



HANDICABS (LOTHIAN) LIMITED
(A company limited by guarantee)

Report and Financial Statements

Year ended 31 March 2020

Company No : SC079712
Scottish Charity No : SC013906

HANDICABS (LOTHIAN) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

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HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The Directors, who are also trustees for the purpose of charity law, are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2020.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, 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 UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Objectives and activities

Purposes

The purposes of the charity are to provide transport for disabled, ill and or disadvantaged people and for health and life saving purposes.

Activities

HcL is a charitable company that was set up in 1982 as Handicabs (Lothian) to provide accessible transport for people in Edinburgh and the Lothians.

The Charity plays an important role in meeting a number of national and local policy objectives. The Scottish Government has defined a number of national priority outcomes, through the National Performance Framework of which the following are particularly relevant to the work of the Charity:

- Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it;
- We have tackled the significant inequalities in Scottish society;
- We live in well-designed, sustainable places where we are able to access the amenities and services we need.

There is great value in the preventative aspect of the Charity's work; the value for mental health and health generally for people able to still be involved in their communities and their ability to do things for themselves and maintain a social life. There would be significant additional costs to public agencies should additional services need to be provided for housebound passengers. Effective services must be designed with and for people with communities not delivered "top down" for administrative convenience. The Charity, with its tradition of user influence is well placed in this respect.

HcL aims to provide a quality of service which goes above and beyond, providing door-to-door transport by providing a "through-the-door" service, ensuring that our passengers receive the assistance they need at the start and end of their journey. This may be assisting people with getting their coat on or ensuring that they are settled safely in their home after the journey. The profile of our passengers indicates a high level of mobility difficulty, with some 25% of our Dial-A-Ride passengers using a wheelchair. Many of our passengers rely on our service and cannot use buses or taxis. Our service is a particular lifeline to medical services, our trip data indicates that 9% of trips are health-related, with another 10% specifically for health-related appointments and a further 1% for respite care.

By providing quality transport, our customers are able to be involved in the community by attending colleges, day centres, support groups, shopping centres, theatres, socialising etc. and in doing so it enables family members and carers to have a much-needed break. Our emphasis on quality of service extends to offering a 365 day a year service, evenings and weekends subject to driver availability. (For example, late night trips from the Edinburgh Tattoo are popular requests we receive and meet each year).

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In addition, the Company operates a Dial-A-Bus service on behalf of The City of Edinburgh, West Lothian, Midlothian and East Lothian Councils. Dial-A-Bus provides a Monday to Friday shopping service to local major shopping centres for people who have difficulty shopping using public transport. Passengers are helped in and out of their homes, to and from the bus, and helped to get their shopping inside on return if needed. 2% of passengers use wheelchairs. All areas of the Lothians have at least one and often 2 routes available during the week, either morning or afternoon. Edinburgh accounted for 45% of Dial-A-Bus passenger trips, West Lothian 36%, Midlothian 16% and East Lothian 3%.

The Company also operates transport to Day Centres and Adult Learning Centres on behalf of The City of Edinburgh Council.

With the growth in population in the Lothians, more and more people will have the need for quality accessible transport. We also play a key role in contributing to the quality of life for vulnerable groups.

HcL's customer base is any person who is restricted from using public services due to mobility reasons. These include e.g. isolated adults living in the community, people with mental health issues, disabilities, the elderly and people with ill health. In addition, HcL has secondary clients such as carers, daughters and sons of people with mobility restrictions who benefit through the provision of services to the person they care for. HcL has identified its source of referrals which include the Health Sector, Community Nursing Staff, GP Practices, Health Centre Staff, Hospitals, Social Work, Home Helps, Home Care Organisations, Good Neighbourhood Networks, and Libraries etc. All these areas are included in our mailing list for distribution of our leaflets.

Please see comments from HcL's users below from a "Quality of Life" survey from 2019 emphasising the difference door-through-door services make to the lives of people who might not otherwise be able to leave their homes:

- "If it wasn't for Dial-A-Ride my husband would not get out. It's an excellent service and very friendly staff."
- "It gives me some independence, when I go out, I do not have to rely on my family".
- "I cannot overestimate how very good this service is, especially having the drivers take shopping in to the kitchen for me. I have several steps to my front door and being disabled I wouldn't be able to manage this without their help. Office staff and drivers are always very helpful and cheerful."
- "I could not do without this service. The drivers are always very helpful, I appreciate everything they do for me".
- "Dial-A-Ride gives me the freedom to travel further afield with my wheelchair. The service is reliable, and the staff are not only helpful but very cheery."

Volunteers

HcL continues to be grateful for the efforts of volunteers across all aspects of the service, management and administration. With our limited resources, our ability to deliver services as well as we do would be severely impaired without their help.

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FOR THE YEAR ENDED 31 MARCH 2020

Achievements & Performance

The Charity operates 29 fully accessible vehicles covering 7 days and evenings per week, providing door-through-door transport services meeting personal mobility needs by providing the assistance needed at the start and end of a journey. During the year 2019/2020 approximately 86,463 passengers used HcL services.

