



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

Report and Financial Statements

Year ended 31 March 2022

Company No : SC079712
Scottish Charity No : SC013906

HANDICABS (LOTHIAN) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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HANDICABS (LOTHIAN) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 March 2022

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 2022.

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 for which the Company is established shall be wholly and exclusively charitable.

In particular, the purposes of the Company shall be:

- To provide transport for disabled people who are resident within the Lothian Region;
- To provide community bus services within areas where none, little or commercial services are not viable for disabled, ill, disadvantaged and the general public to improve quality of life;
- In particular HcL is established for the public benefit for the following object: 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.

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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 27% 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 17% of trips are health-related, with another 22% 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 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 charity 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 41% of Dial-A-Bus passenger trips, West Lothian 35%, Midlothian 21% and East Lothian 3%.

The charity also operates transport to Day Centres and Adult Learning Centres on behalf of The City of Edinburgh Council, and Section 22 Operators Licence community bus routes in West Lothian.

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 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 2021 emphasising the difference door-through-door services make to the lives of people who might not otherwise be able to leave their homes:

- *Without HcL I would be unable to travel beyond our local area and certainly not to The Centre. The friendliness of the drivers and staff is another reason I use HcL;*
- *It gives me independence. I don't have to rely on my family to get me to and from church;*
- *DAR gives me freedom to travel. I use it for outings and hospital appointments I see the staff as a credit to the organisation.*
- *I don't know how I would manage shopping if it was not for the availability of Dial-A-Bus. The office staff are kind and helpful and the drivers are cheerful and extremely kind in carrying one's shopping into the house.*
- *I am 83 years old and do not drive. Dial-A-Bus gets me to the shops and the capable drivers help me get my shopping to the house. I couldn't manage without their help as I have a walking stick.*

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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.

Achievements & Performance

The Charity operates 32 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 2021 until March 2022, 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. HcL was awarded Partnership of the Year at the UK Community Transport Association on 18th November 2021 (together with SCRAN Academy and PEP (Pilton Equalities Project)). We were recognised in Summer 2020 for the provision and delivery of over 120,000 meals to residents in Edinburgh during the COVID-19 pandemic;
2. HcL was also proud that Muriel Williams, previous Chair of HcL's Board was the recipient of the UK Community Transport Association Lifetime Achievement Award for recognition for over 25 years voluntary service to community transport;
3. HcL provided over 1,500 passenger journeys for people with mobility challenges for free, to vaccine COVID-19 appointments;
4. Employed a part-time Business Development Manager;
5. HcL became a member of the Scottish Living Wage;
6. Continued working under the 3+1 agreement with The City of Edinburgh Council (signed 2019);
7. Rolled over yearly agreements with West Lothian, Midlothian and East Lothian Councils;
8. Reviewed and updated our Staff Conditions of Service with the assistance of Unite the Union and staff;
9. Reviewed and updated Executive Policies;
10. 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;
11. 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;
12. Over 80 applications submitted to funders;

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Summary of Achievements (continued)

13. Purchased 2 Community buses and one Dial-A-Ride vehicle and one Dial-A-Bus;
14. Develop new services which enhance mobility - we are in our third 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;
15. Ongoing development of stakeholder relationships and ways we can work with The City of Edinburgh Council; West Lothian Council; Midlothian Council; and East Lothian Council. New services include school transport for children with complex health needs, Adult Day Centres and Community bus services;
16. Member of ECO Stars which enables us to monitor our carbon footprint yearly. Drivers are trained in fuel efficient driving;
17. West Lothian Dial-A-Bus changed from a Section 19 to a Section 22 operation to allow users to use their Concessionary Travel Entitlement;
18. Providing a Section 22 Operators Licence service in partnership with West Lothian Council for the residents of Broxburn and Uphall;
19. Implemented contactless payments on all vehicles;
20. 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 Strategy Report;
 - develops key performance indicators based on strategy outcomes;
 - provides ongoing governance training for Executive Members;
 - refreshed the Opening Doors Strategy document;
 - 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;
21. Engaged with funders to fully understanding their policy priorities and to communicate effectively the contribution that HcL makes in meeting these policies;
22. Partnership working - collaborated with partner organisations in the public, voluntary or private sectors where this advances our strategic aims;
23. Monitoring and evaluation of our services – both statistically and qualitatively e.g. seeking feedback from passengers, members and stakeholders.

