



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

Report and Financial Statements

Year ended 31 March 2021

Company No : SC079712
Scottish Charity No : SC013906

HANDICABS (LOTHIAN) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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HANDICABS (LOTHIAN) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 March 2021

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 2021.

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.

The aim of our services is to reduce social isolation of people with mobility challenges across the Lothians, whether that be from age, disability, health issues (short-term or long-term) or geographic remoteness. By supporting people to get out and about from inside their home to inside their destination, we know that we are enabling people to get out who otherwise could not.

Activities

HcL is a charitable company that was set up in 1982 as Handicabs (Lothian) to provide accessible transport for people with mobility challenges 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 church, colleges, day centres, support groups, shopping centres, theatres, socialising etc. and in doing so it

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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).

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 2020 emphasising the difference door-through-door services make to the lives of people who might not otherwise be able to leave their homes:

- *"Gives me independence which keeps me sane. Allows me to interact with others and experience outside world"*
- *"Provides a safe and secure method of transport, helps to face forward as opposed to backwards (taxis)"*
- *It was so good to read all the good things you have done over this dreadful 12 months. Give yourselves a huge pat on the back. Thank you to you all.*
- *"The service gives my son the opportunity to go to his activities without me, giving him independence. It also provides me with more free time for myself. Wonderful service"*
- *"The service gives me independence. I use it for the hospital, shopping, meals with friends. Fantastic service.*
- *Very good service. Very grateful for transport to medical appointments during COVID.*

Volunteers

HcL continues to be grateful for the efforts of volunteers across all aspects of the service, management and administration. In particular we acknowledge the Board members who volunteer their time as Trustees, responsible for the governance, financial and strategic direction of the charity.

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Achievements & Performance

The Charity operates 29 fully accessible vehicles providing door-through-door transport services seven days a week including evenings. These services support people with mobility challenges across Edinburgh and the Lothians by providing the assistance needed at the start and end of a journey.

During the year from April 2020 until March 2021, HcL's services have been severely disrupted by the COVID-19 pandemic. The Dial-A-Bus service was suspended from 16 March 2020, recommencing in August 2021. The Dial-A-Ride service has been operational in line with The Scottish Government Guidance.

Summary of Achievements

1. Continued working under the 3+1 agreement with The City of Edinburgh Council (signed 2019);
2. Rolled over yearly agreements with West Lothian, Midlothian and East Lothian Councils;
3. Reviewed and updated our Staff Conditions of Service with the assistance of Unite the Union and staff;
4. Reviewed and updated Executive Policies;
5. Low Emission Zones: upgraded our fleet from Euro 5 compliance to Euro 6 to reduce emissions;
6. Negotiated and extended 5-year lease till 2025 for our Administration & Registered Office;
7. Upgraded our broadband connection to a dedicated broadband line allowing continued usage of modern cloud technology;
8. Maintain and improve Dial-A-Ride and Dial-A-Bus services - re-trained Despatchers on booking and scheduling software; new cleaning procedures implemented to manage risk due to the pandemic; training for drivers provided.
9. Raised profile of the charity through the regular updating of the website, Facebook and Twitter; refreshed and updated leaflets; advertised Covid related support with local charities and organisations; advertised free vaccine transport through multiple routes; sought PR opportunities with several magazines and newspapers etc; published bi-yearly newsletter;
10. A total of 135 applications submitted to funders;
11. Replaced 2 Dial-A-Ride vehicles and one Dial-A-Bus;
12. Develop new services which enhance mobility - we are in our third year of a 3 + 1-year Public Social Partnership (ECTOG) with The City of Edinburgh Council, Lothian Community Transport Services, Pilton Equality Project, South Edinburgh Amenities Group and The DOVE Centre.
13. Ongoing development of stakeholder relationships and ways we can work with City of Edinburgh Council; West Lothian Council; Midlothian Council; and East Lothian Council. New Services include school transport for children with complex health needs and implementing a pilot project in West Lothian for a Community Bus service (live from April 221).
14. Member of ECO Stars which enables us to monitor our carbon footprint yearly. Drivers are trained in fuel efficient driving.
15. We are exploring opportunities to deliver Dial-A-Bus and develop new community bus services under Section 22 licences.
16. Piloting a Section 22 Operators Licence service in partnership with West Lothian Council for the residents of Broxburn.