Summary of Achievements

Outcomes & Objectives

1. Signed a 3+1 agreement with The City of Edinburgh Council (2019);
2. Rolled over yearly agreements with West Lothian, Midlothian and East Lothian Councils;
3. Commenced additional transport projects on behalf of The City of Edinburgh Council;
4. Reviewed and updated our Staff Conditions of Service with the assistance of Unite the Union and staff;
5. Reviewed and updated Executive Policies;
6. Low Emission Zones: upgraded our fleet from Euro 5 compliance to Euro 6 to reduce emissions;
7. Negotiated and extended 5-year lease till 2025 for our Administration & Registered Office;
8. Upgraded our broadband connection to a dedicated broadband line allowing continued usage of modern cloud technology;
9. Staff Remuneration: All staff received a 2.5% pay rise from 2020. The pay rise keeps all staff within the Scottish Living Wage;
10. Parliamentary Reception – to be held on 13th May 2020 recognising 30 years of Dial-A-Bus (cancelled due to COVID-19);
11. Maintain and improve Dial-A-Ride and Dial-A-Bus services - implemented/trained volunteers; re-trained Despatchers on booking and scheduling software; updated website, Facebook page and leaflets; advertised in health centres, libraries, council offices, hospitals, sheltered housing, local magazines and newspapers etc; published bi-yearly newsletter;
12. A total of 135 applications submitted to funders;
13. Replaced 2 Dial-A-Ride vehicles and one Dial-A-Bus;
14. Develop new services which enhance mobility - we are in our second year of a 3 + 1-year Public Social Partnership with The City of Edinburgh Council, Lothian Community Transport Services, Pilton Equality Project, South Edinburgh Amenities Group and The DOVE Centre. We have implemented day centre transport to UPMO (Upward Mobility), Tiphereth, Drumbrae and Carrickvale. Arranged ongoing meetings with West Lothian Council, Midlothian Council and East Lothian Council. We are a Member of ECO Stars in which we monitor our carbon footprint yearly. Drivers are trained in fuel efficient driving. We are exploring opportunities to deliver Dial-A-Bus or develop new community bus services under Section 22 licences.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

15. Develop the Organisation: we have reviewed and implemented a 5-year strategy; one of the recommendations of the Board was to authorise the Chief Executive to carry out an organisational review with the support of the Cranfield Trust which includes:

- that HcL diversifies its services as outlined in HcL's Draft Strategy Report;
- supports an application for Development Worker funding from Paths for All;
- pursues funding from Mobility as a Service (MaaS) projects;
- develops key performance indicators based on strategy outcomes;
- provides ongoing governance training for Executive Members;
- refreshes the Opening Doors Strategy document early in 2020.
- encourages more people to become members;
- reviews and updates our image including corporate branding;
- increases efficiency, through minimising vehicle and administrative overheads to exploit new technology.

16. Extended our Communications: developed a structured communications plan to understand more about the needs and wishes of our users and potential users. Engaged with funders to fully understanding their policy priorities and to communicate effectively the contribution that HcL makes in meeting these policies. Developed a plan for use of digital communications and social media. Collaborated with partner organisations in the public, voluntary or private sectors where this advances our strategic aims.

Financial Review

Results

The Charity generated income of £1.4m (2019: £1.3m). The Directors are indebted to The City of Edinburgh Council, East Lothian, Midlothian and West Lothian Councils and the Scottish Government for the financial support they give both towards the operating costs of the Company and towards the funding of new vehicles.

In the current economic climate monitor costs is vital. The charity has a continuous programme of reviewing costs and are pleased to see expenditure remain at similar levels to 2019.

The net movement in funds, including actuarial gains/(losses) in defined pension scheme was a surplus of £28k (2019: £47k deficit).

Reserves Policy

At the year-end the charity had net assets of £952,688 (2019: £924,791), comprising of £126,400 (2019: £84,797) of restricted funds and £480,000 (2019: £76,849) designated funds and £346,288 (2019: £763,145) of general funds.

The Directors are of the opinion that an acceptable level of free reserves is 13 weeks of expenditure; based on current expenditure levels this would represent c£353,000. Free reserves provide working capital to cover cash flow requirements caused by delays in the receipt of funding, or to cover unexpected expenditure.

If reserves fall below 13 weeks expenditure, or are forecast to do so, the board will review the budgets and financial forecasts and take measures as necessary to increase income or reduce expenditure.

Investment Policy

The Directors, having regard to the liquidity requirements of the charity, have kept available funds in an investment portfolio which is managed by Tilney, investment managers, on an advisory basis. The objective is one of a balanced portfolio subject to a medium degree of risk. There are no specific investment restrictions or limitations applied to the portfolio.