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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:

- The Robertson Trust;
- Stafford Trust;
- Mrs M A Black - Charitable Trust;
- Pignatelli Foundation;
- Arnold Clark Community Fund;
- Howden's Bathgate;
- East Lothian Council Care and Strategy Partnership;
- East Lothian Council – One Council Partnership Fund;
- East Lothian Council – Community Intervention Fund;
- Enliven Edinburgh;
- West Lothian Community Development Trust;
- Adapt & Thrive;
- Queensberry Trust;
- ELHF COVID-19 Vaccination Support Fund;
- Co-op Edinburgh;
- Swinton Paterson Trust;
- Bank of Scotland – Reach;
- Edinburgh Wellbeing Pact;
- Row Fogo Charitable Trust;
- Schuh Trust;
- Asda Green Token;
- Volunteer Centre East Lothian;
- Prudential;
- Energy Saving Trust;
- Communities Recovery Fund;
- Howden Gorgie;
- Nancie Massey Charitable Trust;
- Communities Recovery Fund;
- Ballie Gifford;
- Almond Housing Association;
- Edinburgh Lothian Health Fund;
- Barrack Charitable Trust;
- Tesco Musselburgh;
- Morrison's Bathgate.

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

- Kirsteen Sullivan;
- Harry Cartmill;
- Pauline Clark;
- Maria MacAulay.

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FOR THE YEAR ENDED 31 March 2022

Financial Review

Results

The Charity generated income of £1.5m (2021: £1.6m). 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.

As restrictions lifted and services resumed expenditure in relation to wages and vehicle costs increased resulting in expenditures for the year of £1.6m, compared to £1.3m in 2021.

The net movement in funds, including actuarial gains/(losses) in defined pension scheme was a surplus of £55k (2021: £400k).

Reserves Policy

At the year-end the charity had net assets of £1,408,366 (2021: £1,352,879), comprising of £109,386 (2021: £137,197) of restricted funds and £474,481 (2021: £474,481) designated funds and £824,499 (2021: £741,201) of general funds.

The Directors are of the opinion that an acceptable level of free reserves is 13 weeks of expenditure; based on expenditure levels pre-covid this would represent c£353,000. In addition, the Directors agreed to increase the free reserves by £50,000 to provide working capital to cover cash flow requirements caused by delays in the receipt of funding, or where HcL must pay for the funded items in advance of receiving funding or to cover unexpected expenditure. The reserves policy is therefore set at £403,000. The current free reserves of the charity, being non-designated, not tied up in tangible fixed assets are £715,836. The directors acknowledge that this is in excess on the stated policy however they believe it is appropriate given the current economic uncertainties and certain increases in the charity's costs.

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 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. A Development Manager was employed in December 2021 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 initiatives during the pandemic (e.g. transporting meals, food parcels; providing free vaccine transport). Dial-A-Ride offers a discount of up to £6 off a first trip. Dial-A-Bus offers first return trip free to encourage people to use the services.
- 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.
- 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. An Operations Manager and Development Manger were appointed to enhance the support to the Chief Executive.

COVID-19 – Financial Risk

From April 2021 until August 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 2021 until March 2022, the Dial-A-Ride service has provided 25,728 passenger trips for residents in the Lothians.

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Risk Review (continued)

From August 2021 (Dial-A-Bus resumed) till March 2022, the service has provided 14,989 passenger trips for residents in the Lothians.

From April 2021 till March 2022 the Broxburn & Uphall Community bus has provided 9,359 passenger trips.

From 31 January 2022 till March 2022 we have provided trips for 512 day centre passengers.

For the Public Social Partnership: From April 2021 till March 2022 we have provided 1,177 trips for children with complex needs. From October 2021 till March 2022 we have provided 637 trips for an Adult Day Centre.

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 April 2021, we have offered free transport to vaccine centres to residents in the Lothians who have mobility challenges. We completed 1,247 passenger trips in the period to 31 March 2022.

HcL are grateful to continue 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.

