>15,057</b>              | <b>17,098</b>            | <b>1,156,811</b>    | <b>522,697</b>         | <b>1,774,829</b>   |
| At 31 March 2006          | —                          | 40,683            | 17,034                     | 14,939                   | 676,476             | 528,343                | <b>1,277,475</b>   |

| <b>Charity</b>            | IT equipment<br>£ | Fixtures and fittings<br>£ | Plant and equipment<br>£ | Motor vehicles<br>£ | Modular buildings<br>£ | <b>Total<br/>£</b> |
|---------------------------|-------------------|----------------------------|--------------------------|---------------------|------------------------|--------------------|
| <b>Cost</b>               |                   |                            |                          |                     |                        |                    |
| At 1 April 2006           | 204,464           | 77,315                     | 13,723                   | 756,703             | 541,890                | <b>1,594,095</b>   |
| Additions                 | 8,139             | 1,286                      | —                        | —                   | 22,577                 | <b>32,002</b>      |
| Disposals                 | —                 | —                          | —                        | (173,974)           | —                      | <b>(173,974)</b>   |
| At 31 March 2007          | <b>212,603</b>    | <b>78,601</b>              | <b>13,723</b>            | <b>582,729</b>      | <b>564,467</b>         | <b>1,452,123</b>   |
| <b>Depreciation</b>       |                   |                            |                          |                     |                        |                    |
| At 1 April 2006           | 166,817           | 61,343                     | 6,613                    | 477,098             | 13,547                 | <b>725,418</b>     |
| Depreciation on Disposals | —                 | —                          | —                        | (173,974)           | —                      | <b>(173,974)</b>   |
| Charge for the year       | 25,579            | 4,004                      | 1,778                    | 71,255              | 28,223                 | <b>130,839</b>     |
| At 31 March 2007          | <b>192,396</b>    | <b>65,347</b>              | <b>8,391</b>             | <b>374,379</b>      | <b>41,770</b>          | <b>682,283</b>     |
| <b>Net book value</b>     |                   |                            |                          |                     |                        |                    |
| At 31 March 2007          | <b>20,207</b>     | <b>13,254</b>              | <b>5,332</b>             | <b>208,350</b>      | <b>522,697</b>         | <b>769,840</b>     |
| At 31 March 2006          | 37,647            | 15,972                     | 7,110                    | 279,605             | 528,343                | <b>868,677</b>     |

**Finance Leases**

The net book value of tangible fixed assets of the group includes an amount of £774,314 (2006 - £315,040) in respect of assets held under finance leases on which the depreciation charge for the year was £111,875 (2006 - £48,872).

**Borrowings**

Barclays Bank plc has a fixed and floating charge over all current and future assets of Hackney Community Transport with respect to its overdraft facilities. Hackney Community Transport and CT Plus Community Interest Company both have overdraft facilities with the bank.

**8 Debtors**

|  | Group            |           | Charity          |           |
|--|------------------|-----------|------------------|-----------|
|  | 2007<br>£        | 2006<br>£ | 2007<br>£        | 2006<br>£ |
| Trade debtors  | <b>927,403</b>   | 497,029   | <b>361,324</b>   | 195,189   |
| Amount due from Transport Co-ordination Centre Hackney Limited (note 21) | <b>116,161</b>   | 70,000    | <b>116,161</b>   | 70,000    |
| Amount due from CT Plus Community Interest Company                       | –                | –         | <b>968,119</b>   | 521,396   |
| Amount due from Lambeth and Southwark Community Transport                | –                | –         | <b>13,219</b>    | –         |
| Amount due from Islington Community Transport                            | –                | –         | <b>14,500</b>    | 20,000    |
| Prepayments  | <b>533,267</b>   | 344,372   | <b>152,327</b>   | 117,970   |
| Other debtors  | <b>847,628</b>   | 760,005   | <b>150,048</b>   | 177,309   |
|  | <b>2,424,459</b> | 1,671,406 | <b>1,775,698</b> | 1,101,864 |