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Risk Review

The Directors conduct an ongoing review of the major risks to which the Charity is exposed, and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the Charity. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

The main risks to the Charity are:

- Reduction in funding – the Councils may reduce funding they currently provide to the Charity. HcL has entered into a Public Social Partnership (PSP) with The City Edinburgh Council (CEC) to consolidate their relationship. HcL have implemented additional transport services for The City of Edinburgh Council. The Charity will continue to effectively communicate with all Councils at a political and officer level. A 5-year business strategy has been written to include these points. We have also appointed a part time Fund Raiser.
- Dial-a-Ride/Dial-a-Bus demand declines – as part of the 5-year business plan the Charity has, as mentioned above, entered into a PSP with The City of Edinburgh Council. HcL have implemented new booking procedures; re-trained Despatchers and use any down time to support Council projects. Dial-A-Ride offers a discount of up to £6 off a first trip. Dial-A-Bus offers first return trip free.
- Vehicle fleet becomes unreliable - the Fundraising and Publicity Committee continually apply for grants and donations for new vehicles. The Charity are keen to implement a rolling programme for upgrading their vehicles, as the fleet is currently aging. The Charity aim to source low mileage vehicles to reduce replacement costs. We also appointed a part time Fund Raiser.
- Board not strong enough - we have reviewed and implemented a 5 year strategy; one of the recommendations of the Board was to authorise the Chief Executive to carry out an organisational review with the support of the Cranfield Trust - to develop key performance indicators based on strategy outcomes; ongoing governance training for Executive Members; encourage more people to become members of HcL; review and update our image, including corporate branding. Increased efficiency, through minimising vehicle and administrative overheads and exploiting new technology fully.
- Lack of management skills - we have reviewed and implemented a 5-year strategy; one of the recommendations of the Board was to authorise the Chief Executive to carry out an organisational review with the support of the Cranfield Trust;

COVID-19 – Financial Risk

From 23 March 2020, all HcL services were cancelled except essential travel to hospital/medical appointments.

HcL are grateful to receive 100% of our core funding from The City of Edinburgh Council, West Lothian, East Lothian and Midlothian Councils during the COVID-19 pandemic. We are losing revenue from passenger fares per month. Funding from one of our contracts has also been cancelled until further notice.

As a result of the loss on income we have furloughed 26 members of staff. We retained 13 staff members to help mitigate any financial losses the Company is currently incurring, but we still incur the fixed costs of all other staff, premises, vehicle maintenance and admin costs. We do, however, have sufficient reserves to allow us to meet these fixed costs for the next 12 months.

We have applied to numerous funds for grants and also Transport Scotland for the COVID-19 grant to replace the Bus Service Operators Grant (BSOG).

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As lockdown eases, we fully expect demand to start increasing – particularly for the elderly, disabled and those with health challenges as non-essential medical appointments, treatments and procedures are rescheduled. We have carried out Risk Assessments and implemented Policies with the help and support of staff and Unite the Union to protect our users and staff from COVID-19. We continue to ensure that we are operationally available to meet any rise in demand.

COVID-19 – Reputational Risk

To mitigate any reputational loss, HcL has supported local initiatives (free of charge) to deliver food packages and meals to those shielding, in isolation and the most vulnerable in our communities. Some of whom would be passengers for HcL in other circumstances. For example:

Edinburgh

- SCRAN Academy (Edinburgh) - Mondays, Wednesdays and Fridays - 5 vehicles - approximately 80 meals per day

West Lothian

- Café in Armadale (who provide free meals to the elderly and isolating) – 5 days per week – 2 vehicles – approximately 50 lunches per day;
- Boghall Drop In Centre – Tuesdays – one vehicle – approximately 10 meals;
- The Larder Cook School, Bellsquarry – Mondays, Wednesdays and Fridays – 2 vehicles – approximately 150 meals per day;

Midlothian

We are involved in a forum “Care for People” for COVID-19.

HcL have also been involved in discussions and signed a Memorandum of Understanding with Edinburgh COVID-19 Food Network to provide 2 vehicles free of charge when required

Plans for Future Periods

The Charity has secured funding from The City of Edinburgh Council for the Dial-A-Ride and Dial-A-Bus services plus additional funding through the Public Social Partnership to deliver transport on behalf of The City of Edinburgh Council. In addition, we receive roll over funding from West Lothian, Midlothian and East Lothian Councils.

In the next 12 months the Charity will:

- Be an active partner in the Public Social Partnership with: The City of Edinburgh Council; Lothian Community Transport Services (LCTS); Pilton Equalities Project (PEP), South Edinburgh Amenities Group (SEAG) and The Dove Centre;
- Pilot and implement projects for the Community Transport Public Social Partnership;
- Strengthen our working relationship with all our funders and stakeholders. Engage with funders to fully understand their policy priorities and to communicate effectively the contribution that HcL makes in meeting these policies;
- Review HcL's financial position and invest a portion of unrestricted reserves with Tilney Management Services Ltd;
- Replace 2 vehicles;
- Upgrade our Information Technology systems;
- Consult and update our Staff Conditions of Service;

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Structure, Governance and Management

Governing document

The organisation is a Charitable Company Limited by guarantee incorporated on 10 August 1982.

The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Directors and Executive Committee

The Directors of the charity who are listed on page 8 and under the Company's Articles are members of the Executive Committee. Under those Articles, the Directors are elected at the AGM to serve a period of one year after which they must be re-elected at the next AGM. The Directors have the power to co-opt not more than 2 further members to fill specialist roles. Co-opted members also serve until the following AGM.

The charity provides transport services for disabled people and therefore seeks to comply with the recognised guidelines that at least 51% of the Executive Committee should be made up of people with disabilities. Eight of the current Board are users of our services.

All members are circulated with invitations to nominate Directors prior to the AGM advising them of the retiring Directors and requesting nominations for the AGM.

All the current Directors retire at the AGM but all are offering themselves for re-election.

