



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

**Report and Financial Statements**

**Year ended 31 March 2014**

**Company No : SC079712**  
**Scottish Charity No : SC013906**

**HANDICABS (LOTHIAN) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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# HANDICABS (LOTHIAN) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2014

The Directors present their report and audited financial statements for the year ended 31 March 2014.

#### 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 (resigned 4 March 2013)	
J Cameron	
M Harrison	
A Robertson	
R Seiler	
D Wilson	
W Monteith (resigned 6 December 2013)	
B Udok (appointed 19 November 2013)	

#### Secretary & Treasurer

J Bhagrath, CA Treasurer & Secretary

#### 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 2014

#### **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 2014 was 380 (2013 : 374).

#### **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.

#### **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.

# HANDICABS (LOTHIAN) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2014

#### 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 2013 it completed its thirty-first 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.

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.

#### Financial Review

##### **Results**

The net incoming resources for the year amounted to £132,771 (2013: net incoming resources of £119,810). Of which £61,300 relates to unrestricted funds and £71,471 to restricted funds. The net surplus was arrived at after charging depreciation on vehicles of £70,357 (2013: £90,118).

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.

The charity received £131,500 funding of new vehicles. The directors would like to thank those organisations who gave their financial support including: The Order of St. John in Scotland (£36,500), Canny wi Cash (Older People Deciding on Grants for Older People's Groups) stair climber project (£1,500), The Robertson Trust (£19,500), The R.S.McDonald Trust (£15,000) and The Community Transport Vehicle Fund (£40,089).

##### **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 £412,310 would cover approximately 12 weeks and the Directors are considering ways in which additional unrestricted funds will be raised.

# HANDICABS (LOTHIAN) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2014

#### **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:

- 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 19 August 2014 and signed on their behalf by :

W T Pearson  
Director



**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 2014 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 on financial statements**

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 2014 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**

2014

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



# HANDICABS (LOTHIAN) LIMITED

## Income and Expenditure Account For the year ended 31 March 2014

	Notes	2014		2013	
		£	£	£	£
<b>Income</b>					
Voluntary income			17,839		10,801
Investment income			2,214		1,667
Membership income			1,760		1,958
Income from charitable activities			1,297,291		1,509,542
Other income			22,466		-
Amortisation of capital grants			32,875		-
<b>Total income</b>			1,374,445		1,523,968
<b>Utilised thus:-</b>					
Charitable expenditure	3	(1,337,674)		(1,397,125)	
Governance costs	3	(2,625)		(7,033)	
			(1,340,299)		(1,404,158)
<b>Surplus for the year</b>			34,146		119,810

All results relate to continuing activities.

All other gains and losses and actuarial losses on the defined benefit pension schemes, are disclosed in the Statement of Financial Activities.

### Reconciliation of surplus for the year to total funds

		2014	2013
		£	£
<b>Surplus on activities for the year</b>		34,146	119,810
Un-amortised capital grants received in the year		98,625	-
Total funds brought forward		496,390	376,580
Total funds carried forward	10	629,161	496,390

## HANDICABS (LOTHIAN) LIMITED

### Statement of Financial Activities (including Income and Expenditure Account)

for the year ended 31 March 2014

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2013 £
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income - donations		17,489	350	17,839	10,801
Investment income		2,214	-	2,214	1,667
Membership		1,760	-	1,760	1,958
Incoming resources from charitable activities:					
Operating grants	2	898,244	-	898,244	894,246
Capital grants		-	131,500	131,500	81,500
Gain on disposal of assets		4,738	-	4,738	-
Bus Service Operators Grant		133,669	-	133,669	138,823
Fares		260,640	-	260,640	394,973
Other income		22,466	-	22,466	-
<b>Total incoming resources</b>		<u>1,341,220</u>	<u>131,850</u>	<u>1,473,070</u>	<u>1,523,968</u>
<b>Resources expended</b>					
Charitable expenditure:					
Operating vehicles		1,273,859	63,815	1,337,674	1,397,125
Governance		2,625	-	2,625	7,033
<b>Total resources expended</b>	3	<u>1,276,484</u>	<u>63,815</u>	<u>1,340,299</u>	<u>1,404,158</u>
<b>Net incoming resources before transfers</b>	4	<u>64,736</u>	<u>68,035</u>	<u>132,771</u>	<u>119,810</u>
<b>Transfers</b>					
Gross transfers (notes 12 to 14)		(3,436)	3,436	-	-
<b>Net movement in funds</b>		<u>61,300</u>	<u>71,471</u>	<u>132,771</u>	<u>-</u>
<b>Total funds at 1 April 2013</b>		347,224	149,166	496,390	376,580
<b>Total funds at 31 March 2014</b>		<u>408,524</u>	<u>220,637</u>	<u>629,161</u>	<u>496,390</u>