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 2022

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;
- 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;
- 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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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 March 2022

Structure, Governance and Management

Governing document

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

The charity 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 11 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 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 2022

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
D Wilson	Vice Chairman
J Bhagrath CA	Treasurer
M Williams (resigned 15 November 2021)	
M Harrison	
J Ballantine	
J Cameron	
M McDonald	
P Lawson	
J Thomson (resigned 6 April 2021)	
J Montgomery (resigned 27 April 2021)	
K Kerr (appointed 29 March 2022)	
M Purdie (appointed 7 June 2022)	

Senior management team

J K Cochrane	Chief Executive
R Huston	Operations Manager
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

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 March 2022

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 13 September 2022 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 2022

Opinion

We have audited the financial statements of Handicab (Lothian) Limited (the 'charitable company') for the year ended 31 March 2022, 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 2022 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.

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2022

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.

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.

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2022

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

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.

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

13 September 2022

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

HANDICABS (LOTHIAN) LIMITED

Statement of Financial Activities (inc income and expenditure account) for the year ended 31 March 2022

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income and endowment from:					
<i>Donations and legacies:</i>					
Donations and legacies	4	32,264	46,084	78,348	45,005
Membership		671	-	671	945
<i>Charitable activities:</i>					
Operating grants	6	1,052,157	23,500	1,075,657	1,324,384
Capital grants		-	39,250	39,250	58,500
Bus Service Operators Grant		123,780	-	123,780	121,532
Fares		181,612	-	181,612	45,705
Investments	5	7,284	-	7,284	6,383
Other		8,000	-	8,000	12,925
Total income		<u>1,405,768</u>	<u>108,834</u>	<u>1,514,602</u>	<u>1,615,379</u>
Expenditure on:					
Charitable activities		(1,443,257)	(144,055)	(1,587,312)	(1,329,023)
Total expenditure	7	<u>(1,443,257)</u>	<u>(144,055)</u>	<u>(1,587,312)</u>	<u>(1,329,023)</u>
Net gains on investments		8,197	-	8,197	64,835
Net (expenditure)/income		(29,292)	(35,221)	(64,513)	351,191
Transfers between funds	15	(7,410)	7,410	-	-
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes		120,000	-	120,000	49,000
Net movement in funds		<u>83,298</u>	<u>(27,811)</u>	<u>55,487</u>	<u>400,191</u>
Reconciliation of funds:					
Total funds at 1 April 2021		1,215,682	137,197	1,352,879	952,688
Total funds at 31 March 2022	15	<u>1,298,980</u>	<u>109,386</u>	<u>1,408,366</u>	<u>1,352,879</u>

There are no recognised gains or losses in 2022 or 2021 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 2022

	Notes	£	2022 £	2021 £
Fixed assets				
Tangible assets	11		208,249	133,922
Investments	12		657,631	497,399
			<u>865,880</u>	<u>631,321</u>
Current assets				
Debtors	13	67,599		59,889
Cash at bank and in hand		567,466		831,441
			<u>635,065</u>	<u>891,330</u>
Creditors: amounts falling due within one year	14	(92,579)		(169,772)
Net current assets			<u>542,486</u>	<u>721,558</u>
<i>Total assets less liabilities</i>			1,408,366	1,352,879
Defined benefit pension scheme asset/(liability)	17		-	-
Net assets			<u>1,408,366</u>	<u>1,352,879</u>
			=====	=====
Total funds of the charity:				
Restricted funds	15		109,386	137,197
Unrestricted funds	15			
Designated funds			474,481	474,481
General funds			824,499	741,201
Pension reserve			-	-
			<u>1,408,366</u>	<u>1,352,879</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 13 September 2022 and signed on their behalf by :



K Brown
Director
Registered number: SC079712

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

HANDICABS (LOTHIAN) LIMITED

Cash Flow Statement

As at 31 March 2022

	2022 £	2021 £
Cash flows from operating activities	67,123	413,382
Cash flows from investing activities:		
Purchase of fixed assets	(188,347)	(98,921)
Proceeds from the sale of fixed assets	2,000	4,700
Dividends and interest from investment	7,284	6,383
Purchase of investments	(250,225)	(144,142)
Proceeds from the sale of investments	101,759	30,242
	<hr/>	<hr/>
Net cash (used) by investing activities	(327,529)	(201,738)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(260,406)	211,644
Cash and cash equivalents at the beginning of the year	855,338	643,694
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	594,932	855,338
	=====	=====
Represented by:		
Cash at bank and in hand	567,466	831,441
Cash held as part of investment portfolio	27,466	23,897
	<hr/>	<hr/>
	594,932	855,338
	=====	=====

Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net income for the year	55,487	400,191
Adjustments for the year:		
Depreciation charge	114,020	80,381
Gain on sale of fixed assets	(2,000)	(4,700)
Dividends and interest from investment	(7,284)	(6,383)
Net (gains)/losses on investments	(8,197)	(64,835)
(Increase)/decrease in debtors	(7,710)	3,625
(Decrease)/increase in creditors	(77,193)	5,103
Pension movement	-	-
	<hr/>	<hr/>
Net cash provided by operating activities	67,123	413,382
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2022

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 2022.

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 2023 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 2022

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 2022

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 2022

1) 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 2022 £	Total 2021 £
Other Trust & Foundations (less than £10,000)	-	-	46,084	46,084	38,569
General donations	-	-	32,264	32,264	6,436
	<u>-</u>	<u>-</u>	<u>78,348</u>	<u>78,348</u>	<u>45,005</u>
	=====	=====	=====	=====	=====

Donations and legacies income for the comparative year ended 31 March 2021 was £45,005 of which £37,569 was restricted and £7,436 was unrestricted.

5. Investment income

	Dial-A Bus £	Dial-A-Ride £	Other Charitable services £	Total 2022 £	Total 2021 £
Interest received	-	-	68	68	66
Investment income	-	-	7,216	7,216	6,317
	<u>-</u>	<u>-</u>	<u>7,284</u>	<u>7,284</u>	<u>6,383</u>
	=====	=====	=====	=====	=====

Investment income for the comparative year ended 31 March 2021 was £6,383 of which all was unrestricted.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

6. Income from charitable activities

	Dial-A- Bus £	Dial-A-Ride £	Other Charitable services £	Total 2022 £	Total 2021 £
Grants received					
The City of Edinburgh Council	106,555	311,435	-	417,990	417,990
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	39,780	185,872	-	225,652	210,652
Midlothian Council	28,238	141,914	-	170,152	169,180
Coronavirus Job Retention Scheme income	23,971	47,855	-	71,826	282,790
Scottish Government Wellbeing Fund	-	-	-	-	11,550
Community Recovery Fund	-	-	-	-	22,720
Barrack Charitable Trust	-	-	-	-	4,000
Energy Savings Trust	-	-	-	-	98,110
Adapt & Thrive	-	-	59,171	59,171	
Bank of Scotland	-	-	10,000	10,000	
Robertson Trust	-	-	13,500	13,500	
Total	<u>237,158</u>	<u>755,828</u>	<u>82,671</u>	<u>1,075,657</u>	<u>1,324,384</u>

Income from charitable activities for the comparative year ended 31 March 2021 consisted of £1,324,384 of operating grant income, of which £136,396 was restricted and £1,187,988 was unrestricted.

Capital grants in the comparative year consisted of £58,500 all of which were restricted.

Fares in the comparative year were £45,705 which was all unrestricted.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

7. Expenditure

	Dial-A Bus	Dial- A- Ride	Other charitable service	Total 2022	Total 2021
	£	£	£	£	£
Charitable expenditure:					
Energy Savings Trust	-	-	-	-	98,115
Administration wages	-	185,333	-	185,333	155,980
Drivers and despatchers wages	231,026	610,887	-	841,913	710,351
Relief drivers	1,042	3,641	-	4,683	593
Volunteers' expenses	-	675	-	675	-
Protective clothing, PPE equipment & medicals	635	16,765	-	17,400	6,535
Conference, training and travelling	1,038	18,473	-	19,511	1,697
Vehicle costs	71,661	202,006	-	273,667	151,236
Rent, rates and heating	5,922	21,345	-	27,267	26,003
Repairs and cleaning	187	29,080	-	29,267	25,373
Printing, stationery and advertising	2,004	11,802	-	13,806	7,461
Telephone	1,129	7,505	-	8,634	5,882
<i>Support costs:</i>					
Insurance	2,128	6,384	-	8,512	8,461
Computer running costs	1,000	7,204	-	8,204	6,216
Software support	3,303	10,021	-	13,324	17,069
Miscellaneous expenses	250	4,598	944	5,792	14,476
Bad debts	-	81	-	81	1,059
Depreciation	-	-	114,020	114,020	80,381
Consultancy fees	-	-	900	900	600
Professional fees	1,000	2,887	-	3,887	3,168
Investment management fees	-	-	5,181	5,181	3,237
<i>Governance costs:</i>					
Audit and accountancy	973	973	3,309	5,255	5,130
Total	323,298	1,139,660	124,354	1,587,312	1,329,023
	=====	=====	=====	=====	=====

Support costs are apportioned on an invoiced basis.