Directors Induction and Training

New Directors are briefed on their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the Committee and decision making processes and recent financial performance of the charity. Directors are encouraged to attend external courses.

Organisational Structure

The Executive Committee, which can have up to 10 members plus 2 co-optees, administers the charity and is responsible for the strategic direction and policy of the charity. It meets quarterly and is supported by other Committees covering finance and staff matters. A Chief Executive is appointed by the Board to manage the day-to-day operations of the charity.

Pay and Remuneration of Key Personnel

Senior and operational management staff are remunerated in line with industry norms along with any increments set out at time of recruitment, or awarded as a result of any additional training, qualifications or responsibility. Otherwise, increments are usually limited to annual cost of living increases across all pay scales. The Charity operates a defined contribution pension scheme, open to all employees after 3 months of service, with employer contributes at 23.2%. Otherwise, the auto-enrolment schemes are available to all other employees in line with statutory requirements.

Related Parties

The Charity is a member of The Scottish Accessible Transport Alliance (SATA), Community Transport Association (CTA), Edinburgh Community Transport Operators Group (ECTOG), Community Transport Public Social Partnership (CTPSP), Edinburgh Voluntary Organisations Council (EVOC), Midlothian Voluntary Action (MVA), West Lothian Social Enterprise Network (WLSSEN), Edinburgh's Older People's Service Providers Forum and West Lothian Senior People's Forum. We are also in partnership to provide

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FOR THE YEAR ENDED 31 MARCH 2020

urban and rural transport schemes in the community with West Lothian, Midlothian, East Lothian and The City of Edinburgh Councils.

Reference and administrative information

Charity Name: Handicabs (Lothian) Limited (also Known as "HcL")

Charity registration number: SC013906

Company registration number: SC079712

Directors

Dr K Brown TD MBChB MRCP AFOM CIH	Chairman
M J Williams MStJ	Vice Chairman
J Bhagrath CA	Treasurer
M Harrison	
D Wilson	
J Ballantine	
J Cameron	
M McDonald	
P Lawson	
J Thomson	
J Montgomery (appointed 3 March 2020)	

Senior management team

J K Cochrane	Chief Executive
I Greig	Operations Manager
G Toner	Assistant Operations Manager
R Huston	Acting Operations Manager

Registered office and operational address

24/3a Dryden Road, Loanhead, Midlothian, EH20 9HX

Senior Statutory Auditor

Ingela Louise Presslie

Auditor

Whitelaw Wells, Statutory Auditor, 9 Ainslie Place, Edinburgh, EH3 6AT

Bankers

Bank of Scotland, 426 Morningside Road, Edinburgh, EH10 5QF

Investment managers

Tilney, Atria Two, Edinburgh, EH3 8EX

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Statement of Directors' responsibilities

The directors, who are also the trustees of the charity, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charitable company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to Auditors

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditor

The Board have re-appointed Whitelaw Wells as auditors and that appointment will fall to be confirmed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the Directors on 8 September 2020 and signed on their behalf by:


K Brown
Director

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2020

Opinion

We have audited the financial statements of Handicab (Lothian) Limited (the 'charitable company') for the year ended 31 March 2020, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2020

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the director's report, included within the trustees' annual report, and from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page nine, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2020

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ingela Louise Presslie (Senior Statutory Auditor)
for and on behalf of Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT

8 September 2020

Whitelaw Wells is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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**Income and Expenditure Account
For the year ended 31 March 2020**

	Notes	2020	2019
		£	£
Income			
Voluntary income		25,558	7,088
Investment income	4	8,508	1,061
Membership income		1,050	1,253
Income from charitable activities		1,314,591	1,254,668
Amortisation of capital grants		37,625	107,683
Total income		1,387,332	1,371,753
Utilised thus:-			
Charitable activities	6	1,458,193	1,410,722
		(1,458,193)	(1,410,722)
(Deficit)/surplus for the year		(70,861)	(38,969)

All results relate to continuing activities.

Reconciliation of (deficit)/surplus for the year to total funds

	2020	2019
	£	£
(Deficit)/surplus on activities for the year	(70,861)	(38,969)
Un-amortised capital grants received in the year	79,125	32,000
Amortisation of grants brought forward	(37,625)	(107,683)
Net (losses)/gains on investments	(27,742)	2,494
Actuarial movement in pension scheme	85,000	65,000
Total funds brought forward	924,791	971,949
Total funds carried forward	952,688	924,791

HANDICABS (LOTHIAN) LIMITED

Statement of Financial Activities for the year ended 31 March 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £	Total Funds 2019 £
Income and endowment from:					
<i>Donations and legacies:</i>					
Donations and legacies		6,178	19,380	25,558	7,088
Membership		1,050	-	1,050	1,253
<i>Charitable activities:</i>					
Operating grants	5	944,204	12,230	956,434	904,848
Capital grants		-	79,125	79,125	32,000
Bus Service Operators Grant		124,434	-	124,434	114,645
Fares		233,723	-	233,723	235,175
Investments	4	8,508	-	8,508	1,061
Other		1,000	-	1,000	5,000
Total income		<u>1,319,097</u>	<u>110,735</u>	<u>1,429,832</u>	<u>1,301,070</u>
Expenditure on:					
Charitable activities		(1,389,061)	(69,132)	(1,458,193)	(1,410,722)
Total expenditure	6	(1,389,061)	(69,132)	(1,458,193)	(1,410,722)
Net (losses)/gains on investments		(27,742)	-	(27,742)	2,494
Net (expenditure)/income		(97,706)	41,603	(56,103)	(107,158)
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes		84,000	-	84,000	60,000
Net movement in funds		(13,706)	41,603	27,897	(47,158)
Reconciliation of funds:					
Total funds at 1 April 2019		839,994	84,797	924,791	971,949
Total funds at 31 March 2020	14	<u>826,288</u> =====	<u>126,400</u> =====	<u>952,688</u> =====	<u>924,791</u> =====