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Summary of Achievements (continued)

17. Implemented contactless payments on all vehicles.
18. Develop the Organisation: we 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 included:
 - that HcL diversifies its services as outlined in HcL's Draft Strategy Report;
 - supports an application for funding a new post of Development Manager to help diversify services and customers
 - 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.
19. Engaged with funders to fully understanding their policy priorities and to communicate effectively the contribution that HcL makes in meeting these policies.
20. Partnership working - collaborated with partner organisations in the public, voluntary or private sectors where this advances our strategic aims.
21. Monitoring and evaluation of our services – both statistically and qualitatively e.g., seeking feedback from passengers, members and stakeholders.

Funding

We are grateful to all supporters – from members and customers who have made donations; and from the Funders, Trusts, Charitable Organisations and Local Groups who have supported us this year. Our thanks to:

- Scottish Government - Wellbeing Fund
- The Corra Foundation - Wellbeing Coronavirus Fund
- West Lothian Council - Hardship Fund
- Tesco Bags for Life Covid-19 Fund
- Persimmon Homes - Community Champions Fund
- Skipton Building Society Charitable Foundation
- M&G Prudential Community Fund
- Edinburgh Airport Community Fund
- The Barrack Charitable Trust
- The Souter Charitable Trust
- Foundation Scotland - RRR Fund
- Co-op Foundation
- The Row Fogo Charitable Trust
- The Walker Family Trust
- The DWT Cargill Fund
- Dunbar Rotary Club
- North Berwick Rotary Club
- Rotary Club of Whitburn

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Funding (continued)

- Rotary Club of Penicuik
- Penicuik Community Development Trust
- Mayfield & Easthouses Development Trust
- Rotary Club of Edinburgh
- Esk Valley Rotary
- Linlithgow Roundtable
- Scottish Government - Communities Recovery Fund
- Arnold Clark - Community Fund
- Almond Housing Association - Community Soup
- Nancie Massey Charitable Trust
- Energy Savings Trust - Transport Retrofit Fund

We would also like to thank the following West Lothian Councillors for their disbursement donation:

- Diane Calder
- Alison Adamson
- Dom McGuire
- Moira Shemilt
- Damian Timson
- Pauline Clark
- David Dodds
- Kirsteen Sullivan
- Harry Cartmill
- John McGinty
- Sarah King
- Andrew McGuire

Financial Review

Results

The Charity generated income of £1.6m (2020: £1.4m). 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 monitoring costs is vital. The charity has a continuous programme of reviewing costs. In the current year expenditure reduced from £1.5m to £1.3m due to the effects of COVID-19 which saw drivers being put on furlough and a much reduced service which impacted vehicle costs in particular.

The net movement in funds, including actuarial gains/(losses) in defined pension scheme was a surplus of £400k (2020: £28k).

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Reserves Policy

At the year-end the charity had net assets of £1,352,879 (2020: £952,688), comprising of £137,197 (2020: £126,400) of restricted funds and £474,481 (2020: £480,000) designated funds and £741,201 (2020: £346,288) of general funds.

The Directors aim to maintain free reserves at a level which equates to approximately six months of unrestricted charitable expenditure; based on current expenditure this would represent £690,000. The Directors consider that this level is needed to bridge the gap between spending and receiving of income and to cover unplanned vehicles repairs and other expenditure. At present the charity's free reserves are £741,201. The Board are currently reviewing how best to use the remaining £50,000, including designated funds towards the costs associated with our future plans to introduce low emission and electric vehicles.

If reserves fall below 6 months 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.

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 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 and West Lothian 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 employ a part-time Funding and Marketing Manager to source and secure additional funding from Trusts and Grant giving organisations. The Directors approved the recruitment of a part-time Development Manager for 2021-22 to help develop new partnerships and sources of income.
- 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 and community initiative during the pandemic (e.g. transporting meals, food parcels; providing free vaccine transport; transporting nurses to administer vaccines in care homes/households). 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 increased the hours of our Funding and Marketing Manager, from 2 days per week to 3 days per week from April 2020.

