



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

**Report and Financial Statements**

**Year ended 31 March 2015**

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

**HANDICABS (LOTHIAN) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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# HANDICABS (LOTHIAN) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2015

The Directors present their report and audited financial statements for the year ended 31 March 2015.

#### 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
Wayne Pearson (resigned 15 August 2014)	
J Cameron	
M Harrison	
A Robertson (deceased 5 August 2014)	
R Seiler	
D Wilson	
B Udok	
J Ballantine (appointed 13 October 2014)	
J Potter (appointed 3 June 2014)	
E Robertson (appointed 13 October 2014)	

#### Treasurer

J Bhagrath, CA	Treasurer
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#### Senior Management Team

J K Cochrane (appointed 1 April 2015)	Chief Executive
Ian Greig	Operations Manager

#### Registered Office and Operational Address

58 Canaan Lane, Edinburgh, EH10 4SG

#### Auditor

Chiene + Tait LLP, 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 2015

#### **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 2015 was 370 (2014 : 380).

#### **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. Seven 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 2015

#### 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. In addition the company operates a dial-a-bus service on behalf of The City of Edinburgh, West Lothian, Midlothian and East Lothian Councils.

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.

#### Financial Review

##### **Results**

The net incoming resources for the year excluding the pension adjustment amounted to £156,809 (2014: net incoming resources of £147,771).

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 £166,933 towards 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), and The Community Transport Vehicle Fund (£43,555 and West Lothian Council (£69,289).

##### **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 £447,058 (2013: £437,311) would cover approximately 17 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 charity has secured funding for 2015/16 and 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

# HANDICABS (LOTHIAN) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2015

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 XX August 2015 and signed on their behalf by :

M J Williams  
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 2015 which comprise the Income and Expenditure Account, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 LLP**  
Chartered Accountants and Statutory Auditor  
61 Dublin Street  
Edinburgh, EH3 6NL

\_\_\_\_\_ 2015

**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 2015

	Notes	2015		2014	
		£	£	£	£
<b>Income</b>					
Voluntary income			12,174		17,839
Investment income			45,942		2,214
Membership income			1,723		1,760
Income from charitable activities			1,212,047		1,292,553
Other income			4,550		42,204
Amortisation of capital grants			23,675		-
<b>Total income</b>			1,300,111		1,356,570
<b>Utilised thus:-</b>					
Charitable expenditure	3	(1,279,617)		(1,337,674)	
Governance costs	3	(6,943)		(2,625)	
			(1,286,560)		(1,340,299)
<b>Surplus for the year</b>			13,551		16,271
Actuarial movement in pension scheme			(227,000)		-
<b>(Deficit)/surplus of activities for the year including pension adjustments</b>			(213,449)		16,271

All results relate to continuing activities.

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

			2015	2014
			£	£
<b>(Deficit)/surplus on activities for the year</b>			(213,449)	16,271
Un-amortised capital grants received in the year			166,933	131,500
Amortisation of grants brought forward			(23,675)	-
<b>Total funds brought forward</b>			644,161	496,390
<b>Total funds carried forward</b>	10		573,970	644,161