Charitable expenditure for the comparative year ended 31 March 2021 totalled £1,329,023, of which £1,107,355 was unrestricted and £221,668 was restricted.

8. Net (expenditure)/income for the year

This is stated after charging/(crediting):-

	2022	2021
	£	£
Depreciation	114,020	80,381
(Gain) on sale of fixed assets	(2,000)	(4,700)
Operating lease charges – land	25,700	25,700
Operating lease charges – Other	2,608	3,150
Auditors' remuneration: - Audit of accounts	4,945	4,650
- Audit of grant claims	-	480
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

9. Staff costs and numbers and related party transactions

	2022	2021
	£	£
Salaries and wages	739,664	665,269
Redundancy costs	-	5,519
Social security costs	50,813	41,816
Pension contributions	241,452	154,320
	<u>1,031,929</u>	<u>866,924</u>
	=====	=====

The average number of employees during the year on a head count basis was 39 (2021: 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 £108,769 (2021: £94,564) and The People's Pension Fund £3,826 (2021: £3,826), the total of which amounts to £112,595 (2021: £98,390). Contributions totalling £12,801 (2021: £11,452) 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 £155,071 (2021: £144,052).

No trustees received any remuneration and during the year there were no re-imbursment of expenses to directors. A £36 donation was received from a trustee during the year.

Accountancy fees of £1,560 were paid to Henderson Loggie LLP, a firm in which Trustee, J Bhagrath is a partner.

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 2022

11. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 April 2021	855,164	8,781	863,945
Additions	188,347	-	188,347
Disposals	(10,875)	-	(10,875)
At 31 March 2022	<u>1,032,636</u>	<u>8,781</u>	<u>1,041,417</u>
Depreciation			
At 1 April 2021	721,242	8,781	730,023
Charge for the year	114,020	-	114,020
Write off on disposal	(10,875)	-	(10,875)
At 31 March 2022	<u>824,387</u>	<u>8,781</u>	<u>833,168</u>
Net book value			
At 31 March 2022	<u>208,249</u>	<u>-</u>	<u>208,249</u>
At 31 March 2021	<u>133,922</u>	<u>-</u>	<u>133,922</u>

The charity has title to land that was donated during the year ended 31 March 2020. 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 2022

12. Investments	2022 £	2021 £
Market value on 1 April 2021	497,399	329,458
Additions at cost	250,225	144,142
Disposal proceeds	(101,759)	(30,242)
Increase/(decrease) in cash held	3,569	(10,794)
Net realised investment gains	874	5,266
Net unrealised investment gains	7,323	59,569
Market value at 31 March 2022	<u>657,631</u>	<u>497,399</u>
Cost	<u>608,826</u>	<u>457,494</u>

Included in investments in 2022 is £27,466 (2021 - £23,897) held as cash.

Investments at fair value comprised:	2022 £	2021 £
Equities	376,460	286,365
Bonds, fixed interest securities, real assets	253,706	187,138
Cash held within the investment portfolio	27,465	23,896
As at 31 March 2022	<u>657,631</u>	<u>497,399</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

	2022 £	2021 £
Trade debtors	9,155	1,889
Grants receivable	58,444	58,000
	<u>67,599</u>	<u>59,889</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors	18,925	10,530
Accruals	27,210	17,123
Pension creditor	12,801	11,452
Taxation and social security	13,623	10,546
Deferred income	20,020	120,121
	<u>92,579</u>	<u>169,772</u>

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

	2022 £	2021 £
Deferred income		
Balance as at 1 April 2021	120,122	120,122
Amounts released to income	(120,122)	(120,122)
Amounts deferred in the year	20,020	120,122
Balance at 31 March 2022	<u>20,020</u> =====	<u>120,122</u> =====

Deferred income relates to grants received in advance.

