



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

Report and Financial Statements

Year ended 31 March 2012

Company No : SC079712
Scottish Charity No : SC013906

HANDICABS (LOTHIAN) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

CONTENTS	page
Report of the Directors	1 - 5
Independent auditor's report	6 - 7
Statement of financial activities	8
Balance sheet	9
Notes forming part of the financial statements	10 - 15

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The Directors present their report and audited financial statements for the year ended 31 March 2012.

Reference and Administrative Information

Charity Name: Handicabs (Lothian) Limited - HcL

Charity registration number: SC013906

Company registration number: SC079712

Directors

M J Williams MStJ	Chairman
A Johnstone	Vice Chairman
W T Pearson, OStJ, FCILT, FCMI	Chief Executive
C Barr	
A Beatson (resigned 27 June 2011)	
J Brennan (resigned 06 June 2011)	
J Cameron	
M Harrison	
A Robertson	
R Seiler	
D Wilson	

Secretary & Treasurer

R M Sinclair, BA, CA

Senior Management Team

W T Pearson, OStJ, FCILT, FCMI	Chief Executive
I C Greig	Operations Manager (East)
J K Cochrane	Operations Manager (West)

Registered Office and Operational Address

58 Canaan Lane, Edinburgh, EH10 4SG

Auditor

Chiene + Tait, Chartered Accountants & Statutory Auditor, 61 Dublin Street, Edinburgh EH3 6NL

Bankers

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

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

Structure, Governance and Management

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. The total number of members at 31 March 2012 was 398 (2011 : 458).

Recruitment and Appointment of Executive Committee

The Directors of the company who are listed on page 1 are also the charity trustees for the purposes of charity law 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 four further members to fill specialist roles. Co-opted members also serve till the following AGM.

The company 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. Six 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.

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 four 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.

Related Parties

The company is a member of The Scottish Accessible Transport Alliance (SATA), Community Transport Association (CTA) and the Edinburgh Community Transport Operators Group (ECTO). It is 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.

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

Structure, Governance and Management (cont'd)

Risk Review

The Directors conduct an ongoing review of the major risks to which the company 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 charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the company.

Objectives and Activities

Objectives

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

Volunteers

We rely on the continuing support of volunteers to enable the charity to continue to fulfil its objectives. In addition the Lothian Health Board provides accommodation rent free at Canaan Lane, Edinburgh.

Achievements & Performance

Review of Activities

The company provides a door-through-door, dial-a-ride transport service for disabled people in Edinburgh and the Lothians and in November 2011 it completed its twenty-ninth year of operations. In addition the company operates a dial-a-bus service on behalf of The City of Edinburgh, West Lothian, Midlothian and East Lothian Councils.

Patient transport and ambulance services (and some funding) are also being provided in co-operation with other agencies including NHS Lothian and the Scottish Ambulance Service. This form of transport is a growing area of need because of the ageing population and demands placed on statutory transport provision.

In co-operation with the four local Councils, Lothian Health, Scottish Government and other statutory, commercial and voluntary agencies, HcL is confident of maintaining and improving its performance within a rapidly changing and developing sector of activity.

A dial-a-journey bus service funded by Midlothian Council started in November 2004 for two years to provide transport for rural villages in Midlothian. It has continued on an annual basis from March 2007 subject to demand.

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

Financial Review

Results

The net outgoing resources for the year amounted to a deficit of £35,718 (2011: deficit of £67,093). Of this, £13,299 was added to the unrestricted fund to give a total of £219,759 and £49,017 was deducted from the designated funds which now stand at £156,821 (2011: £205,838). The net deficit was arrived at after charging depreciation on vehicles of £87,767 (2011: £95,117) and after including interest receivable of £1,501 (2011: £1,553).

The Directors are indebted to The City of Edinburgh, East Lothian, Midlothian and West Lothian Councils, Lothian Health, Scottish Government and the Order of St John for the financial support they give both towards the operating costs of the company and towards the funding of new vehicles.

Reserves Policy

The Directors have established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets ('the free reserves') held by the company should be 13 weeks of the resources expended. At this level, the Directors feel that they would be able to continue the current activities of the company in the event of a significant drop in funding. It would obviously be necessary to consider how the funding would be replaced or activities changed. At present the free reserves, which amount to £219,759 would only cover approximately 9.0 weeks and the Directors are considering ways in which additional unrestricted funds will be raised.

Investment Policy

The Directors consider that where surplus funds are available, they should be held in a suitable interest bearing bank account.