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Risk Review (continued)

- 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. A new Operations Manger was appointed; a Development Manager recruitment was signed off; and we increased the hours of our Funding and Marketing Manager, all to enhance the support to the Chief Executive.

COVID-19 – Financial Risk

From April 2020 until March 2021, HcL's Dial-A-Bus service was suspended. The Dial-A-Ride service was initially restricted to essential travel to hospital/medical appointments. In line with Scottish Government Guidance, we extended the Dial-A-Ride service to include a maximum of 4 people from 2 households including an escort or carer for shopping and visiting family and friends. Destinations that we could support transport to, increased over the course of the year, in line with guidelines.

From April 2020 until March 2021, the Dial-A-Ride service has provided 8,702 trips for residents in the Lothians.

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 lost revenue from passenger fares each month. Funding from one of our contracts was cancelled until further notice.

As a result of the loss on income we initially furloughed 26 members of staff to help mitigate any financial losses. The number on furlough has reduced over the course of the year, as the level of bookings increased and due to our offer to provide free vaccine transport. However, the fixed costs of all other staff, premises, vehicle maintenance and admin costs did not reduce during this time. We do have sufficient reserves and contracted income to allow us to meet these fixed costs for the next 6 months.

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

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.

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FOR THE YEAR ENDED 31 March 2021

COVID-19 – Reputational Risk

To mitigate any reputational loss and to support our local communities, 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 - 2,522 meals delivered from 15 April 2020 to 28 August 2020;

West Lothian

- Cafe in Armadale, Tea J's (who provide free meals to the elderly and isolating) – 5 days per week – 2 vehicles – approximately 50 lunches per day - 3,193 meals delivered from 29 April 2020 to 3 August 2020;
- Boghall Drop In Centre – Tuesdays – one vehicle – approximately 10 meals - 124 meals delivered from 5 May 2020 to 14 July 2020;
- The Larder Cook School, Bellsquarry – Mondays, Wednesdays and Fridays – 2 vehicles – approximately 150 meals per day - 1,897 meals delivered from 19 June to 17 July 2020

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.

Free Vaccinations Trips

From 12 January 2021 to 30 April 2021, we have provided 56 Edinburgh Care Homes vaccination transport for nurses and PPE to vaccinate residents.

We have also provided transport for 1,024 home visits for nurses to vaccinate people in their own homes.

From 27 January 2021, we have offered free transport to vaccine centres to residents in the Lothians who have mobility challenges. We completed 578 trips in the period to 31 March 2021.

Dial-A-Ride (DAR)

From 12 March 2020, DAR users started to cancel trips and from Monday, 23 March all DAR services except essential transport were cancelled due to COVID-19. From July 2020, DAR services resumed.

From 1 April 2020 to 31 March 2021, we have provided transport for 8,975 users to essential medical appointments and essential shopping trips, expanding to other destinations when Government Guidelines allowed.

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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 City of Edinburgh, West Lothian, Midlothian and East Lothian Councils;
- Pilot and implement projects for the Community Transport Public Social Partnership;
- West Lothian Dial-A-Bus services will change their Operators' Licence from a Section 19 operation to a Section 22 local registered bus route. This will allow users to use their concessionary entitlement card on the service;
- Explore the possibility to change Edinburgh, Midlothian and East Lothian Dial-A-Bus services from a Section 19 to a Section 22 Operators' Licence to allow users to use their National Entitlement Card;
- 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;
- Recruit a Development Manager;
- Replace 2 vehicles;
- Upgrade our Information Technology systems;
- Introduce both low emissions and electric vehicles onto the fleet (subject to securing funding)
- Consult and update our Staff Conditions of Service;

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FOR THE YEAR ENDED 31 March 2021

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 contributions at 22.8%. 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 (ECTO), Community Transport Public Social Partnership (CTPSP), Edinburgh Voluntary Organisations Council (EVOC), Midlothian Voluntary Action (MVA), West Lothian Social Enterprise Network (WLSN), Edinburgh's Older People's Service Providers Forum and West Lothian Senior People's Forum. We are also in partnership to provide urban and rural transport schemes in the community with West Lothian, Midlothian, East Lothian and The City of Edinburgh Councils.