There are no recognised gains or losses in 2014 or 2013 other than those dealt with above. All results of the company refer to continuing activities.

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

# HANDICABS (LOTHIAN) LIMITED

## BALANCE SHEET

As at 31 March 2014

	Notes	£	2014 £	2013 £
<b>Fixed assets</b>	7		69,915	117,170
				_____
<b>Current assets</b>				
Debtors	8	163,672		161,376
Cash at bank and in hand		479,968		285,266
		_____		_____
		643,640		446,642
<b>Creditors: amounts falling due within one year</b>	9	(84,394)		(67,422)
		_____		_____
<b>Net current assets</b>			559,246	379,220
			_____	_____
<b>Net assets</b>			629,161	496,390
			=====	=====
<b>Total funds:</b>				
Restricted funds	10		220,637	149,166
Unrestricted funds	10		408,524	347,224
			_____	_____
			629,161	496,390
			=====	=====

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 19 August 2014 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 2014

### 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 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.
- (d) Incoming resources from passenger fares are recognised when receivable.
- (e) Donations and legacies are recognised in the year they are receivable.
- (f) The value of services provided by volunteers is not incorporated into the financial statements. Further details of the contribution of volunteers can be found in the Directors' Report.
- (g) Resources expended are recognised in the period in which they are incurred. 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.
- (h) 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%

Items costing less than £500 are not capitalised in the balance sheet.

- (i) Operating lease rentals are written off to the Statement of Financial Activities as incurred.
- (j) 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.

**HANDICABS (LOTHIAN) LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

**for the year ended 31 March 2014**

**2. Incoming resources from charitable activities**

	Dial-A-Bus	Dial-A-Ride	Other charitable services	Total 2014	Total 2013
	£	£	£	£	£
<b>Grants received</b>					
The City of Edinburgh Council	106,555	311,435	-	417,990	417,990
East Lothian Council	6,000	67,472	-	73,472	73,472
West Lothian Council	32,280	178,372	-	210,652	210,652
Midlothian Council	25,336	126,996	-	152,332	148,332
Lothian Health	-	3,798	-	3,798	3,800
The Order of St John	-	10,000	-	10,000	10,000
Western General Hospital - Patient Transport	-	30,000	-	30,000	30,000
<b>Total</b>	170,171	728,073	-	898,244	894,246
	=====	=====	=====	=====	=====

**3. Resources expended**

	Dial-A-Bus	Dial-A-Ride	Other charitable services	Total 2014	Total 2013
	£	£	£	£	£
<u>Charitable Expenditure:</u>					
Administration wages	-	168,910	-	168,910	184,078
Drivers and despatchers wages	169,247	506,198	-	675,445	666,919
Relief drivers	4,707	16,899	-	21,606	24,193
Volunteers' expenses	1,133	-	-	1,133	2,048
Protective clothing and medicals	-	5,527	-	5,527	7,271
Conference, training and travelling	1,415	5,878	-	7,293	6,554
Vehicle cost	68,468	267,704	-	336,172	365,930
Rent, rates and heating	1,200	6,879	-	8,079	6,987
Repairs and cleaning	480	2,559	-	3,039	2,077
Printing, stationery and advertising	-	9,560	-	9,560	8,462
Telephone	1,986	6,088	-	8,074	7,824
<u>Support costs:-</u>					
Insurance	4,000	5,629	-	9,629	9,233
Equipment leasing	-	-	-	-	793
Software support	-	9,108	-	9,108	7,200
Miscellaneous expenses	28	3,695	5,926	9,649	5,849
Loss on disposal of assets	-	-	-	-	757
Depreciation	-	-	64,450	64,450	90,950
	252,664	1,014,634	70,376	1,337,674	1,397,125
<u>Governance:</u>					
Audit and accountancy	500	500	1,625	2,625	7,033
<b>Total</b>	253,164	1,015,134	72,001	1,340,299	1,404,158
	=====	=====	=====	=====	=====