Plans for future periods

The service intends to maintain, within the financial constraints placed upon them, its core activities of Dial-a-Ride and Dial-a-Bus, and would like to further develop ambulance and health related transport if funding permits from partner agencies, particularly NHS Lothian.

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:

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

- 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 keeping adequate 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.

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Chiene + Tait, Chartered Accountants & Statutory Auditor, the charitable company's auditor has expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Directors on August 2012 and signed on their behalf by :

R M Sinclair BA CA
Secretary



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF HANDICABS (LOTHIAN) LIMITED

We have audited the financial statements of Handicabs (Lothian) Limited for the year ended 31 March 2012 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charity's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Directors 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, its members as a body and its directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibility Statement, the directors (who are also the directors 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.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been applied consistently and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion

The audit evidence available to us was limited because, as disclosed in Note 12, the directors took the decision not to obtain the disclosure information required under FRS 17 'Retirement Benefits'. As a consequence we have not been able to make any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence regarding the disclosures required in compliance with the reporting requirements of FRS 17. Had this information been available to us we might have formed a different opinion on the financial statements.

HANDICABS (LOTHIAN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF HANDICABS (LOTHIAN) LIMITED (Continued)



Qualified opinion on financial statements

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to retirement benefits accounting, we have not obtained all the information and explanations that we consider necessary for the purpose of our audit and we are unable to confirm the company's share of any pension scheme surplus or deficit that exists as at the year end.

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

- the charitable company has not kept proper and adequate accounting records 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report.

Malcolm Beveridge BA CA (Senior Statutory Auditor)

For and on behalf of

CHIENE + TAIT

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh, EH3 6NL

2012

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

HANDICABS (LOTHIAN) LIMITED

Statement of Financial Activities (including Income and Expenditure Account)

for the year ended 31 March 2012

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income - Donations		17,252	-	17,252	10,852
Investment income		1,501	-	1,501	1,553
Incoming resources from charitable activities:					
Operating grants	2	889,084	-	889,084	897,178
Vehicle grants		-	36,500	36,500	36,500
Gain on disposal of assets		-	2,250	2,250	1,250
Bus Service Operators Grant		48,554	-	48,554	48,678
Fares		326,632	-	326,632	291,780
Membership		2,018	-	2,018	2,228
Total incoming resources		<u>1,285,041</u>	<u>38,750</u>	<u>1,323,791</u>	<u>1,290,019</u>
Resources expended					
Charitable expenditure:					
Operating vehicles		1,262,088	87,767	1,349,855	1,347,598
Governance		9,654	-	9,654	9,514
Total resources expended	3	<u>1,271,742</u>	<u>87,767</u>	<u>1,359,509</u>	<u>1,357,112</u>
Net incoming/(outgoing) resources	4	<u>13,299</u>	<u>(49,017)</u>	<u>(35,718)</u>	<u>(67,093)</u>
Total funds at 1 April 2011		206,460	205,838	412,298	479,391
Total funds at 31 March 2012		<u>219,759</u>	<u>156,821</u>	<u>376,580</u>	<u>412,298</u>

There are no recognised gains or losses in 2012 or 2011 other than the deficit shown for the year, which arises from continuing activities.

The notes on pages 10 to 15 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

BALANCE SHEET

As at 31 March 2012

	Notes	£	2012 £	2011 £
Fixed assets	7		140,357	159,935
				<hr/>
Current assets				
Debtors and Prepayments	8	39,547		92,986
Cash at bank and in hand		253,257		220,492
		<hr/>		<hr/>
		292,804		313,478
Creditors: amounts falling due within one year	9	56,581		61,115
		<hr/>		<hr/>
Net current assets			236,223	252,363
			<hr/>	<hr/>
Net assets			376,580	412,298
			<hr/>	<hr/>
Total funds:				
Restricted funds	10		156,821	205,838
Unrestricted funds				
General funds			-	-
Designated funds	10		219,759	206,460
			<hr/>	<hr/>
			376,580	412,298
			<hr/>	<hr/>

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 for Smaller Entities (effective April 2008).

