



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

**Report and Financial Statements**

**Year ended 31 March 2013**

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

**HANDICABS (LOTHIAN) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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# HANDICABS (LOTHIAN) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2013

The Directors present their report and audited financial statements for the year ended 31 March 2013.

#### 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	
J Cameron	
M Harrison	
A Robertson	
R Seiler	
D Wilson	
W Monteith (appointed 15 October 2012)	

#### Secretary & Treasurer

R M Sinclair, BA, CA (died 3 December 2012)

J Bhagrath, CA Treasurer (appointed 12 February 2013)

#### 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 2013

#### **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 2013 was 374 (2012 : 398).

#### **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 2013**

#### **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 2012 it completed its thirtieth 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 2013

#### **Financial Review**

##### **Results**

The net incoming resources for the year amounted to £119,810 (2012: net outgoing resources of £35,718). Of which £127,465 relates to unrestricted funds and £7,655 outgoing resources to restricted funds. The net surplus was arrived at after charging depreciation on vehicles of £90,118 (2012: £87,767).

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 £81,500 towards funding of new vehicles. The directors would like to thank those organisations who gave their financial support including Edinburgh Voluntary Organisations' Council (EVOG) as part of their Reshaping Care for Older People (RCOP) Change Fund who awarded the charity £45,000.

##### **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 £347,224 would cover approximately 12 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.

# HANDICABS (LOTHIAN) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2013

#### **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 20 August 2013 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 2013 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 2013 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**

2013

**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 2013

		Unrestricted Funds	Restricted Funds	Total Funds 2013	Total Funds 2012
	Notes	£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income - donations		9,081	1,720	10,801	17,252
Investment income		1,667	-	1,667	1,501
Membership		1,958	-	1,958	2,018
Incoming resources from charitable activities:					
Operating grants	2	894,246	-	894,246	889,084
Vehicle grants		-	81,500	81,500	36,500
Gain on disposal of assets		-	-	-	2,250
Bus Service Operators Grant		138,823	-	138,823	48,554
Fares		394,973	-	394,973	326,632
<b>Total incoming resources</b>		<b>1,440,748</b>	<b>83,220</b>	<b>1,523,968</b>	<b>1,323,791</b>
<b>Resources expended</b>					
Charitable expenditure:					
Operating vehicles		1,306,250	90,875	1,397,125	1,349,855
Governance		7,033	-	7,033	9,654
<b>Total resources expended</b>	3	<b>1,313,283</b>	<b>90,875</b>	<b>1,404,158</b>	<b>1,359,509</b>
<b>Net incoming/(outgoing) resources</b>	4	<b>127,465</b>	<b>(7,655)</b>	<b>119,810</b>	<b>(35,718)</b>
<b>Total funds at 1 April 2012</b>		<b>219,759</b>	<b>156,821</b>	<b>376,580</b>	<b>412,298</b>
<b>Total funds at 31 March 2013</b>		<b>347,224</b>	<b>149,166</b>	<b>496,390</b>	<b>376,580</b>

There are no recognised gains or losses in 2013 or 2012 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 2013

	Notes	£	2013 £	2012 £
<b>Fixed assets</b>	7		<b>117,170</b>	140,357
				_____
<b>Current assets</b>				
Debtors	8	<b>161,376</b>		39,547
Cash at bank and in hand		<b>285,266</b>		253,257
		_____		_____
		<b>446,642</b>		292,804
<b>Creditors: amounts falling due within one year</b>	9	<b>(67,422)</b>		(56,581)
		_____		_____
<b>Net current assets</b>			<b>379,220</b>	236,223
			_____	_____
<b>Net assets</b>			<b>496,390</b>	376,580
			=====	=====
<b>Total funds:</b>				
Restricted funds	10		<b>149,166</b>	156,821
Unrestricted funds				
General funds	10		<b>347,224</b>	219,759
			_____	_____
			<b>496,390</b>	376,580
			=====	=====

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 20 August 2013 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 2013

### 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% |
| Office furnishings | 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 2013**

**2. Incoming resources from charitable activities**

	Dial-A-Bus	Dial-A-Ride	Other charitable services	Total 2013	Total 2012
	£	£	£	£	£
<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	24,672	123,660	-	148,332	143,172
Lothian Health	-	3,800	-	3,800	3,798
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>	169,507	724,739	-	894,246	889,084
	=====	=====	=====	=====	=====