# HANDICABS (LOTHIAN) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2014

### 4. Net incoming/(outgoing) resources

This is stated after charging/(crediting):-

	2014 £	2013 £
Depreciation	64,450	90,950
Loss/(gain) on disposal of fixed assets	(4,738)	757
Directors' remuneration	60,751	63,944
Auditors' remuneration:		
Audit of accounts	2,605	4,025
Audit of grant claims	1,020	1,088
	=====	=====

### 5. Staff costs and numbers

	2014 £	2013 £
Salaries and wages	722,082	732,733
Social security costs	43,468	45,780
Pension contributions	100,411	96,677
	-----	-----
	865,961	875,190
	=====	=====

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was 35 (2013 : 42)

No employee received emoluments of more than £60,000.

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 £100,411 (2013: £96,677). Contributions totalling £7,559 (2013: £8,290) were payable to the fund at the year end and are included in creditors.

One director (2013: one) is accruing benefits under the company pension final salary scheme. The value of company pension contributions included in the above directors' remuneration was £8,871 (2013: £12,830). No other director received any remuneration or reimbursement of expenses. The Treasurer receives an honorarium of £1,000 (2013: £2,000).

### 6. 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 2014**

**7. Tangible fixed assets**

	<b>Motor Vehicles £</b>	<b>Office Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2013	890,366	4,156	894,522
Additions in year	11,750	7,007	18,757
Disposals in year	(12,500)	-	(12,500)
At 31 March 2014	889,616	11,163	900,779
<b>Depreciation</b>			
At 1 April 2013	774,895	2,457	777,352
Charge for the year	62,414	2,036	64,450
Write off on disposal	(10,938)	-	(10,938)
At 31 March 2014	826,371	4,493	830,864
<b>Net book value</b>			
<b>At 31 March 2014</b>	63,245	6,670	69,915
At 31 March 2013	115,471	1,699	117,170

**HANDICABS (LOTHIAN) LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)**

**for the year ended 31 March 2014**

**8. Debtors**

	<b>2014</b>	<b>2013</b>
	£	£
Fares	68,390	92,876
Grants receivable	-	68,500
Other debtors	95,282	-
	163,672	161,376
	163,672	161,376

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

	<b>2014</b>	<b>2013</b>
	£	£
Other creditors	58,689	37,112
Accruals	7,584	9,490
Pension creditor	7,559	8,290
Taxation and social security	10,562	12,530
	84,394	67,422
	84,394	67,422

**10. Movements in funds**

	<b>Balance at 1 April 2013</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Balance at 31 March 2014</b>
	£	£	£	£	£
Restricted fund:					
Capital funds	147,446	130,000	(62,414)	-	215,032
R Sinclair fund	1,720	1,850	(1,401)	3,436	5,605
Unrestricted:					
General fund	347,224	1,341,220	(1,276,484)	(4,501)	407,459
Fixed asset fund	-	-	-	1,065	1,065
	496,390	1,473,070	(1,340,299)	-	629,161
	496,390	1,473,070	(1,340,299)	-	629,161

The restricted capital funds represent grants received from organisations to assist in the purchase of minibuses.

The R Sinclair fund represents donations received to support the purchase of a stair climber in 2013/2014.

The unrestricted general funds are 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.



# HANDICABS (LOTHIAN) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2014

### 11. Analysis of Net Assets between Funds

	Fixed Assets £	Net Current Assets £	Totals £
Restricted Funds	68,850	151,787	220,637
Unrestricted Funds	1,065	407,459	408,524
	<hr/>	<hr/>	<hr/>
	69,915	559,246	629,161
	=====	=====	=====

### 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 2013 and 17.1% + £24,900 from 1 April 2014.

### 13. Capital commitments

During the year four new vehicles had been order and deposits paid amounting to £95,282. At the year -end a further £52,029 of expenditure has been committed to and will be paid once the vehicles arrive.