Approved by the Directors on August 2012 and signed on their behalf by :

M J Williams

A Johnstone

The notes on pages 10 to 15 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

1. Accounting policies

- (a) The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and follow the recommendations in Accounting and Reporting by Charities : Statement of Recommended Practice updated in 2005 (SORP 2005).
- (b) The financial statements have been prepared on a going concern basis. The directors have assessed the charitable company's ability to continue as a going concern and have reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.
- (c) Grants, including grants for the purchase of fixed assets, are recognised in full in the Statement of Financial Activities in the year in which they are receivable.
- (d) Incoming resources from passenger fares and grants are recognised when receivable.
- (e) Depreciation is provided at rates calculated to write off the cost of each asset in equal instalments over their expected useful life, as follows:

Vehicles	25%
Office equipment	20%
Office furnishings	20%

Depreciation on vehicles is a direct operating cost and is calculated from the end of the quarter in which each vehicle is acquired; other assets are dealt with on an annual basis. Items costing less than £500 are not capitalised in the balance sheet.

- (f) Operating lease rentals are written off to the Statement of Financial Activities as incurred.
- (g) The company offers membership of a pension scheme to its employees. Contributions are charged to the Statement of Financial Activities so as to spread the cost over the employees working lives.
- (h) All expenditure is included on an accruals basis and is recognised when there is a legal and constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. General overheads and support costs are allocated to cost categories on a basis consistent with the use of resources. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.
- (i) Donations and legacies are credited in the year they are received.
- (j) The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution of volunteers can be found in the Directors' Report.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2012

2. Incoming resources from activities to further the company's objects

	2012	2011
	Total	Total
	£	£
Grants received		
The City of Edinburgh Council	417,990	417,990
East Lothian Council	73,472	73,472
West Lothian Council	210,652	218,746
Midlothian Council	143,172	143,172
Lothian Health	3,798	3,798
The Order of St John	10,000	10,000
Western General Hospital - Patient Transport	30,000	30,000
Total	889,084	897,178

3. Total resources expended

	Unrestricted Funds	Restricted Funds	Total Funds 2012	Total Funds 2011
(a)	£	£	£	£
<u>Charitable Expenditure:</u>				
Administration wages	186,244	-	186,244	179,351
Drivers and despatchers wages	656,877	-	656,877	666,727
Relief drivers	24,840	-	24,840	20,607
Volunteers' expenses	1,340	-	1,340	920
Protective clothing and medicals	2,379	-	2,379	2,327
Conference, training and travelling	5,436	-	5,436	9,017
Vehicle cost	338,168	-	338,168	319,714
Rent, rates and heating	8,123	-	8,123	13,142
Repairs and cleaning	1,926	-	1,926	2,006
Printing, stationery and advertising	10,199	-	10,199	8,213
Telephone	8,041	-	8,041	8,840
Support costs (note 3b)	16,785	-	16,785	19,452
Depreciation	1,730	87,767	89,497	97,282
	1,262,088	87,767	1,349,855	1,347,598
<u>Governance:</u>				
Audit and accountancy	6,654	-	6,654	6,514
Support costs	3,000	-	3,000	3,000
	9,654	-	9,654	9,514
Total resources expended	1,271,742	87,767	1,359,509	1,357,112

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2012

3. Total resources expended (cont'd)

(b) Support costs are allocated to activities as detailed below:

	Charitable Activities	Governance Costs	2012	2011
	£	£	£	£
Insurance	7,485	-	7,485	7,727
Equipment leasing	780	-	780	1,196
Software support	6,900	-	6,900	6,463
Miscellaneous expenses	1,620	3,000	4,620	7,066
	-----	-----	-----	-----
	16,785	3,000	19,785	22,452
	=====	=====	=====	=====

Basis of allocation

Where costs are directly attributable to an activity, they are allocated to that activity. Where items of expenditure relate to more than one activity, the cost is apportioned on a basis consistent with the use of resources.

4. Net incoming resources for the year

This is stated after charging:-

	2012	2011
	£	£
Depreciation	89,497	97,282
Directors' remuneration	63,464	62,861
Auditors' remuneration:		
Audit of accounts	3,650	3,550
Audit of grant claims	996	964
	-----	-----

One director (2011 : one) is accruing benefits under the company pension final salary scheme. The value of company pension contributions included in the above directors' remuneration was £11,603 (2011 : £10,678). Expenses of £747 (2011 : £2,286) were paid to this director and are included in the above figure. No other director received any remuneration or reimbursement of expenses. The Treasurer receives an honorarium of £2,000 (2011 : £2,000).

5. Staff costs and numbers

	2012	2011
	£	£
Salaries and wages	726,588	726,304
Social security costs	47,459	50,284
Pension contributions	93,914	90,096
	-----	-----
	867,961	866,684
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2012

5. Staff costs and numbers (cont'd)

No employee, other than the Chief Executive, received emoluments of more than £60,000.