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FOR THE YEAR ENDED 31 March 2021

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 (resigned 8 December 2020)
D Wilson	Vice Chairman (voted in 8 December 2020)
J Bhagrath CA	Treasurer
M Harrison	
J Ballantine	
J Cameron	
M McDonald	
P Lawson	
J Thomson	(deceased 6 April 2021)
J Montgomery	(resigned 27 April 2021)

Senior management team

J K Cochrane	Chief Executive
R Hutson	Operations Manager
I Greig	Operations Manager (until March 2020)
G Toner	Assistant 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

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FOR THE YEAR ENDED 31 March 2021

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 5 October 2021 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 2021

Opinion

We have audited the financial statements of Handicabs (Lothian) Limited for the year ended 31 March 2021, 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 2021 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 charity 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 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.

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2021

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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:

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity 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 report in accordance with the Act 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error.

From enquiries of those charged with governance, it was determined that the risk of material misstatement from fraud was low with little scope for fraud to occur. Our audit testing is designed to detect material misstatements from fraud where there is not high level collusion.

Our audit testing was designed to detect material misstatements from other irregularities that result from error where there is not high level concealment of the error. In this regard the following audit work was undertaken: applicable laws and regulations were reviewed and discussed with management; senior management meeting minutes were reviewed; internal controls were reviewed; and journals were reviewed. From this audit testing it was determined that the risk of material misstatement in this regard was low.

We performed income and expenditure testing which was designed to identify any irregularities as a result of mistakes or human error. From this audit testing it was determined that the risk of material misstatement in this regard was low.

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2021

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 auditor's report.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity'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

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

9 Ainslie Place

Edinburgh EH3 6AT

5 October 2021

HANDICABS (LOTHIAN) LIMITED

Statement of Financial Activities (inc income and expenditure account) for the year ended 31 March 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowment from:					
<i>Donations and legacies:</i>					
Donations and legacies	4	7,436	37,569	45,005	25,558
Membership		945	-	945	1,050
<i>Charitable activities:</i>					
Operating grants	6	1,187,988	136,396	1,324,384	956,434
Capital grants		-	58,500	58,500	79,125
Bus Service Operators Grant		121,532	-	121,532	124,434
Fares		45,705	-	45,705	233,723
Investments	5	6,383	-	6,383	8,508
Other		12,925	-	12,925	1,000
Total income		<u>1,382,914</u>	<u>232,465</u>	<u>1,615,379</u>	<u>1,429,832</u>
Expenditure on:					
Charitable activities		(1,107,355)	(221,668)	(1,329,023)	(1,458,193)
Total expenditure	7	<u>(1,107,355)</u>	<u>(221,668)</u>	<u>(1,329,023)</u>	<u>(1,458,193)</u>
Net gains/(losses) on investments		64,835	-	64,835	(27,742)
Net income/(expenditure)		340,394	10,797	351,191	(56,103)
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes		49,000	-	49,000	84,000
Net movement in funds		<u>389,394</u>	<u>10,797</u>	<u>400,191</u>	<u>27,897</u>
Reconciliation of funds:					
Total funds at 1 April 2020		826,288	126,400	952,688	924,791
Total funds at 31 March 2021	15	<u>1,215,682</u> =====	<u>137,197</u> =====	<u>1,352,879</u> =====	<u>952,688</u> =====

There are no recognised gains or losses in 2021 or 2020 other than those dealt with above. All results of the company refer to continuing activities.