# HANDICABS (LOTHIAN) LIMITED

## Statement of Financial Activities for the year ended 31 March 2015

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2014 £	Total Funds 2014 £
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income – donations		6,174	6,000	12,174	17,839
Investment income		45,942	-	45,942	2,214
Membership		1,723	-	1,723	1,760
Incoming resources from charitable activities:					
Operating grants	2	880,030	-	880,030	898,244
Capital grants		-	166,933	166,933	131,500
Bus Service Operators Grant		117,617	-	117,617	133,669
Fares		214,400	-	214,400	260,640
Other income		4,550	-	4,550	42,204
<b>Total incoming resources</b>		<u>1,270,436</u>	<u>172,933</u>	<u>1,443,369</u>	<u>1,523,968</u>
<b>Resources expended</b>					
Charitable expenditure:					
Operating vehicles		1,210,746	68,871	1,279,617	1,337,674
Governance		6,943	-	6,943	2,625
<b>Total resources expended</b>	3	<u>1,217,689</u>	<u>68,871</u>	<u>1,286,560</u>	<u>1,340,299</u>
<b>Net incoming resources before transfers</b>	4	<u>52,747</u>	<u>104,062</u>	<u>156,809</u>	<u>147,771</u>
<b>Transfers</b>					
Gross transfers	10	-	-	-	-
<b>Net incoming resources before other recognised gains and losses</b>		<u>52,747</u>	<u>104,062</u>	<u>156,809</u>	<u>147,771</u>
<b>Other recognised gains/(losses)</b>					
Actuarial (losses) on defined benefit pension schemes		(227,000)	-	(227,000)	-
<b>Net movement in funds</b>		<u>(174,253)</u>	<u>104,062</u>	<u>(70,191)</u>	<u>147,771</u>
<b>Total funds at 1 April 2014</b>		<u>437,311</u>	<u>206,850</u>	<u>644,161</u>	<u>496,390</u>
<b>Total funds at 31 March 2015</b>		<u>263,058</u>	<u>310,912</u>	<u>573,970</u>	<u>644,161</u>

There are no recognised gains or losses in 2015 or 2014 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 2015

	Notes	£	2015 £	2014 £
<b>Fixed assets</b>	<b>7</b>		98,040	69,915
<b>Current assets</b>				
Debtors		235,994		178,672
Cash at bank and in hand		579,733		479,968
			815,727	658,640
<b>Creditors: amounts falling due within one year</b>			(155,797)	(84,394)
<b>Net current assets</b>			757,970	574,246
Pension liability			(184,000)	-
<b>Net assets</b>			573,970	644,161
			=====	=====
<b>Total funds:</b>				
Restricted funds	<b>10</b>		310,912	206,850
Unrestricted funds	<b>10</b>			
General			447,058	437,311
Pension liability			(184,000)	-
			573,970	644,161
			=====	=====

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 xx August 2015 and signed on their behalf by :

M J Williams

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 2015

### 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 2015**

**2. Incoming resources from charitable activities**

	Dial-A-Bus	Dial-A-Ride	Other charitable service	Total 2015	Total 2014
	£	£	£	£	£
<b>Grants received</b>					
The City of Edinburgh Council	106,555	311,435	-	417,990	417,990
East Lothian Council	6,114	68,752	-	74,866	73,472
West Lothian Council	32,280	178,372	-	210,652	210,652
Midlothian Council	25,820	129,404	-	155,224	152,332
Lothian Health	-	3,798	-	3,798	3,798
The Order of St John	-	10,000	-	10,000	10,000
Western General Hospital	-	7,500	-	7,500	-
Patent transport	-	-	-	-	30,000
<b>Total</b>	<u>170,769</u> =====	<u>709,261</u> =====	<u>-</u> =====	<u>880,030</u> =====	<u>898,244</u> =====

**HANDICABS (LOTHIAN) LIMITED**

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

**for the year ended 31 March 2015**

**3. Resources expended**

	Dial-A-Bus	Dial-A-Ride	Other charitable service	Total 2015	Total 2014
	£	£	£	£	£
<b>Charitable expenditure:</b>					
Administration wages	-	191,357	-	191,357	168,910
Drivers and despatchers wages	168,386	465,725	-	634,111	675,445
Relief drivers	3,457	13,810	-	17,267	21,606
Volunteers' expenses	725	-	-	725	1,133
Protective clothing and medicals	1,716	3,876	-	5,592	5,527
Conference, training and travelling	520	8,668	-	9,188	7,293
Vehicle costs	71,789	211,840	-	283,629	336,172
Rent, rates and heating	900	6,457	-	7,357	8,079
Repairs and cleaning	50	2,706	-	2,756	3,039
Printing, stationery and advertising	900	10,978	-	11,878	9,560
Telephone	2,668	4,157	-	6,825	8,074
<i>Support costs:</i>					
Insurance	4,000	4,657	-	8,657	9,629
Software support	300	14,901	-	15,201	9,108
Miscellaneous expenses	4	4,114	9,039	13,157	9,649
Bad debts	-	191	-	191	-
Depreciation	-	-	63,626	63,626	64,450
Professional fees	-	8,100	-	8,100	
	255,415	951,537	72,665	1,279,617	1,337,674
<b>Governance:</b>					
Audit and accountancy	1,488	1,488	3,967	6,943	2,625
<b>Total</b>	256,903	953,025	76,632	1,286,560	1,340,299
	=====	=====	=====	=====	=====