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was 44 (2011 : 44)

The company operates a defined benefit pension scheme as detailed in note 12.

The pension cost charge represents contributions payable by the Company to the Lothian Pension Fund and amounts to £93,914 (2011 : £90,096). Contributions totalling £9,313 (2011 : £10,750) were payable to the fund at the year end and are included in creditors.

6. Taxation

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

7. Tangible fixed assets

	Motor Vehicles £	Office Equipment £	Office Furnishings £	Total £
Cost				
At 1 April 2011	880,882	110,920	13,118	1,004,920
Additions in year	69,919	-	-	69,919
Disposals in year	(59,300)	-	-	(59,300)
At 31 March 2012	891,501	110,920	13,118	1,015,539
Depreciation				
At 1 April 2011	723,433	108,434	13,118	844,985
Charge for the year	87,767	1,730	-	89,497
Write off on disposal	(59,300)	-	-	(59,300)
At 31 March 2012	751,900	110,164	13,118	875,182
Net book value				
At 31 March 2012	139,601	756	-	140,357
	=====	=====	=====	=====
At 31 March 2011	157,449	2,486	-	159,935
	=====	=====	=====	=====

Capital expenditure contracted for, but not provided for in the financial statements, amounted to £nil (2011: £35,000). Capital expenditure authorised by the finance committee, but not contracted for at 31 March 2012 amounted to £nil (2011: £nil).

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2012

8. Debtors

	2012	2011
	£	£
Fares (including patient transport of £13,058)	16,897	33,336
Other debtors (including Bus Service Operators Grant of £22,650)	22,650	22,650
Prepayments	-	37,000
	<hr/>	<hr/>
	39,547	92,986
	<hr/> <hr/>	<hr/> <hr/>

9. Creditors : amounts falling due within one year

	2012	2011
	£	£
Accruals	7,388	7,538
Sundry creditors	25,901	25,132
Taxation and social security	23,292	28,445
	<hr/>	<hr/>
	56,581	61,115
	<hr/> <hr/>	<hr/> <hr/>

10. Movements in funds

	At 1 April 2011	Incoming Resources	Outgoing Resources	At 31 March 2012
Total funds :				
Restricted fund	205,838	38,750	(87,767)	156,821
Unrestricted fund	-	-	-	-
Designated funds	206,460	1,285,041	(1,271,742)	219,759
	<hr/>	<hr/>	<hr/>	<hr/>
	412,298	1,323,791	(1,359,509)	376,580
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The restricted fund represents grants for the purchase of vehicles and gains on disposal of vehicles. The outgoing resources relate to depreciation of vehicles. The unrestricted general funds are now designated funds to allow the company to continue operating for a short period, in accordance with the charitable objects of the company, in the event of a significant reduction in funding.

11. Analysis of Net Assets between Funds

	Fixed Assets	Net Current Assets	Totals £
Restricted Fund	139,601	17,220	156,821
Designated Fund	756	219,003	219,759
	<hr/>	<hr/>	<hr/>
	140,357	236,223	376,580
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2012

12. Pensions

The Company is a participating employer in the Lothian Pension Fund (“The Scheme”) that provides benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees’ working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The directors have considered the proposed costs of complying with the disclosure requirements of FRS 17 Retirement Benefits. The directors are unable to justify these costs as charitable expenditure in furtherance of the charity’s aims.

The most recent valuation was at 31 March 2011 and showed that the market value of the scheme’s assets was £3.477m. The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries and pensions relative to price inflation. It was assumed that the investment returns would be 1.5% (for Bonds) and 3.0% (for Equities) per annum in real terms.

The financial assumptions underlying the valuation were as follows:

Rate of return on investments	4.3% p.a.
Rate of salary increases	5.1% p.a.
Rate of pension increases	2.8% p.a.
Annual rate of price inflation	2.8% p.a.

The most recent actuarial valuation showed that the actuarial value of the assets of the Scheme represented a funding level of 96% of the value of the benefits that had accrued to members i.e. there was a deficit. The contributions of the company and employees in the year were 22.7% and 6% of earnings respectively. In view of the deficit disclosed in the valuation, contributions paid by the Company will be 17.1% + £24,900 from 1 April 2012, 17.1% + £24,900 from 1 April 2013 and 17.1% + £24,900 from 1 April 2014.