The notes on pages 19 to 33 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

Balance Sheet

As at 31 March 2021

	Notes	£	2021 £	2020 £
Fixed assets				
Tangible assets	11		133,922	115,382
Investments	12		497,399	329,458
			<u>631,321</u>	<u>444,840</u>
Current assets				
Debtors	13	59,889		63,514
Cash at bank and in hand		831,441		609,003
		<u>891,330</u>		<u>672,517</u>
<i>Total current assets</i>				
Creditors: amounts falling due within one year	14	(169,772)		(164,669)
		<u> </u>		<u> </u>
Net current assets			721,558	507,848
<i>Total assets less liabilities</i>			1,352,879	952,688
Defined benefit pension scheme asset/(liability)	17		-	-
			<u> </u>	<u> </u>
Net assets			1,352,879	952,688
			<u> </u>	<u> </u>
Total funds of the charity:				
Restricted funds	15		137,197	126,400
Unrestricted funds	15			
Designated funds			474,481	480,000
General funds			741,201	346,288
Pension reserve			-	-
			<u>1,352,879</u>	<u>952,688</u>
			<u> </u>	<u> </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 5 October 2021 and signed on their behalf by :



K Brown
Director

Registered number: SC079712

The notes on pages 19 to 3 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

Cash Flow Statement

As at 31 March 2021

	2021 £	2020 £
Cash flows from operating activities	413,382	328,975
Cash flows from investing activities:		
Purchase of fixed assets	(98,921)	(70,109)
Proceeds from the sale of fixed assets	4,700	-
Dividends and interest from investment	6,383	8,508
Purchase of investments	(144,142)	(96,836)
Proceeds from the sale of investments	30,242	80,846
	<hr/>	<hr/>
Net cash (used) by investing activities	(201,738)	(77,591)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	211,644	251,384
Cash and cash equivalents at the beginning of the year	643,694	392,310
Cash and cash equivalents at the end of the year	<hr/> 855,338 <hr/>	<hr/> 643,694 <hr/>
	=====	=====
Represented by:		
Cash at bank and in hand	831,441	609,003
Cash held as part of investment portfolio	23,897	34,691
	<hr/> 855,338 <hr/>	<hr/> 643,694 <hr/>
	=====	=====
Reconciliation of net expenditure to net cash flow from operating activities		
	2021	2020
	£	£
Net income/(expenditure) for the year	400,191	27,897
Adjustments for the year:		
Depreciation charge	80,381	80,711
Gain on sale of fixed assets	(4,700)	-
Dividends and interest from investment	(6,383)	(8,508)
Net (gains)/losses on investments	(64,835)	27,742
Decrease/(increase) in debtors	3,625	95,407
Increase/(decrease) in creditors	5,103	105,726
Pension movement	-	-
	<hr/>	<hr/>
Net cash provided/(used) by operating activities	413,382	328,975
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

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 2021.

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 2022 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 2021

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 2021

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 objectives 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 2021

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. Donations and legacies

	Dial-A Bus £	Dial-A-Ride £	Other Charitable services £	Total 2021 £	Total 2020 £
Trust & Foundations (less than £10,000)	-	-	38,569	38,569	19,452
General donations	-	-	6,436	6,436	6,106
	<u>-</u>	<u>-</u>	<u>45,005</u>	<u>45,005</u>	<u>25,558</u>
	=====	=====	=====	=====	=====

Donations and legacies income for the comparative year ended 31 March 2020 was £25,558 of which £19,380 was restricted and £6,178 was unrestricted.

5. Investment income

	Dial-A Bus £	Dial-A-Ride £	Other Charitable services £	Total 2021 £	Total 2020 £
Interest received	-	-	66	66	492
Investment income	-	-	6,317	6,317	8,016
	<u>-</u>	<u>-</u>	<u>6,383</u>	<u>6,383</u>	<u>8,508</u>
	=====	=====	=====	=====	=====

Investment income for the comparative year ended 31 March 2020 was £8,508 of which all was unrestricted.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