**3. Resources expended**

	Dial-A-Bus	Dial-A-Ride	Other charitable services	Total 2013	Total 2012
	£	£	£	£	£
<u>Charitable Expenditure:</u>					
Administration wages	-	184,078	-	184,078	186,244
Drivers and despatchers wages	169,525	497,394	-	666,919	656,877
Relief drivers	5,312	18,881	-	24,193	24,840
Volunteers' expenses	2,048	-	-	2,048	1,340
Protective clothing and medicals	959	6,312	-	7,271	2,379
Conference, training and travelling	990	5,564	-	6,554	5,436
Vehicle cost	62,352	303,578	-	365,930	338,168
Rent, rates and heating	1,200	5,787	-	6,987	8,123
Repairs and cleaning	-	2,077	-	2,077	1,926
Printing, stationery and advertising	899	7,563	-	8,462	10,199
Telephone	2,519	5,305	-	7,824	8,041
<i>Support costs:-</i>					
Insurance	4,000	5,233	-	9,233	7,485
Equipment leasing	-	793	-	793	780
Software support	-	7,200	-	7,200	6,900
Miscellaneous expenses	16	3,480	2,353	5,849	1,620
Loss on disposal of assets	-	-	757	757	-
Depreciation	-	-	90,950	90,950	89,497
	249,820	1,053,245	94,060	1,397,125	1,349,855
<u>Governance:</u>					
Audit and accountancy	1,500	1,500	4,033	7,033	6,654
Support costs	-	-	-	-	3,000
<b>Total</b>	251,320	1,054,745	98,093	1,404,158	1,359,509
	=====	=====	=====	=====	=====

# HANDICABS (LOTHIAN) LIMITED

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

for the year ended 31 March 2013

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

This is stated after charging/(crediting):-

	2013	2012
	£	£
Depreciation	90,950	89,497
Loss/(gain) on disposal of fixed assets	757	(2,250)
Directors' remuneration	63,944	63,464
Auditors' remuneration:		
Audit of accounts	4,025	3,650
Audit of grant claims	1,008	996
	=====	=====

### 5. Staff costs and numbers

	2013	2012
	£	£
Salaries and wages	732,733	726,588
Social security costs	45,780	47,459
Pension contributions	96,677	93,914
	-----	-----
	875,190	867,961
	=====	=====

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was 42 (2012 : 44)

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 £96,677 (2012 : £93,914). Contributions totalling £8,290 (2012 : £9,313) were payable to the fund at the year end and are included in creditors.

One director (2012 : one) is accruing benefits under the company pension final salary scheme. The value of company pension contributions included in the above directors' remuneration was £12,830 (2012 : £11,603). No other director received any remuneration or reimbursement of expenses. The Treasurer receives an honorarium of £2,000 (2012 : £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 2013**

**7. Tangible fixed assets**

	<b>Motor Vehicles £</b>	<b>Office Equipment £</b>	<b>Office Furnishings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2012	891,501	110,920	13,118	1,015,539
Additions in year	69,495	1,775	-	71,270
Disposals in year	(70,630)	(108,539)	(13,118)	(192,287)
At 31 March 2013	<u>890,366</u>	<u>4,156</u>	<u>-</u>	<u>894,522</u>
<b>Depreciation</b>				
At 1 April 2012	751,900	110,164	13,118	875,182
Charge for the year	90,118	832	-	90,950
Write off on disposal	(67,123)	(108,539)	(13,118)	(188,780)
At 31 March 2013	<u>774,895</u>	<u>2,457</u>	<u>-</u>	<u>777,352</u>
<b>Net book value</b>				
<b>At 31 March 2013</b>	<u>115,471</u>	<u>1,699</u>	<u>-</u>	<u>117,170</u>
At 31 March 2012	<u>139,601</u>	<u>756</u>	<u>-</u>	<u>140,357</u>

Capital expenditure contracted for, but not provided for in the financial statements, amounted to £92,758 (2012: £nil).

**HANDICABS (LOTHIAN) LIMITED**

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

**for the year ended 31 March 2013**

**8. Debtors**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Fares	92,876	16,897
Grants receivable	68,500	22,650
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	161,376	39,547
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

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

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other creditors	37,112	25,901
Accruals	9,490	7,388
Pension creditor	8,290	9,313
Taxation and social security	12,530	13,979
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	67,422	56,581
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

**10. Movements in funds**

	<b>At 1 April 2012</b>	<b>Incoming Resources</b>	<b>Outgoing Resources</b>	<b>At 31 March 2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Total funds :</b>				
Restricted fund:				
Capital grants	156,821	81,500	(90,875)	147,446
R Sinclair fund	-	1,720	(-)	1,720
Unrestricted fund:	219,759	1,440,748	(1,313,283)	347,224
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	376,580	1,523,968	(1,404,158)	496,390
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

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 2013**

**11. Analysis of Net Assets between Funds**

	<b>Fixed Assets £</b>	<b>Net Current Assets £</b>	<b>Totals £</b>
Restricted Funds	115,471	33,695	<b>149,166</b>
Unrestricted Funds	1,699	345,525	<b>347,224</b>
	117,170	379,220	<b>496,390</b>
	117,170	379,220	<b>496,390</b>

**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.