



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

Report and Financial Statements

Year ended 31 March 2019

Company No : SC079712
Scottish Charity No : SC013906

HANDICABS (LOTHIAN) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Directors, who are also trustees for the purpose of charity law, are pleased to present their annual report together with the financial statements of the charity for the year ended 31 March 2019.

The financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Objectives and activities

Purposes

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

Activities

HcL is a charitable company that was set up in 1982 as Handicabs (Lothian) to provide accessible transport for people in Edinburgh and the Lothians.

The Charity plays an important role in meeting a number of national and local policy objectives. The Scottish Government has defined a number of national priority outcomes, through the National Performance Framework of which the following are particularly relevant to the work of the Charity:

- Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it;
- We have tackled the significant inequalities in Scottish society;
- We live in well-designed, sustainable places where we are able to access the amenities and services we need.

The Christie Commission's influential report of 2011 recommended a shift in public spending from directly meeting needs to prevention. A key recommendation of the report is "The adoption of preventative approaches, in particular approaches which build on the active participation of service users and communities, will contribute significantly to making the best possible use of money and other assets. They will help to eradicate duplication and waste and, critically, take demand out of the system over the long term."

There is great value in the preventative aspect of the Charity's work; the value for mental health and health generally for people able to still be involved in their communities and their ability to do things for themselves and maintain a social life. There would be significant additional costs to public agencies should additional services need to be provided for housebound passengers. Christie's also argued for "recognising that effective services must be designed with and for people with communities not delivered "top down" for administrative convenience. The Charity, with its tradition of user influence is well placed in this respect.

HcL provides door-through-door transport services meeting personal mobility needs by providing the assistance needed at the start and end of a journey. This may be assisting people with getting their coat on or ensuring that they are settled safely in their home after the journey. The profile of our passengers indicates an exceptionally high level of mobility difficulty; 35% use a wheelchair and many passengers cannot use buses or even taxis.

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Our emphasis on quality of service extends to offering a 365 day a year service, evenings and weekends subject to driver availability. (For example, late night trips from the Edinburgh Tattoo are popular requests we receive and meet each year).

HcL provides a door-through-door, dial-a-ride transport service for disabled people in Edinburgh and the Lothians. Dial-A-Ride provides a service for people with limited mobility who are unable to use ordinary buses and/or suffering a degree of social exclusion due to geographical remoteness or other factors.

In addition, the Company operates a Dial-A-Bus service on behalf of The City of Edinburgh, West Lothian, Midlothian and East Lothian Councils. Dial-A-Bus provides transport from home to local shopping centres for people with limited mobility who cannot manage by ordinary bus.

The Company also operates transport to Day Centres and Adult Learning Centres on behalf of The City of Edinburgh Council.

The service operates at least once a week from most areas in Edinburgh and the Lothians.

These comments from HcL's users emphasise the difference door-through-door services makes to the lives of people who might not otherwise be able to leave their homes:

"Having this service allows me to be independent and also to meet with friends on a weekly basis. I would miss the service and my independence if this was cancelled".

"My husband can no longer transfer from his wheelchair in to the car. As a result we depend on this service to go anywhere. Personally, I value the help and friendliness of the drivers who are willing to help with my husband. Thank you".

"Dial-A-Ride is a life line for different things. Hospital, going to see Parkinson's nurse etc. I am on my own, and it is much appreciation that someone can help me. I get Dial-A-Bus to Asda I don't know how I would do if both things stopped".

"I would be housebound without it".

In a word "lifeline" to someone like myself who is disabled and from a social aspect too. With so many Council cutbacks, many of which are specifically aimed at elderly and disabled, this service, along with Dial-A-Ride, cannot be praised highly enough and is well worth the fares charged".

Volunteers

HcL continues to be grateful for the efforts of volunteers across all aspects of the service, management and administration. With our limited resources, our ability to deliver services as well as we do would be severely impaired without their help.

Achievements & Performance

The Charity operates 30 fully accessible vehicles covering 7 days and evenings per week, providing door-through-door transport services meeting personal mobility needs by providing the assistance needed at the start and end of a journey. During the year 2018/19 approx. 85,000 passengers used HcL services.

The Charity has written a 5 year business plan and as part of this plan we have reviewed and updated our Memorandum & Articles of Association and our Code of Conduct for Directors/Executive Members.