There are no recognised gains or losses in 2020 or 2019 other than those dealt with above. All results of the company refer to continuing activities.

The notes on pages 17 to 31 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

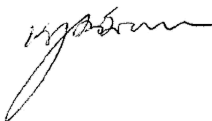
Balance Sheet

As at 31 March 2020

	Notes	£	2020 £	2019 £
Fixed assets				
Tangible assets	10		115,382	125,984
Investments	11		329,458	352,123
			<u>444,840</u>	<u>478,107</u>
Current assets				
Debtors	12	63,514		158,921
Cash at bank and in hand		609,003		346,706
			<u>672,517</u>	<u>505,627</u>
Creditors: amounts falling due within one year	13	(164,669)		(58,943)
Net current assets			<u>507,848</u>	<u>446,684</u>
<i>Total assets less liabilities</i>			952,688	924,791
Defined benefit pension scheme asset/(liability)	16		-	-
Net assets			<u>952,688</u>	<u>924,791</u>
			=====	=====
Total funds of the charity:				
Restricted funds	14		126,400	84,797
Unrestricted funds	14			
Designated funds			480,000	76,849
General funds			346,288	763,145
Pension reserve			-	-
			<u>952,688</u>	<u>924,791</u>
			=====	=====

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the Directors on 8 September 2020 and signed on their behalf by :



K Brown
Director
Registered number: SC079712

The notes on pages 17 to 31 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

Cash Flow Statement

As at 31 March 2020

	2020	2019
	£	£
Cash flows from operating activities	328,975	(9,605)
Cash flows from investing activities:		
Purchase of fixed assets	(70,109)	(98,703)
Proceeds from the sale of fixed assets	-	1,201
Dividends and interest from investment	8,508	1,061
Purchase of investments	(96,836)	(304,025)
Proceeds from the sale of investments	80,846	-
	<hr/>	<hr/>
Net cash (used) by investing activities	(77,591)	(400,466)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	251,384	(410,071)
Cash and cash equivalents at the beginning of the year	392,310	802,381
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	643,694	392,310
	=====	=====
Represented by:		
Cash at bank and in hand	609,003	346,706
Cash held as part of investment portfolio	34,691	45,604
	<hr/>	<hr/>
	643,694	392,310
	=====	=====

Reconciliation of net expenditure to net cash flow from operating activities

	2020	2019
	£	£
Net income/(expenditure) for the year	27,897	(47,158)
Adjustments for the year:		
Depreciation charge	80,711	132,782
Loss on sale of fixed assets	-	754
Dividends and interest from investment	(8,508)	(1,061)
Net losses/(gains)/ on investments	27,742	(2,494)
(Increase)/decrease in debtors	95,407	(94,592)
Increase/(decrease) in creditors	105,726	2,164
Pension movement	-	-
	<hr/>	<hr/>
Net cash provided/(used) by operating activities	328,975	(9,605)
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. These financial statements are of Handicabs (Lothian) only and cover the year to 31 March 2020.

The Principal activities of Handicabs (Lothian) Ltd during the year is to provide transport for disabled, ill and or disadvantaged people and for health and life saving purposes.

Handicabs (Lothian) Ltd is an incorporated charity limited by guarantee in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC013906. Details of the registered office can be found in the Directors Report of these financial statements.

2. Statement of compliance

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

a) Basis of accounting

The financial statements are prepared on the historical cost basis.

Handicabs (Lothian) Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The charity depends on grant funding from outside sources and fundraising to finance its activities. At the date of approving the financial statements in assessing the going concern position of the charity, the Board has fully considered the security of future income and net asset position in the Balance Sheet at the year end.

The charity has committed grant funding until March 2021 and, on the basis of cash flow projections, is able to meet its ongoing liabilities as they fall due. As a consequence, the Board has prepared the financial statements on the going concern basis.

This assessment of going concern includes the expected impact on COVID-19 on the charity in the 12 months from signing these financial statements.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

b) Income recognition

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Grants receivable, including capital grants, are credited to the Statement of Financial Activities (SOFA) when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Income is deferred only when the funder specifies that the funds must be used in future accounting periods or has imposed conditions that must be met before the charity has unconditional entitlement, and these conditions have not yet been met.
- Incomes from service level agreements, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Incomes from passenger fares are recognised when services have been received.
- Income is only deferred where entitlement conditions have not been met or related services have not been provided as at the year end.
- Donations and legacies are included in full in the Statement of Financial Activities when receivable. Income from activities for generating funds is recognised as earned, as the related services are provided.
- Investment income is included when receivable.
- The charity is grateful for volunteers and donations-in-kind, which are not recognised in the accounts as the benefit to the charity cannot be reasonably quantified. Where the donation-in-kind benefit can be reasonably quantified it is included in the accounts.

c) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the charity's programmes and activities. These costs include the expenses of the statutory audit and legal and professional fees.

d) Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost with assets costing in excess of £1,000 capitalised.