6. Income from charitable activities

	Dial-A- Bus £	Dial-A-Ride £	Other Charitable services £	Total 2021 £	Total 2020 £
Grants received					
The City of Edinburgh Council	106,555	311,435	-	417,990	417,990
The City of Edinburgh Council – Drum Brae	-	-	-	-	42,000
The City of Edinburgh Council - PSP	32,500	-	-	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	28,140	141,044	-	169,184	166,190
Schuh Foundation	-	-	-	-	6,050
Queensberry Trust	-	-	-	-	6,180
Scottish Government Wellbeing Fund	-	-	11,555	11,555	
Community Recovery Fund	-	-	22,726	22,726	
Barrack Charitable Trust	-	-	4,000	4,000	
Energy Savings Trust	-	-	98,115	98,115	
Coronavirus Job Retention Scheme income	102,068	180,738	-	282,796	
Total	<u>307,657</u>	<u>880,331</u>	<u>136,396</u>	<u>1,324,384</u>	<u>956,434</u>

Income from charitable activities for the comparative year ended 31 March 2020 consisted of £956,434 of operating grant income, all of which were unrestricted.

Capital grants in the comparative year consisted of £79,125 all of which were restricted.

Fares in the comparative year were £233,723 which was all unrestricted.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

7. Expenditure

	Dial-A Bus	Dial- A- Ride	Other charitable service	Total 2021	Total 2020
	£	£	£	£	£
Fundraising costs	-	-	-	-	610
Charitable expenditure:					
Energy Savings Trust	-	-	98,115	98,115	-
Administration wages	-	155,980	-	155,980	131,673
Drivers and despatchers wages	203,092	507,259	-	710,351	814,159
Relief drivers	593	-	-	593	18,990
Volunteers' expenses	-	-	-	-	1,008
Protective clothing, PPE equipment & medicals	-	6,535	-	6,535	5,226
Conference, training and travelling	260	1,437	-	1,697	8,807
Vehicle costs	22,532	128,704	-	151,236	308,191
Rent, rates and heating	5,770	20,233	-	26,003	20,053
Repairs and cleaning	1,000	24,373	-	25,373	6,030
Printing, stationery and advertising	500	6,961	-	7,461	9,693
Telephone	1,000	4,882	-	5,882	2,999
<i>Support costs:</i>					
Insurance	2,115	6,346	-	8,461	8,155
Computer running costs	250	5,966	-	6,216	1,984
Software support	3,303	13,766	-	17,069	12,876
Miscellaneous expenses	1,971	9,501	3,004	14,476	8,220
Bad debts	-	1,059	-	1,059	(472)
Depreciation	-	-	80,381	80,381	80,711
Consultancy fees	-	-	600	600	5,850
Professional fees	1,042	2,126	-	3,168	3,228
Investment management fees	-	-	3,237	3,237	3,129
<i>Governance costs:</i>					
Audit and accountancy	1,155	1,635	2,340	5,130	7,073
Total	<u>244,583</u> =====	<u>896,763</u> =====	<u>187,677</u> =====	<u>1,329,023</u> =====	<u>1,458,193</u> =====

Support costs are apportioned on an invoiced basis.

Charitable expenditure for the comparative year ended 31 March 2020 totalled £1,458,193, of which £1,389,061 was unrestricted and £69,132 was restricted.

8. Net (expenditure)/income for the year

This is stated after charging/(crediting):-

	2021 £	2020 £
Depreciation	80,381	80,711
(Gain) on sale of fixed assets	(4,700)	-
Operating lease charges – land	25,700	19,700
Operating lease charges – Other	3,150	1,084
Auditors' remuneration: - Audit of accounts	4,650	4,700
- Audit of grant claims	480	960
	<u>=====</u>	<u>=====</u>

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

9. Staff costs and numbers and related party transactions

	2021	2020
	£	£
Salaries and wages	665,269	727,189
Redundancy costs	5,519	-
Social security costs	41,816	55,172
Pension contributions	154,320	182,461
	<u>866,924</u>	<u>964,822</u>
	=====	=====

The average number of employees during the year on a head count basis was 39 (2020: 39)

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 17.

The pension cost charge represents contributions payable by the Company to both the Lothian Pension Fund £94,564 (2020: £92,273) and The People's Pension Fund £3,826 (2020: £4,488), the total of which amounts to £98,390 (2020: £97,461). Contributions totalling £11,452 (2020: £9,648) 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 £144,052 (2020: £171,333).