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FOR THE YEAR ENDED 31 MARCH 2019

Summary of Achievements

Outcomes & Objectives

1. Signed a 3+1 agreement with The City of Edinburgh Council;
2. Rolled over yearly agreements with West Lothian, Midlothian and East Lothian Councils;
3. Commenced additional transport projects on behalf of The City of Edinburgh Council;
4. Appointed a Fund Raising Officer (November 2018);
5. Reviewed and updated our Staff Conditions of Service with the assistance of Unite the Union and staff;
6. Reviewed and updated Executive Policies;
7. Low Emission Zones: awarded up to £170,000 (2019/2020) from Transport Scotland on behalf of Energy Savings Trust to upgrade our fleet from Euro 5 engines to Euro 6 engines to reduce emissions;
8. Commenced negotiating an extended 5 year lease till 2025 for our Administration & Registered Office;
9. Upgrading our broadband connection to a dedicated broadband line allowing continued usage of modern cloud technology;
10. Staff Remuneration: All staff received a 2% pay rise from October 2018. The pay rise keeps all staff within the Scottish Living Wage;
11. Maintain and improve Dial-A-Ride and Dial-A-Bus services: We have: implemented/trained volunteers; re-trained Despatchers on booking and scheduling software; updated website, Facebook page and leaflet; advertising in health centres, libraries, council offices, hospitals, sheltered housing, local magazines and newspapers etc; published bi-yearly newsletter;
12. A letter was sent to 136 Councillors, 18 MSPs and 9 MPs across the 4 local authorities – asking to help raise awareness with a poster and a leaflet in their surgeries but also if they will donate £ from their Disbursements Fund.
13. Replaced 2 Dial-A-Ride vehicles and purchased an additional vehicle for the Public Social Partnership;
14. Develop new services which enhance mobility: We are in our third year of a 3 year Public Social Partnership with The City of Edinburgh Council, Lothian Community Transport Services, Pilton Equality Project and South Edinburgh Amenities Group. We have implemented day centre transport to UPMO (Upward Mobility), Tiphereth, Drumbrae and Carrickvale. Arranged ongoing meetings with West Lothian Council, Midlothian Council and East Lothian Council. We are a Member of ECO Stars in which we monitor our carbon footprint yearly. Drivers are trained in fuel efficient driving. We are exploring opportunities to deliver Dial-A-Bus or develop new community bus services under Section 22 licences.
15. Develop the Organisation: We have implemented a 5 year strategy; developed key performance indicators based on strategy outcomes; ongoing governance training for Executive Members; encourage more people to become members of HcL; reviewed and updated our image, including corporate branding. Increased efficiency, through minimising vehicle and administrative overheads and exploiting new technology fully.

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FOR THE YEAR ENDED 31 MARCH 2019

16. Extend our Communications: Developed a structured communications plan to understand more about the needs and wishes of our users and potential users. Engaged with funders to fully understanding their policy priorities and to communicate effectively the contribution that HcL makes in meeting these policies. Developed a plan for use of digital communications and social media. Collaborated with partner organisations in the public, voluntary or private sectors where this advances our strategic aims.

Financial Review

Results

The Charity generated income of £1.3m (2018: £1.5m). The Directors are indebted to The City of Edinburgh Council, East Lothian, Midlothian and West Lothian Councils and the Scottish Government for the financial support they give both towards the operating costs of the Company and towards the funding of new vehicles.

During the year the Charity received £32,000 towards funding of new vehicles. The Directors would like to thank those organisations who gave their financial support including: Souter Charitable Trust (£2,000); Rotary Club of Edinburgh Jubilee Charity Fund (£1,000); and Linlithgow Roundtable (£410).

The net movement in funds, including actuarial gains/(losses) in defined pension scheme was a deficit £(47k) (2018: £341k surplus).

Reserves Policy

At the year-end the charity had net assets of £924,791 (2018: £971,949), comprising of £84,797 (2018: £161,862) of restricted funds and £839,994 (2018: £810,087) of unrestricted funds.

The Directors are of the opinion that an acceptable level of free reserves is 13 weeks of expenditure; based on current expenditure levels this would represent c£353,000. Free reserves provide working capital to cover cash flow requirements caused by delays in the receipt of funding, or to cover unexpected expenditure.

If reserves fall below 13 weeks expenditure, or are forecast to do so, the board will review the budgets and financial forecasts and take measures as necessary to increase income or reduce expenditure.

Investment Policy

The Directors, having regard to the liquidity requirements of the charity, have kept available funds in an investment portfolio which is managed by Tilney, investment managers, on an advisory basis. The objective is one of a balanced portfolio subject to a medium degree of risk. There are no specific investment restrictions or limitations applied to the portfolio.

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Risk Review

The Directors conduct an ongoing review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the Charity. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity.