15. Movements in funds

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2022 £
Restricted fund:					
Minibuses & equipment	113,173	44,973	(81,906)	-	76,240
Ticket machines/data pads	8,563	-	(15,973)	7,410	-
COVID equipment	8,328	22,076	(13,893)	-	16,511
Computer equipment	500	-	-	-	500
Office refurbishment	6,633	-	-	-	6,633
Passenger day trips	-	2,661	(1,299)	-	1,362
Staff fund	-	23,500	(23,500)	-	-
Stair climber fund	-	15,624	(7,484)	-	8,140
Unrestricted:					
Designated funds:					
Vehicle fund	360,000	-	-	-	360,000
Restructure fund	114,481	-	-	-	114,481
General fund	741,201	1,407,965	(1,317,257)	(7,410)	824,499
Pension fund	-	126,000	(126,000)	-	-
	<u>1,352,879</u> =====	<u>1,642,799</u> =====	<u>(1,587,312)</u> =====	<u>-</u> =====	<u>1,408,366</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 for staff not to share PCs when working in the office.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

Office refurbishment

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

Passenger day trips

During the year the charity received funding to provide 5 day trips for 63 people resident in Edinburgh and 3 day trips for 32 people resident in East Lothian.

Staff fund

During the year the charity received two grants towards the wages of the operations manager and a driver.

Stair climber fund

During the year the charity received funding to support the use of a stair climber to aid those passengers who would otherwise be housebound.

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

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

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

16. Analysis of net assets between funds

	Fixed assets £	Investments £	Net current assets £	Pension liability £	Totals £
Restricted fund	99,586	-	9,800	-	109,386
Unrestricted funds	108,663	657,631	532,686	-	1,298,980
At 31 March 2022	<u>208,249</u> =====	<u>657,631</u> =====	<u>542,486</u> =====	<u>-</u> =====	<u>1,408,366</u> =====

	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 2022

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 2022 % pa	31 March 2021 % pa
Rate of increase in salaries	3.7%	3.4%
Rate of increase in pensions payment	3.2%	2.9%
Discount rate	2.7%	2.0%

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	20.3 years	23.1 years
Future pensioners	21.6 years	25.0 years

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

	31 March 2022 %	31 March 2021 %
Equities	71%	73%
Bonds	13%	12%
Property	6%	7%
Cash	10%	8%

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

Changes in the fair value of plan assets, defined benefit obligation and net liability for the year ended 31 March 2022:

	Assets £(000)	Obligations £(000)	Net (liability) Asset £(000)	Net position March 2021 £(000)
	£	£	£	£
Fair value of plan assets	5,626	-	5,626	4,783
Present value of funded liabilities	-	5,246	(5,246)	(4,595)
Opening position as at 31 March 2021	5,626	5,246	380	188
Service cost				
Current service cost	-	235	(235)	(149)
Past service cost (including curtailments)	-	-	-	-
Total service cost	-	235	(235)	(149)
Net interest				
Interest income on plan assets	113	-	113	110
Interest cost on defined benefit obligation	-	107	(107)	(106)
Total net interest	113	107	6	4
Total defined benefit cost recognised in net income or (expenditure)	113	342	(229)	(145)
Cashflows				
Plan participants' contributions	28	28	-	-
Employer contributions	109	-	109	96
Benefits paid	(87)	(87)	-	-
Unfunded benefits paid	-	-	-	-
Expected closing position	5,789	5,529	260	139
Re-measurements				
Changes in demographic assumptions	-	(342)	342	240
Changes in financial assumptions	-	(31)	31	(969)
Other experience	-	9	(9)	295
Return on assets excluding amounts included in net interest	524	-	524	675
Total re-measurements recognised in other gains or losses in Statement of Financial Activities	524	(364)	888	241
Fair value of plan assets	6,313	-	6,313	5,626
Present value of funded liabilities	-	5,165	(5,165)	(5,246)
Present value of unfunded liabilities	-	-	-	-
Closing position as at 31 March 2022	6,313	5,165	1,148	380

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2022

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 2022 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2022	2021
	£	£
Land and buildings:		
No later than one year	25,700	25,700
No later than 5 years	45,000	65,000
	=====	=====
Other:		
No later than one year	2,608	3,150
No later than 5 years	4,564	7,172
	=====	=====

19. Contingent asset

In 2021 the charity 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.