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

|  | Group            |           | Charity          |           |
|--|------------------|-----------|------------------|-----------|
|  | 2007<br>£        | 2006<br>£ | 2007<br>£        | 2006<br>£ |
| Trade creditors  | <b>1,133,805</b> | 709,933   | <b>217,042</b>   | 143,478   |
| Amount due to Transport Co-ordination Centre Hackney Limited (note 21) | –                | 9,085     | –                | 9,085     |
| Amount due to Hackney Community Recycling (note 21)                    | –                | 2,500     | –                | 1,000     |
| Amount due to CT Plus Community Interest Company (note 21)             | –                | –         | –                | 272,070   |
| Amount due to CT Plus (Yorkshire) Community Interest Company (note 21) | –                | –         | <b>68,767</b>    | 21,064    |
| Taxation and social security   | <b>177,508</b>   | 184,754   | <b>47,632</b>    | 47,846    |
| Bank overdraft (secured)   | <b>504,730</b>   | 302,314   | <b>374,454</b>   | 87,207    |
| Other creditors  | <b>239,320</b>   | 133,086   | <b>69,756</b>    | 41,155    |
| Obligations under finance leases (note 12)                             | <b>107,754</b>   | 72,236    | <b>7,754</b>     | 31,983    |
| Accruals   | <b>132,234</b>   | 68,221    | <b>100,626</b>   | 51,840    |
| Loans (note 11)  | <b>246,654</b>   | 55,334    | <b>235,935</b>   | 33,879    |
| Deferred income (note 17)  | <b>224,036</b>   | 104,720   | <b>211,520</b>   | 104,720   |
|  | <b>2,766,041</b> | 1,642,183 | <b>1,333,486</b> | 845,327   |

The overdraft and loans are secured by fixed and floating charges over the assets of Hackney Community Transport.

CT Plus Community Interest Company also has a performance bond facility in the sum of £320,000 (2006 - £320,000) which is secured by a debenture on Hackney Community Transport.

Notes to the financial statements Year to 31 March 2007

**10 Creditors: amounts falling after more than one year**

|  | Group            |           | Charity        |           |
|--|------------------|-----------|----------------|-----------|
|  | 2007<br>£        | 2006<br>£ | 2007<br>£      | 2006<br>£ |
| Obligations under finance leases (note 12) | <b>701,607</b>   | 293,211   | –              | 7,754     |
| Loans (note 11)                            | <b>385,339</b>   | 431,994   | <b>380,505</b> | 416,440   |
|  | <b>1,086,946</b> | 725,205   | <b>380,505</b> | 424,194   |

Details of the security for the loan is set out in note 9.

**11 Loan commitments**

The future loan obligations to which the group is committed are as follows:-

|                            | Group          |           | Charity        |           |
|----------------------------|----------------|-----------|----------------|-----------|
|                            | 2007<br>£      | 2006<br>£ | 2007<br>£      | 2006<br>£ |
| Within one year            | <b>246,654</b> | 55,334    | <b>235,935</b> | 33,879    |
| Between two and five years | <b>195,357</b> | 176,784   | <b>190,523</b> | 161,231   |
| Over five years            | <b>189,982</b> | 255,210   | <b>189,982</b> | 255,209   |
|                            | <b>631,993</b> | 487,328   | <b>616,440</b> | 450,319   |

**12 Finance lease commitments**

The future finance lease obligations to which the group is committed are as follows:-

|                            | Group          |           | Charity      |           |
|----------------------------|----------------|-----------|--------------|-----------|
|                            | 2007<br>£      | 2006<br>£ | 2007<br>£    | 2006<br>£ |
| Within one year            | <b>107,754</b> | 72,236    | <b>7,754</b> | 31,983    |
| Between two and five years | <b>701,607</b> | 293,211   | –            | 7,754     |
|                            | <b>809,361</b> | 365,447   | <b>7,754</b> | 39,737    |