The main risks to the Charity are:

- Reduction in funding – the Councils may reduce funding they currently provide to the Charity. HcL has entered into a Public Social Partnership (PSP) with The City Edinburgh Council to consolidate their relationship with CEC. HcL have implemented additional transport services for The City of Edinburgh Council. The Charity will continue to effectively communicate with all Councils at a political and officer level. A 5 year business plan has been written to include these points. We have appointed a part time Fund Raiser.
- Dial-a-Ride/Dial-a-Bus demand declines – as part of the 5 year business plan the Charity have, as mentioned above, entered into a PSP with The City of Edinburgh Council. HcL have implemented new booking procedures; re-trained Despatchers and use any down time to support Council projects. Dial-A-Ride offers a discount of up to £5.00 off first trip. Dial-A-Bus offers first return trip free.
- Vehicle fleet becomes unreliable - the Fundraising and Publicity Committee continually apply for grants and donations for new vehicles. The Charity are keen to implement a rolling programme for upgrading their vehicles, as the fleet is currently aging. The Charity aim to source low mileage vehicles to reduce replacement costs. Appointed a part time Fund Raiser.
- Section 19 & 22 Permit Legislation –the Transport Act 1985 enables permits to be issued under Sections 19 and 22 of the Act to enable qualifying not-for-profit organisations to run passenger transport services without a PSV operator licence. Concerns have been raised by private bus operators and others that some organisations operating under the permit system may be offering commercial services while benefitting from not-for-profit status. This brought to the fore the conflict as to whether “not-for-profit” equates to “non-commercial”. This issue is currently being debated in Parliament and could mean the Charity having to ensure all drivers have a PSV licence. The Charity has put in place procedures to implement changes if required to secure the operational needs of the Charity.

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FOR THE YEAR ENDED 31 MARCH 2019

Plans for Future Periods

The Charity has secured 3+1 year funding from The City of Edinburgh Council for the Dial-A-Ride and Dial-A-Bus services plus additional funding through the Public Social Partnership to deliver transport on behalf of The City of Edinburgh Council. In addition, we received yearly funding from West Lothian, East Lothian and Midlothian Councils.

In the next 12 months the Charity will:

- Be an active partner in the Public Social Partnership with: The City of Edinburgh Council; Lothian Community Transport Services (LCTS); Pilton Equalities Project (PEP), South Edinburgh Amenities Group (SEAG) and The Dove Centre;
- Pilot and implement projects for the Community Transport Public Social Partnership;
- Strengthen our working relationship with all our funders and stakeholders. Engage with funders to fully understand their policy priorities and to communicate effectively the contribution that HcL makes in meeting these policies;
- Register with Community Jobs Scotland (CJS) – provides young people (aged 16 to 29 years) who are more disadvantaged in the labour market living in Scotland with paid jobs in third sector organisations;
- Review HcL's financial position and invest a portion of unrestricted reserves with Tilney Management Services Ltd;
- Replace 2 vehicles;
- Upgrade our Information Technology systems;
- Consult and update our Staff Conditions of Service;
- Enter into negotiations to extend the lease on our Administration and Registered Office (Bilston Glen).

Structure, Governance and Management

Governing document

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.

Recruitment and Appointment of Directors and Executive Committee

The Directors of the charity who are listed on page 8 and under the Company's Articles are members of the Executive Committee. Under those Articles, the Directors are elected at the AGM to serve a period of one year after which they must be re-elected at the next AGM. The Directors have the power to co-opt not more than 2 further members to fill specialist roles. Co-opted members also serve until the following AGM.

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The charity provides transport services for disabled people and therefore seeks to comply with the recognised guidelines that at least 51% of the Executive Committee should be made up of people with disabilities. Eight of the current Board are users of our services.

All members are circulated with invitations to nominate Directors prior to the AGM advising them of the retiring Directors and requesting nominations for the AGM.

All the current Directors retire at the AGM but all are offering themselves for re-election.

Directors Induction and Training

New Directors are briefed on their legal obligations under Charity and Company Law, the content of the Memorandum and Articles of Association, the Committee and decision making processes and recent financial performance of the charity. Directors are encouraged to attend external courses.

Organisational Structure

The Executive Committee, which can have up to 10 members plus 2 co-optees, administers the charity and is responsible for the strategic direction and policy of the charity. It meets quarterly and is supported by other Committees covering finance and staff matters. A Chief Executive is appointed by the Board to manage the day-to-day operations of the charity.

Pay and Remuneration of Key Personnel

Senior and operational management staff are remunerated in line with industry norms along with any increments set out at time of recruitment, or awarded as a result of any additional training, qualifications or responsibility. Otherwise, increments are usually limited to annual cost of living increases across all pay scales. The charity operates a defined contribution pension scheme, open to all employees after 3 months of service, with employer contributes at 19.5%. Otherwise, the auto-enrolment schemes are available to all other employees in line with statutory requirements.

Related Parties

The Charity is a member of The Scottish Accessible Transport Alliance (SATA), Community Transport Association (CTA), Edinburgh Community Transport Operators Group (ECTOG), Community Transport Public Social Partnership (CTPSP), Edinburgh Voluntary Organisations Council (EVOC), Midlothian Voluntary Action (MVA), West Lothian Social Enterprise Network (WLSSEN), Edinburgh's Older People's Service Providers Forum and West Lothian Senior People's Forum. We are also in partnership to provide urban and rural transport schemes in the community with West Lothian, Midlothian, East Lothian and The City of Edinburgh Councils.