**4. Net incoming resources**

**This is stated after charging/(crediting):-**

	2015	2014
	£	£
Depreciation	63,626	64,450
(Gain)/loss on disposal of fixed assets	(1,750)	(4,738)
Directors' remuneration	39,818	60,751
Auditors' remuneration: Audit of accounts	4,350	2,605
Audit of grant claims	1,032	1,020
	=====	=====

# HANDICABS (LOTHIAN) LIMITED

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

for the year ended 31 March 2015

### 5. Staff costs and numbers

	2015	2014
	£	£
Salaries and wages	690,304	722,082
Social security costs	39,970	43,468
Pension contributions	112,461	100,411
	842,735	865,961
	=====	=====

The average weekly number of employees during the year, calculated on the basis of full time equivalents, was 34 (2014 : 37)

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 £112,461 (2014: £100,411). Contributions totalling £7,501 (2014: £7,599) were payable to the fund at the year end and are included in creditors.

One director (2014: one) is accruing benefits under the company final salary pension scheme. The value of company pension contributions included in the above directors' remuneration was £7,393 (2014: £8,871). No other director received any remuneration or reimbursement of expenses. The Treasurer receives an honorarium of £1,000 (2014: £1,000).

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

### 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 2015**

**7. Tangible fixed assets**

	<b>Motor vehicles</b>	<b>Office equipment</b>		<b>Total</b>
	<b>£</b>	<b>£</b>		<b>£</b>
<b>Cost</b>				
At 1 April 2014	889,616	11,163		900,779
Additions	96,001	-		96,001
Disposals	(141,480)	-		(141,480)
	<u>844,137</u>	<u>11,163</u>		<u>855,300</u>
At 31 March 2015	=====	=====		=====
<b>Depreciation</b>				
At 1 April 2014	826,371	4,493		830,864
Charge for the year	61,870	1,756		63,626
Write off on disposal	(137,230)	-		(137,230)
	<u>751,011</u>	<u>6,249</u>		<u>757,260</u>
At 31 March 2015	=====	=====		=====
<b>Net book value</b>				
At 31 March 2015	93,126	4,914		98,040
	=====	=====		=====
At 31 March 2014	63,245	6,670		69,915
	=====	=====		=====



**HANDICABS (LOTHIAN) LIMITED**

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

**for the year ended 31 March 2015**

**8. Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,115	5,390
Grants receivable	58,725	63,000
Other debtors	171,154	110,282
	<u>235,994</u>	<u>178,672</u>
	=====	=====

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Other creditors	128,609	58,689
Accruals	9,151	7,584
Pension creditor	7,501	7,559
Taxation and social security	10,536	10,562
	<u>155,797</u>	<u>84,394</u>
	=====	=====

**10. Movements in funds**

	<b>Balance at 1 April 2014 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Transfers £</b>	<b>Balance at 31 March 2015 £</b>
Restricted fund:					
Capital funds	201,245	166,933	(61,870)	-	306,308
R Sinclair fund	5,605	-	(1,401)	-	4,204
Wages fund	-	5,000	(5,000)	-	-
Office refurbishment fund	-	1,000	(600)	-	400
Unrestricted:					
General fund	436,246	1,227,436	(1,217,334)	-	446,348
Pension fund	-	43,000	(227,000)	-	(184,000)
Fixed asset fund	1,065	-	(355)	-	710
	<u>644,161</u>	<u>1,443,369</u>	<u>(1,513,560)</u>	<u>-</u>	<u>573,970</u>
	=====	=====	=====	=====	=====

The restricted capital funds represent grants received from organisations to assist in the purchase of minibuses. A transfer at the year-end was made to adjust the fund balance in line with the closing net book value of assets and grants received for vehicles ordered but not yet received.

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

The wages fund represents a grant received from the Nancie Massey Charitable Trust towards driver's wages.

The office refurbishment fund represents a donation received to fund the refurbishment of the Bathgate office.