**13 Operating lease commitments**

The future operating lease obligations to which the group is committed are as follows:-

|                            | Group          |           | Charity       |           |
|----------------------------|----------------|-----------|---------------|-----------|
|                            | 2007<br>£      | 2006<br>£ | 2007<br>£     | 2006<br>£ |
| Within one year            | <b>10,120</b>  | 12,293    | <b>10,120</b> | –         |
| Between two and five years | <b>587,739</b> | 400,357   | <b>10,969</b> | 23,113    |
| Over five years            | <b>150,420</b> | 281,440   | –             | –         |
|                            | <b>748,279</b> | 694,090   | <b>21,089</b> | 23,113    |

**14 Capital commitments**

|   | 2007<br>£'000  | 2006<br>£'000  |
|---|----------------|----------------|
| The capital commitments at 31 March 2007 were:              |                |                |
| Contracted but not provided for in the financial statements |                |                |
| . Motor Vehicles  | 885,000        | 126,922        |
| . Other   | –              | 31,810         |
|   | <b>885,000</b> | <b>158,732</b> |
| Authorised but not contracted for                           |                |                |
| . Motor Vehicles  | –              | 444,227        |
|   | <b>885,000</b> | <b>602,959</b> |
| <b>Total commitments</b>                                    | <b>885,000</b> | <b>602,959</b> |

**15 London Borough of Waltham Forest Pension Fund**

The London Borough of Waltham Forest Pension Fund is a defined benefit scheme.

With effect from 1 May 2004, eligible employees of CT Plus Community Interest Company under the Transfer of Undertakings (Protection of Employment) Regulations became active members of the scheme. The employer contribution rate at 1 May 2004 was set at 9.18% of gross salary where the employees' contribution rate is 6% and 7.65% of gross salary where the employees' contribution rate is 5%. Where the initial rate (9.18% or 7.65%) imposed upon CT Plus Community Interest Company changes, the London Borough of Waltham Forest has agreed to an appropriate adjustment to the basic charge so that CT Plus's commitment is limited to the initial rates. The contribution rate paid by CT Plus Community Interest Company is calculated on an ongoing funding basis, assuming a past funding level in respect of the eligible employees of 100% as at 1 May 2004.

Contributions are accounted for by CT Plus Community Interest Company based on the actual amounts payable to the scheme. The total pension cost for CT Plus Community Interest Company during the year was £38,887 (2006 - £31,986).

**16 Taxation**

No provision has been made in these financial statements for income or corporation tax because the charitable activities of Hackney Community Transport qualify for exemption under Section 505 of ICTA 1986. Islington Community Transport, as a registered charity, also qualifies for exemption under Section 505 of ICTA 1986. Lambeth and Southwark Community Transport, as a registered charity, also qualifies for exemption under section 505 of ICTA 1986. The subsidiary company, CT Plus Community Interest Company, donates its taxable profits, if any, to Hackney Community Transport each year. CT Plus (Yorkshire) Community Interest Company, subsidiary company of CT Plus Community Interest Company, also donates its taxable profits, if any, to Hackney Community Transport each year. The subsidiary company, LaSCoT Limited, donates its taxable profits, if any, to Lambeth and Southwark Community Transport.

Notes to the financial statements Year to 31 March 2007

**17 Deferred income**

| <b>Group and charity</b>           | <b>2006<br/>£</b> | <b>Received<br/>£</b> | <b>Released<br/>£</b> | <b>2007<br/>£</b> |
|------------------------------------|-------------------|-----------------------|-----------------------|-------------------|
| <b>Revenue received in advance</b> |                   |                       |                       |                   |
| Scooterbility invoiced in advance  | –                 | 8,400                 | –                     | <b>8,400</b>      |
| Urban Bus Challenge                | 34,870            | 104,430               | –                     | <b>139,300</b>    |
| Bridge House Estates Trust Fund    | 69,850            | –                     | (6,030)               | <b>63,820</b>     |
| <b>Charity</b>                     | <b>104,720</b>    | <b>112,830</b>        | <b>(6,030)</b>        | <b>211,520</b>    |
| LVPC (Lambeth Summer Project)      | –                 | 6,039                 | –                     | <b>6,039</b>      |
| Lambeth Children's Fund            | –                 | 5,000                 | –                     | <b>5,000</b>      |
| LB Lambeth invoiced in advance     | –                 | 1,477                 | –                     | <b>1,477</b>      |
| <b>Total</b>                       | <b>104,720</b>    | <b>125,346</b>        | <b>(6,030)</b>        | <b>224,036</b>    |