Depreciation is provided at rates calculated to write off the cost of each asset in equal instalments over their expected useful life, as follows:

Motor vehicles	25%
Office equipment	20%

e) Leasing

Operating lease rentals are written off to the Statement of Financial Activities as incurred.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

f) Pensions

The charity has two pension schemes. A defined benefit scheme with the Lothian Pension Fund that provides benefit on a final pensionable pay, and a defined contribution scheme with The People's Pension. Contributions are charged to the Statement of Financial Activities.

g) Fund accounting

Unrestricted funds are incoming resources generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds that have been earmarked by the directors for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

h) Investments and investment income

Investments have been included in the balance sheet at market value. Realised gains and losses are recognised in the Income and Expenditure account and the Statement of Financial Activities in the period to which they relate. Unrealised gains and losses are recognised in The Statement of Financial Activities in the period to which they relate.

Income from investments is credited to income in the year in which it is receivable.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

j) Cash & cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial instruments

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

l) Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised and there is an intention to settle on a net basis or to realise the asset and the liability simultaneously.

4. Investment income

	Dial-A Bus	Dial-A-Ride	Other Charitable services	Total 2020	Total 2019
	£	£	£	£	£
Interest received	-	-	492	492	377
Investment income	-	-	8,016	8,016	684
	<u>-</u>	<u>-</u>	<u>8,508</u>	<u>8,508</u>	<u>1,061</u>
	=====	=====	=====	=====	=====

Investment income for the comparative year ended 31 March 2019 was £1,061 of which all was unrestricted.

5. Income from charitable activities

	Dial-A- Bus	Dial-A-Ride	Other Charitable services	Total 2020	Total 2019
	£	£	£	£	£
Grants received					
The City of Edinburgh Council	106,555	311,435	-	417,990	417,990
The City of Edinburgh Council – Drum Brae	42,000	-	-	42,000	35,000
The City of Edinburgh Council - PSP	32,500	-	-	32,500	-
East Lothian Council	6,114	68,752	-	74,866	74,866
West Lothian Council	32,280	178,372	-	210,652	210,652
Midlothian Council	27,644	138,552	-	166,196	166,340
Schuh Foundation	-	-	6,050	6,050	-
Queensberry Trust	-	-	6,180	6,180	-
Total	<u>247,093</u>	<u>697,111</u>	<u>12,230</u>	<u>956,434</u>	<u>904,848</u>
	=====	=====	=====	=====	=====

Income from charitable activities for the comparative year ended 31 March 2019 consisted of £904,848 of operating grant income, of which all was unrestricted.

Capital grants in the comparative year consisted of £32,000 all of which were restricted.

Fares in the comparative year were £235,175 which was all unrestricted.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

6. Expenditure

	Dial-A Bus	Dial- A- Ride	Other charitable service	Total 2020	Total 2019
	£	£	£	£	£
Charitable expenditure:					
<i>Fundraising costs</i>	-	-	610	610	-
Administration wages	-	131,673	-	131,673	135,580
Drivers and despatchers wages	217,909	596,250	-	814,159	740,752
Relief drivers	5,967	13,023	-	18,990	19,391
Volunteers' expenses	-	1,008	-	1,008	1,074
Protective clothing and medicals	667	4,559	-	5,226	3,345
Conference, training and travelling	425	8,382	-	8,807	7,695
Vehicle costs	70,740	225,313	12,138	308,191	274,878
Rent, rates and heating	4,455	15,598	-	20,053	23,022
Repairs and cleaning	817	5,213	-	6,030	8,568
Printing, stationery and advertising	1,264	8,429	-	9,693	13,988
Telephone	763	2,236	-	2,999	4,570
<i>Support costs:</i>					
Insurance	2,028	6,127	-	8,155	7,849
Computer running costs	-	1,984	-	1,984	2,929
Software support	3,219	9,657	-	12,876	12,636
Miscellaneous expenses	-	5,088	3,132	8,220	7,321
Bad debts	(822)	350	-	(472)	2,121
Depreciation	-	-	80,711	80,711	132,782
Loss on sale of fixed assets	-	-	-	-	754
Consultancy fees	-	-	5,850	5,850	-
Professional fees	-	3,228	-	3,228	3,660
Investment management fees	-	-	3,129	3,129	1,055
<i>Governance costs:</i>					
Audit and accountancy	1,639	2,358	3,076	7,073	6,752
Total	<u>309,071</u> =====	<u>1,040,476</u> =====	<u>108,646</u> =====	<u>1,458,193</u> =====	<u>1,410,722</u> =====

Support costs are apportioned on an invoiced basis.

Charitable expenditure for the comparative year ended 31 March 2019 totalled £1,410,722, of which £1,301,657 was unrestricted and £109,065 was restricted.