No trustees received any remuneration and during the year there were no re-imburement of expenses to directors.

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

10. 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 2021

11. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 April 2020	779,693	8,781	788,474
Additions	98,921	-	98,921
Disposals	(23,450)	-	(23,450)
At 31 March 2021	<u>855,164</u> =====	<u>8,781</u> =====	<u>863,945</u> =====
Depreciation			
At 1 April 2020	664,311	8,781	673,092
Charge for the year	80,381	-	80,381
Write off on disposal	(23,450)	-	(23,450)
At 31 March 2021	<u>721,242</u> =====	<u>8,781</u> =====	<u>730,023</u> =====
Net book value			
At 31 March 2021	<u>133,922</u> =====	-	<u>133,922</u> =====
At 31 March 2020	<u>115,382</u> =====	-	<u>115,382</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 2021

	2021 £	2020 £
12. Investments		
Market value on 1 April 2020	329,458	352,123
Additions at cost	144,142	96,836
Disposal proceeds	(30,242)	(80,846)
(Decrease)/ increase in cash held	(10,794)	(10,913)
Net realised investment gains	5,266	1,590
Net unrealised investment gains/(losses)	59,569	(29,332)
Market value at 31 March 2021	<u>497,399</u>	<u>329,458</u>
Cost	<u>457,494</u>	<u>356,138</u>

Included in investments in 2021 is £23,897 (2020 - £34,691) held as cash.

	2021 £	2020 £
Investments at fair value comprised:		
Equities	286,365	214,870
Bonds, fixed interest securities, real assets	187,138	79,897
Cash held within the investment portfolio	23,896	34,691
As at 31 March 2021	<u>497,399</u>	<u>329,458</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).

13. Debtors

	2021 £	2020 £
Trade debtors	1,889	5,514
Grants receivable	58,000	58,000
	<u>59,889</u>	<u>63,514</u>

14. Creditors: amounts falling due within one year

	2021 £	2020 £
Other creditors	10,530	7,674
Accruals	17,123	16,625
Pension creditor	11,452	9,648
Taxation and social security	10,546	10,600
Deferred income	120,121	120,122
	<u>162,772</u>	<u>164,669</u>

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

14. Creditors: amounts falling due within one year (continued)

	2021 £	2020 £
Deferred income		
Balance as at 1 April 2020	120,122	-
Amounts released to income	(120,122)	-
Amounts deferred in the year	120,121	120,122
Balance at 31 March 2021	<u>120,121</u> =====	<u>120,122</u> =====

Deferred income relates to local authority service level contracts receive in advance.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

15. Movements in funds

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2021 £
Restricted fund:					
Minibuses & equipment	126,400	68,409	(81,636)	-	113,173
Ticket machines/data pads	-	15,732	(7,169)	-	8,563
COVID equipment	-	32,206	(23,878)	-	8,328
Computer equipment	-	4,075	(3,575)	-	500
Office refurbishment	-	13,928	(7,295)	-	6,633
Energy Savings Trust	-	98,115	(98,115)	-	-
Unrestricted:					
Designated funds:					
Vehicle fund	360,000	-	-	-	360,000
Restructure fund	120,000	-	(5,519)	-	114,481
General fund	346,288	1,443,749	(1,048,836)	-	741,201
Pension fund	-	53,000	(53,000)	-	-
	<u>952,688</u>	<u>1,729,214</u>	<u>(1,329,023)</u>	<u>-</u>	<u>1,352,879</u>
	=====	=====	=====	=====	=====

Restricted fund:

Minibuses & equipment

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

Ticket machines/data pads

During the year the charity received donations to assist with the purchase of data pads and ticket machines for all vehicles.

COVID equipment

During the year the charity received donations towards COVID equipment including screens for vehicles, PPE and cleaning equipment.

Computer equipment

During the year the charity received donations towards laptops and PCs to enable management and administrative staff to work at home during the pandemic and to ensure despatch staff were not sharing PCs when working in the office.