**18 Restricted funds**

| <b>Group and charity</b>                                   | <b>2006<br/>£</b> | <b>Fund<br/>balances<br/>transferred<br/>from<br/>Lambeth<br/>and<br/>Southwark<br/>Community<br/>Transport<br/>£</b> | <b>Received<br/>£</b> | <b>Released<br/>£</b> | <b>2007<br/>£</b> |
|--|-------------------|---|-----------------------|-----------------------|-------------------|
| Community Fund – Hackney Community Transport               | 70,752            | –   | –                     | (70,752)              | –                 |
| Woodberry Down Plusbus                                     | 15,763            | –   | –                     | (15,763)              | –                 |
| Finsbury Park Plusbus                                      | 15,763            | –   | –                     | (15,763)              | –                 |
| Neighbourhood Renewal Fund – Hackney Community Transport   | 31,429            | –   | –                     | (31,429)              | –                 |
| Urban Bus Challenge  | 41,619            | –   | 405,581               | (234,612)             | <b>212,588</b>    |
| Bridge House Estate Trust Fund                             | 63,820            | –   | 6,030                 | (6,030)               | <b>63,820</b>     |
| BASSAC – Department of Health Opportunities for Volunteers | –                 | –   | 25,000                | (25,000)              | –                 |
| Hackney Works ILM Programme                                | –                 | –   | 23,098                | (23,098)              | –                 |
| ECI – New deal for communities                             | –                 | –   | 39,286                | (39,286)              | –                 |
| London Borough of Camden                                   | –                 | –   | 6,621                 | (6,621)               | –                 |
| <b>Restricted funds – charity</b>                          | <b>239,146</b>    | <b>–</b>  | <b>505,616</b>        | <b>(468,354)</b>      | <b>276,408</b>    |
| <b>ICT</b>   |                   |   |                       |                       |                   |
| Community Fund – Islington Community Transport             | 70,752            | –   | –                     | (70,752)              | –                 |
| Neighbourhood Renewal Fund – Islington Community Transport | 15,146            | –   | –                     | (15,146)              | –                 |
| <b>LaSCoT</b>  | <b>–</b>          | <b>67,213</b>   | <b>31,008</b>         | <b>(42,222)</b>       | <b>55,999</b>     |
| <b>Restricted funds – group</b>                            | <b>325,044</b>    | <b>67,213</b>   | <b>536,624</b>        | <b>(596,474)</b>      | <b>332,407</b>    |

**18 Restricted funds** (continued)

*Community Fund*

This is money received from the Community Fund for the purchase of buses.

*Woodberry Down Plusbus*

This is money received from Woodberry Down and Stamford Hill SRB Partnership for the purchase of a bus.

*Finsbury Park Plusbus*

This is money received from Finsbury Park SRB Partnership for the purchase of a bus.

*Neighbourhood Renewal Fund*

This is money received from the Neighbourhood Renewal Fund for the purchase of buses.

*Urban Bus Challenge*

This is money received from Urban Bus Challenge for the purchase of buses.

*Bridge House Estate Trust Fund*

This is money received from Bridge House to part fund an Electro Bus.

*Other restricted funds*

This is money received from a variety of sources, the application of which has been specified by the grantor.

*LaSCoT*

This is money received in Lambeth and Southwark Community Transport from a variety of sources, the application of which has been specified by the grantor.

**19 Unrestricted funds**

|                   | Group          |           | Charity        |           |
|-------------------|----------------|-----------|----------------|-----------|
|                   | 2007<br>£      | 2006<br>£ | 2007<br>£      | 2006<br>£ |
| General fund      | 214,913        | 446,839   | 514,578        | 479,546   |
| Fixed assets fund | 600,576        | –         | 72,358         | –         |
|                   | <b>815,489</b> | 446,839   | <b>586,936</b> | 479,546   |

The fixed assets fund represents the net book value of those assets held at the balance sheet date which are not readily realisable into liquid funds less the related finance lease obligations. A decision was made to separate this fund from the general fund of the charity thereby leaving the general fund to represent the free reserves of the charity.