**HANDICABS (LOTHIAN) LIMITED**

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

**for the year ended 31 March 2015**

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.

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

		<b>Fixed assets</b>	<b>Net current assets</b>		<b>Totals</b>
		£	£		£
Restricted fund		97,330	213,582		310,912
Unrestricted funds		710	262,348		263,058
		—————	—————		—————
		98,040	475,930		573,970
		=====	=====		=====

**12. Pensions**

The Company is a participating employer in the Lothian Pension Fund (“The Scheme”) that provides benefits based on final pensionable pay. The charity operates a defined benefit scheme in the UK that provides pensions linked to final salaries. A valuation of the pension fund is carried out triennially. Liabilities are valued on an actuarial basis using the projected unit method, which assess the future liabilities of the fund discounted to their present value.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period.

The principal actuarial assumptions used by the actuary are as follows:

	<b>31 March 2015</b>
	<b>% pa</b>
Rate of increase in salaries	4.3%
Rate of increase in pensions payment	2.4%
Expected return on assets	3.2%
Discount rate	3.2%

Life expectancy is based on the Funds Vita Curves with improvements in line with the CMI2012 model. Based on these assumptions, the average future life expectancies at age 45 are as follows:

	<b>Males</b>	<b>Females</b>
Current pensioners	22.1 years	23.7 years
Future pensioners	24.2 years	26.3 years

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

	<b>31 March 2015</b>
	<b>%</b>
Equities	69%
Bonds	17%
Property	8%
Cash	6%

**HANDICABS (LOTHIAN) LIMITED**

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

**for the year ended 31 March 2015**

**Analysis of the amounts recognised in the balance sheet**

	<b>2015</b>
	<b>£</b>
Fair value of employer assets	3,453,000
Present value of funded liabilities	(3,637,000)
	<hr/>
Net liability	(184,000)
	<hr/> <hr/>

**Analysis of amounts recognised in the income and expenditure account**

	<b>2015</b>
	<b>£</b>
Current service cost	114,000
Interest cost	124,000
Expected return on employer assets	(167,000)
	<hr/>
Total	71,000
	<hr/> <hr/>
Total return on plan assets	482,000
	<hr/> <hr/>

In the current year Hymans Robertson LLP carried out a projected valuation at 31 March 2015 based on the last formal valuation carried out as at 31 March 2011. The projected valuation reported a pension liability of £127,000.

**Movement in the fair value of employer assets during the year**

	<b>2015</b>
	<b>£</b>
Opening fair value of employer assets	2,860,000
Movement in year:	
Expected return on assets	167,000
Contributions by members	26,000
Contributions by employer	114,000
Actuarial gains	316,000
Benefits paid	(30,000)
	<hr/>
Closing fair value of employer assets	3,453,000
	<hr/> <hr/>

**Movement in the present value of the defined benefit obligation during the year**

	<b>2015</b>
	<b>£</b>
Opening defined benefit obligation	2,843,000
Movement in year:	
Current service cost	114,000
Interest cost	124,000

## HANDICABS (LOTHIAN) LIMITED

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

for the year ended 31 March 2015

Contributions by members	26,000
Actuarial losses	560,000
Estimated benefits paid	(30,000)
	<hr/>
Closing defined benefit obligation	3,637,000
	<hr/> <hr/>

#### Analysis of amounts recognised in the Statement of Financial Activities

	<b>2015</b>
	<b>£</b>
Actuarial losses recognised	(244,000)
	<hr/> <hr/>
Cumulative actuarial losses	(244,000)
	<hr/> <hr/>

<b>History of experience gains and losses</b>	<b>2015</b>
	<b>£</b>
Fair value of employer assets	3,453,000
Present value of defined benefit obligation	(3,637,000)
Deficit	(184,000)
Experience (losses)/gains on assets	316,000
Experience gains/(losses) on liabilities	11,000

The estimated employer's contribution for the year ended 31 March 2016 to its defined benefit pension plan is £71,000.

#### 13. Capital commitments

During the year three new vehicles had been order and deposits paid amounting to £54,215. At the year-end a further £100,160 of expenditure has been committed to and will be paid once the vehicles arrive.