Office refurbishment

During the year the charity received donations to enable to the refurbishment of the Bathgate office as well as new office equipment.

Energy Savings Trust

During the year the charity received funds from the Energy Savings Trust under the Bus Emissions Abatement Retrofit Fund. These funds were paid to HJS Technology who carried out the retrofit on the charities vehicles.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

15. Movements in funds (continued)

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

In 2020 the charity agreed to designate £120,000 towards a review of the staff structure in Dial-A-Ride and Dial-A-Bus

Pension fund

The pension fund represents movements in the pension deficit over the year, as advised by the scheme actuary (see also note 17 to the accounts).

Comparative figures:

	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>
	=====	=====	=====	=====	=====

16. Analysis of net assets between funds

	Fixed assets £	Investments £	Net current assets £	Pension liability £	Totals £
Restricted fund	133,922	-	3,275	-	137,197
Unrestricted funds	-	497,399	718,283	-	1,215,682
At 31 March 2021	<u>133,922</u>	<u>497,399</u>	<u>721,558</u>	<u>-</u>	<u>1,352,879</u>
	=====	=====	=====	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

16. Analysis of net assets between funds (continued)

	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	115,382	329,458	507,848	-	952,688

17. 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 2021 % pa	31 March 2020 % pa
Rate of increase in salaries	3.4%	3.5%
Rate of increase in pensions payment	2.9%	1.9%
Discount rate	2.0%	2.3%

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	20.5 years	23.3 years
Future pensioners	21.9 years	25.2 years

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

	31 March 2021 %	31 March 2020 %
Equities	73%	75%
Bonds	12%	11%
Property	7%	8%
Cash	8%	6%

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

17. Pensions (continued)

Changes in the fair value of plan assets, defined benefit obligation and net liability for the year ended 31 March 2021:

	Assets £(000)	Obligations £(000)	Net (liability)/ Asset £(000)	Net position March 2020 £(000)
	£	£	£	£
Fair value of plan assets	4,783	-	4,783	4,953
Present value of funded liabilities	-	4,595	(4,595)	(4,875)
Opening position as at 31 March 2020	4,783	4,595	188	78
Service cost				
Current service cost	-	149	(149)	(177)
Past service cost (including curtailments)	-	-	-	-
Total service cost	-	149	(149)	(177)
Net interest				
Interest income on plan assets	110	-	110	119
Interest cost on defined benefit obligation	-	106	(106)	(118)
Total net interest	110	106	4	1
Total defined benefit cost recognised in net income or (expenditure)	110	255	(145)	(176)
Cashflows				
Plan participants' contributions	24	24	-	-
Employer contributions	96	-	96	92
Contributions in respect of unfunded benefits	-	-	-	-
Benefits paid	(97)	(97)	-	-
Unfunded benefits paid	-	-	-	-
Expected closing position	4,916	4,777	139	(6)
Re-measurements				
Changes in demographic assumptions	-	(240)	240	-
Changes in financial assumptions	-	969	(969)	(499)
Other experience	35	(260)	295	22
Return on assets excluding amounts included in net interest	675	-	675	(327)
Total re-measurements recognised in other gains or losses in Statement of Financial Activities	710	469	241	194
Fair value of plan assets	5,626	-	5,626	4,783
Present value of funded liabilities	-	5,246	(5,246)	(4,595)
Present value of unfunded liabilities	-	-	-	-
Closing position as at 31 March 2021	5,626	5,246	380	188

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2021

17. 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 administrated fund.

18. Operating lease commitments

At the 31 March 2021 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2020	2020
	£	£
Land and buildings:		
No later than one year	25,700	24,200
No later than 5 years	65,000	85,000
	=====	=====
Other:		
No later than one year	3,150	2,608
No later than 5 years	7,172	12,389
	=====	=====

19. Contingent asset

The charity has entered into conditional missives to sell the previously donated land. A deposit of £4,000 was received by the charity in relation to the sale during the year ended 31 March 2021. The missives are subject to planning consent and the final sales proceeds might not be known for a number of years.