**20 Status**

Hackney Community Transport is registered in England, limited by guarantee and has no share capital. The liability of the members is limited to £1. Hackney Community Transport is registered with the Charity Commission for England and Wales.

**20 Status** (continued)

CT Plus Community Interest Company is registered in England. It has Authorised Share Capital of 1,000 × £1 shares, of which Hackney Community Transport owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by CT Plus Community Interest Company are set out in note 23. On 20 April 2007 the company converted to a Community Interest Company.

CT Plus (Yorkshire) Community Interest Company is registered in England. It was incorporated on 21 November 2005 as a company limited by shares. On 29 September 2006 it converted to a community interest company and changed its name to CT Plus (Yorkshire) Community Interest Company. It has Authorised Share Capital of 1,000 × £1 shares, of which CT Plus Community Interest Company owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by CT Plus (Yorkshire) Community Interest Company are set out in note 24.

Islington Community Transport is registered in England, limited by guarantee and has no share capital. Islington Community Transport is registered as a charity with the Charity Commission for England and Wales (charity registration number 1085613). Details of transactions undertaken by Islington Community Transport are set out in note 25.

Lambeth and Southwark Community Transport (LaSCoT) is registered in England, limited by guarantee and has no share capital. The liability of the members is limited to £1. Lambeth and Southwark Community Transport is registered with the Charity Commission for England and Wales (Charity Registration Number 1091621 and Company Registration Number 4352550). Details of transactions undertaken by Lambeth and Southwark Community Transport are set out in note 26.

LaSCoT Ltd is registered in England and is a wholly owned subsidiary of Lambeth and Southwark Community Transport. Details of transactions undertaken by LaSCoT Ltd are set out in note 27.

**21 Related party transactions**

The charity has the following related undertakings by virtue of a common management committee:

Hackney Community Recycling – A company limited by guarantee. The company did not trade in the year. At the year end date Hackney Community Transport owed Hackney Community Recycling £nil (2006 - £1,000).

Hackney Community Recycling has also provided a working capital loan of £nil (2006 - £1,500) to CT Plus Community Interest Company. This is included in other creditors in note 9.

Transport Co-ordination Centre Hackney Limited (TCCHL) – A company limited by guarantee which was formed to co-ordinate transport to increase the provision available to elderly users, people with disabilities and those attending leisure and education facilities. During the year, Hackney Community Transport charged TCCHL £nil (2006 - £23,830) in respect of contract hire. During the year Hackney Community Transport charged TCCHL £54,750 (2006 - £70,000) in respect of administration.

**21 Related party transactions** (continued)

At the year end date TCCHL owed Hackney Community Transport £125,246 (2006 - £70,000) with respect to the administration charge; HCT owing TCCHL £9,085 with respect to the Inter-company loan account (2006 – £9,085).

Transactions between the charity and its wholly controlled subsidiaries are not disclosed, as permitted by the exemptions set out in FRS 8.

**22 Analysis of net assets between funds**

|   | Designated<br>Fund<br>£ | General<br>fund<br>£ | Restricted<br>funds<br>£ | Total<br>£         |
|---|-------------------------|----------------------|--------------------------|--------------------|
| <b>Fund balances at 31 March 2007 are represented by:</b> |                         |                      |                          |                    |
| Tangible fixed assets                                     | 1,657,136               | –                    | 117,693                  | <b>1,774,829</b>   |
| Stock   | –                       | 63,776               | –                        | <b>63,776</b>      |
| Debtors   | 184,794                 | 2,239,665            | –                        | <b>2,424,459</b>   |
| Cash at bank and in hand                                  | –                       | 523,105              | 214,714                  | <b>737,819</b>     |
| Creditors: amounts falling due within one year            | (154,408)               | (2,611,633)          | –                        | <b>(2,766,041)</b> |
| Creditors: amounts falling due after one year             | (1,086,946)             | –                    | –                        | <b>(1,086,946)</b> |
|   | <b>600,576</b>          | <b>214,913</b>       | <b>332,407</b>           | <b>1,147,896</b>   |

**23 CT Plus Community Interest Company**

The charity holds 100% of the issued share capital of CT Plus Community Interest Company, a company registered in England and Wales.