7. Net (expenditure)/income for the year

This is stated after charging/(crediting):-

	2020	2019
	£	£
Depreciation	80,711	132,782
Loss on sale of fixed assets	-	754
Operating lease charges – land	19,700	19,700
Operating lease charges – Other	1,084	1,084
Auditors' remuneration: - Audit of accounts	4,700	4,300
- Audit of grant claims	960	960
	<u>=====</u>	<u>=====</u>

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

8. Staff costs and numbers and related party transactions

	2020	2019
	£	£
Salaries and wages	727,189	697,205
Social security costs	55,172	48,873
Pension contributions	182,461	149,645
	<u>964,822</u>	<u>895,723</u>
	=====	=====

The average number of employees during the year on a head count basis was 39 (2019: 40)

No employee received emoluments of more than £60,000 during either the current or previous year.

The company operates a defined benefit pension scheme as detailed in note 16.

The pension cost charge represents contributions payable by the Company to both the Lothian Pension Fund £92,973 (2019: £82,110) and The People's Pension Fund £4,488 (2019: £2,535), the total of which amounts to £97,461 (2019: £84,645). Contributions totalling £9,648 (2019: £9,158) were payable to the fund at the year end and are included in creditors.

The key management personnel of the charity comprise the trustees and the senior management team. The total employee benefits of the key management personnel of the charity were £171,333.

The treasurer was paid an honorarium during the year of £1,400. No other trustees received any remuneration and during the year there were no re-imbursment of expenses to directors (2019: £1,400).

Nine directors are members of the service and pay the same rates as other users.

9. Taxation

The charitable company is exempt from corporation tax on its charitable activities.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

10. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 April 2019	797,503	8,781	806,284
Additions	70,109	-	70,109
Disposals	(87,919)	-	(87,919)
At 31 March 2020	<u>779,693</u> =====	<u>8,781</u> =====	<u>788,474</u> =====
Depreciation			
At 1 April 2019	671,519	8,781	680,300
Charge for the year	80,711	-	80,711
Write off on disposal	(87,919)	-	(87,919)
At 31 March 2020	<u>664,311</u> =====	<u>8,781</u> =====	<u>673,092</u> =====
Net book value			
At 31 March 2020	<u>115,382</u> =====	<u>-</u> =====	<u>115,382</u> =====
At 31 March 2019	<u>125,984</u> =====	<u>-</u> =====	<u>125,984</u> =====

The charity has title to land that was donated in a prior year. The directors consider the cost/benefit of valuing the land not to be worthwhile at this point in time. The directors believe the current value of the land is not material to the financial statements.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

	2020	2019
	£	£
11. Investments		
Market value on 1 April 2019	352,123	-
Additions at cost	96,836	304,025
Disposal proceeds	(80,846)	-
(Decrease)/increase in cash held	(10,913)	45,604
Net realised investment gains	1,590	-
Net unrealised investment (losses)/gains	(29,332)	2,494
	<u>329,458</u>	<u>352,123</u>
Market value at 31 March 2020	<u>329,458</u>	<u>352,123</u>
Cost	<u>356,138</u>	<u>349,629</u>

Included in investments in 2020 is £34,691 (2019 - £45,604) held as cash.

	2020	2019
	£	£
Investments at fair value comprised:		
Equities	214,870	193,392
Bonds, fixed interest securities, real assets	79,897	113,127
Cash held within the investment portfolio	34,691	45,604
	<u>329,458</u>	<u>352,123</u>
As at 31 March 2020	<u>329,458</u>	<u>352,123</u>

All investments are carried at their fair value. Investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

12. Debtors

	2020	2019
	£	£
Trade debtors	5,514	4,873
Grants receivable	58,000	151,853
Gift aid	-	2,195
	<u>63,514</u>	<u>158,921</u>
	<u>63,514</u>	<u>158,921</u>

13. Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	7,674	20,374
Accruals	16,625	18,032
Pension creditor	9,648	9,158
Taxation and social security	10,600	11,379
Deferred income	120,122	-
	<u>164,669</u>	<u>58,943</u>
	<u>164,669</u>	<u>58,943</u>

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

	2020	2019
	£	£
Deferred income		
Balance as at 1 April	-	-
Amounts released to income	-	-
Amounts deferred in the year	120,122	-
Balance at 31 March	<u>120,122</u> =====	<u>-</u> =====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

14. Movements in funds

	Balance at 1 April 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2020 £
Restricted fund:					
Minibuses & equipment	84,797	110,735	(69,132)	-	126,400
Unrestricted:					
Designated funds:					
Vehicle fund	76,849	-	(23,717)	306,868	360,000
Restructure fund	-	-	-	120,000	120,000
General fund	763,145	1,318,097	(1,308,086)	(426,868)	346,288
Pension fund	-	85,000	(85,000)	-	-
	<u>924,791</u>	<u>1,513,832</u>	<u>(1,485,935)</u>	<u>-</u>	<u>952,688</u>
	=====	=====	=====	=====	=====

The restricted fund represents grants received from organisations to assist in the purchase of minibuses and related equipment.

Designated funds:

Vehicle fund

In 2015/16 the charity designated £150,000 towards the purchase of two new dial-a-ride vehicles and one new dial-a-bus vehicle. In 2018 the charity received a legacy of £210,000 from a former service user. In 2020 the charity decided to designate this legacy, together with further funds towards the cost of acquiring new vehicles.