The following is a summary of the financial statements of CT Plus Community Interest Company for the year ended 31 March 2007, which have been included in the consolidated financial statements.

|  | 2007<br>£          | 2006<br>£   |
|--|--------------------|-------------|
| Turnover                               | <b>9,042,450</b>   | 8,541,474   |
| Cost of sales                          | <b>(8,560,346)</b> | (7,944,088) |
| Gross profit                           | <b>482,104</b>     | 597,386     |
| Interest payable                       | <b>(58,444)</b>    | (38,901)    |
| Gift aid                               | <b>(423,660)</b>   | (521,396)   |
| Net profit for the year                | <b>–</b>           | 37,089      |
| Retained profit (loss) at 1 April 2006 | <b>1</b>           | (37,088)    |
| Retained profit at 31 March 2007       | <b>1</b>           | 1           |
| Called up share capital                | <b>1</b>           | 1           |
| At 31 March 2007                       | <b>2</b>           | 2           |



**24 CT Plus (Yorkshire) Community Interest Company**

CT Plus Community Interest Company holds 100% of the issued share capital of CT Plus (Yorkshire) Community Interest Company, a company registered in England and Wales.

The following is a summary of the financial statements of CT Plus (Yorkshire) Community Interest Company for the period ended 31 March 2007, which have been included in the consolidated financial statements.

|                                | Period<br>ended<br>31 March<br>2007<br>£ |
|--------------------------------|--|
| Turnover                       | 901,316                                  |
| Cost of sales                  | (903,434)                                |
| Operating loss                 | (2,118)                                  |
| Interest payable               | (2,625)                                  |
| Net loss for the year          | (4,743)                                  |
| Retained loss at 31 March 2007 | (4,743)                                  |
| Called up share capital        | 1  |
| At 31 March 2007               | (4,742)                                  |

**25 Islington Community Transport**

Islington Community Transport is a company limited by guarantee and wholly controlled by Hackney Community Transport.

The following is a summary of the financial statements of Islington Community Transport for the year ended 31 March 2007, which have been included in the consolidated financial statements.

|                                | 2007<br>£ | 2006<br>£ |
|--------------------------------|-----------|-----------|
| Incoming resources             | 96,848    | 94,698    |
| Resources expended             | (111,685) | (121,685) |
| Net outgoing resources         | (14,837)  | (26,987)  |
| Fund balances at 1 April 2006  | 75,705    | 102,692   |
| Fund balances at 31 March 2007 | 60,868    | 75,705    |

**26 Lambeth and Southwark Community Transport**

Lambeth and Southwark Community Transport became a wholly controlled subsidiary of Hackney Community Transport on 1 April 2007.

The following is a summary of the financial statements of Lambeth and Southwark Community Transport for the year ended 31 March 2007, which have been included in the consolidated financial statements.

|                                | 2007<br>£ |
|--------------------------------|-----------|
| Incoming resources             | 660,796   |
| Resources expended             | (746,927) |
| Net outgoing resources         | (86,131)  |
| Fund balances at 1 April 2006  | 314,556   |
| Fund balances at 31 March 2007 | 228,425   |

**27 LaSCoT Ltd**

LaSCoT Ltd is a company limited by guarantee and wholly controlled by Lambeth and Southwark Community Transport.

The following is a summary of the financial statements of LaSCoT Ltd for the year ended 31 March 2007, which have been included in the consolidated financial statements.

|                                  | 2007<br>£ |
|----------------------------------|-----------|
| Turnover                         | 124,071   |
| Cost of sales                    | (105,653) |
| Gross profit                     | 18,418    |
| Interest receivable              | 430       |
| Gift aid                         | (11,600)  |
| Net profit for the year          | 7,248     |
| Retained loss at 1 April 2006    | (7,248)   |
| Retained profit at 31 March 2007 | -         |