Restructure fund

At the year-end the charity agreed to designate £120,000 towards a review of the staff structure in Dial-A-Ride and Dial-A-Bus

The pension fund represents movements in the pension deficit over the year, as advised by the scheme actuary (see also note 16 to the accounts).

Comparative figures:

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2019 £
Restricted fund:					
Capital funds	161,862	32,000	(109,065)	-	84,797
Unrestricted:					
Designated fund	102,566	-	(25,717)	-	76,849
General fund	707,521	1,266,564	(1,210,940)	-	763,145
Pension fund	-	65,000	(65,000)	-	-
	<u>971,949</u>	<u>1,363,564</u>	<u>(1,410,722)</u>	<u>-</u>	<u>924,791</u>
	=====	=====	=====	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

15. Analysis of net assets between funds

	Fixed assets £	Investments £	Net current assets £	Pension liability £	Totals £
Restricted fund	115,382	-	11,018	-	126,400
Unrestricted funds	-	329,458	496,466	-	826,288
At 31 March 2020	<u>115,382</u> =====	<u>329,458</u> =====	<u>507,848</u> =====	<u>-</u> =====	<u>952,688</u> =====

	Fixed assets £	Investments £	Net current assets £	Pension liability £	Totals £
Restricted fund	102,267	-	(17,470)	-	84,797
Unrestricted funds	23,717	352,123	464,154	-	839,994
At 31 March 2019	<u>125,984</u> =====	<u>352,123</u> =====	<u>446,684</u> =====	<u>-</u> =====	<u>924,791</u> =====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

16. Pensions

The Company is a participating employer in the Lothian Pension Fund ("The Scheme") that provides benefits based on final pensionable pay. The charity operates a defined benefit scheme in the UK that provides pensions linked to final salaries. A valuation of the pension fund is carried out triennially. Liabilities are valued on an actuarial basis using the projected unit method, which assess the future liabilities of the fund discounted to their present value.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The principal actuarial assumptions used by the actuary are as follows:

	31 March 2020 % pa	31 March 2019 % pa
Rate of increase in salaries	3.5%	4.2%
Rate of increase in pensions payment	1.9%	2.5%
Discount rate	2.3%	2.4%

Life expectancy is based on the Funds Vita Curves with improvements in line with the CMI2016 model. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current pensioners	21.7 years	24.3 years
Future pensioners	24.7 years	27.5 years

The major categories of plan assets as a percentage of total plan assets were:

	31 March 2020 %	31 March 2019 %
Equities	75%	74%
Bonds	11%	12%
Property	8%	7%
Cash	6%	7%

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

16. Pensions (continued)

Changes in the fair value of plan assets, defined benefit obligation and net liability for the year ended 31 March 2020:

	Assets £(000)	Obligations £(000)	Net (liability)/ Asset £(000)	Net position March 2019 £(000)
	£	£	£	£
Fair value of plan assets	4,953	-	4,953	4,490
Present value of funded liabilities	-	4,875	(4,875)	(4,289)
Present value of unfunded liabilities	-	-	-	-
Opening position as at 31 March 2019	4,953	4,875	78	201
Service cost				
Current service cost	-	177	(177)	(147)
Past service cost (including curtailments)	-	-	-	-
Effect of settlements	-	-	-	-
Total service cost	-	177	(177)	(147)
Net interest				
Interest income on plan assets	119	-	119	122
Interest cost on defined benefit obligation	-	118	(118)	(117)
Impact of asset ceiling on net interest	-	-	-	-
Total net interest	119	118	1	5
Total defined benefit cost recognised in net income or (expenditure)	119	295	(176)	(142)
Cashflows				
Plan participants' contributions	24	24	-	-
Employer contributions	92	-	92	82
Contributions in respect of unfunded benefits	-	-	-	-
Benefits paid	(78)	(78)	-	-
Unfunded benefits paid	-	-	-	-
Expected closing position	5,110	5,116	(6)	141
Re-measurements				
Changes in demographic assumptions	-	-	-	-
Changes in financial assumptions	-	(499)	(499)	(367)
Other experience	-	(22)	22	-
Return on assets excluding amounts included in net interest	(327)	-	(327)	304
Total re-measurements recognised in other gains or losses in Statement of Financial Activities	(327)	(521)	194	(63)
Fair value of plan assets	4,783	-	4,783	4,953
Present value of funded liabilities	-	4,595	(4,595)	(4,875)
Present value of unfunded liabilities	-	-	-	-
Closing position as at 31 March 2020	4,783	4,595	188	78

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2020

16. Pensions (continued)

Defined contribution scheme

The charity also operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17. Operating lease commitments

At the 31 March 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2020	2019
	£	£
Land and buildings:		
No later than one year	24,200	19,700
No later than 5 years	85,000	3,500
	=====	=====
Other:		
No later than one year	2,608	1,084
No later than 5 years	12,389	1,897
	=====	=====

18. Contingent asset

Following the year end the charity has entered into conditional missives to sell the previously donated land. The missives are subject to planning consent and the sales proceeds might not be known for a number of years.