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Reference and administrative information

Charity Name: Handicabs (Lothian) Limited (also Known as "HcL")

Charity registration number: SC013906

Company registration number: SC079712

Directors

Dr K Brown TD MBChB MRCP AFOM CIH	Chairman
M J Williams MStJ	Vice Chairman
J Bhagrath CA	Treasurer
M Harrison	
D Wilson	
J Ballantine	
J Cameron	
M McDonald	
P Lawson	
J Thomson (appointed 22 May 2018)	
M Sharkey (appointed 8 October 2018, resigned 15 August 2019)	

Senior management team

J K Cochrane	Chief Executive
I Greig	Operations Manager

Registered office and operational address

24/3a Dryden Road, Loanhead, Midlothian, EH20 9HX

Senior Statutory Auditor

Ingela Louise Presslie

Auditor

Whitelaw Wells, Statutory Auditor, 9 Ainslie Place, Edinburgh, EH3 6AT

Bankers

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

HANDICABS (LOTHIAN) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Statement of Directors' responsibilities

The directors, who are also the trustees of the charity, are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to Auditors

Each of the Directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditor

The Board have re-appointed Whitelaw Wells as auditors and that appointment will fall to be confirmed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the Directors on 3 September 2019 and signed on their behalf by:



K Brown
Director

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2019

Opinion

We have audited the financial statements of Handicab (Lothian) Limited (the 'charitable company') for the year ended 31 March 2019, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Accounting Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees (who are also the directors of the company for the purposes of company law) use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2019

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, included within the trustees' annual report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report, included within the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the director's report, included within the trustees' annual report, and from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page nine, the directors (who are also trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

HANDICABS (LOTHIAN) LIMITED

Independent Auditor's Report to the directors and members of Handicabs (Lothian) Limited For the year ended 31 March 2019

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ingela Louise Presslie (Senior Statutory Auditor)
for and on behalf of Whitelaw Wells
Statutory Auditor
9 Ainslie Place
Edinburgh
Midlothian
EH3 6AT

3 September 2019

Whitelaw Wells 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 2019

	Notes		2019		2018
		£	£	£	£
Income					
Voluntary income		7,088			233,799
Investment income	4	1,061			523
Membership income		1,253			1,030
Income from charitable activities		1,254,668			1,224,356
Amortisation of capital grants		107,683			123,858
Total income			1,371,753		1,583,566
Utilised thus:-					
Charitable activities	6	1,410,722		1,365,717	
			(1,410,722)		(1,365,717)
(Deficit)/surplus for the year			(38,969)		217,849

All results relate to continuing activities.

Reconciliation of (deficit)/surplus for the year to total funds

	2019	2018
	£	£
(Deficit)/surplus on activities for the year	(38,969)	217,849
Un-amortised capital grants received in the year	32,000	36,500
Amortisation of grants brought forward	(107,683)	(123,858)
Net gains/(losses) on investments	2,494	-
Actuarial movement in pension scheme	65,000	211,000
Total funds brought forward	971,949	630,458
Total funds carried forward	924,791	971,949

HANDICABS (LOTHIAN) LIMITED

Statement of Financial Activities for the year ended 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income and endowment from:					
<i>Donations and legacies:</i>					
Donations and legacies		7,088	-	7,088	233,799
Membership		1,253	-	1,253	1,030
<i>Charitable activities:</i>					
Operating grants	5	904,848	-	904,848	875,388
Capital grants		-	32,000	32,000	36,500
Bus Service Operators Grant		114,645	-	114,645	114,952
Fares		235,175	-	235,175	234,016
Investments	4	1,061	-	1,061	523
Other		5,000	-	5,000	-
Total income		<u>1,269,070</u>	<u>32,000</u>	<u>1,301,070</u>	<u>1,496,208</u>
Expenditure on:					
Charitable activities		(1,301,657)	(109,065)	(1,410,722)	(1,365,717)
Total expenditure	6	<u>(1,301,657)</u>	<u>(109,065)</u>	<u>(1,410,722)</u>	<u>(1,365,717)</u>
Net gains on investments		2,494	-	2,494	-
Net (expenditure)/income		(30,093)	(77,065)	(107,158)	130,491
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes		60,000	-	60,000	211,000
Net movement in funds		<u>29,907</u>	<u>(77,065)</u>	<u>(47,158)</u>	<u>341,491</u>
Reconciliation of funds:					
Total funds at 1 April 2018		810,087	161,862	971,949	630,458
Total funds at 31 March 2019	14	<u>839,994</u> =====	<u>84,797</u> =====	<u>924,791</u> =====	<u>971,949</u> =====

There are no recognised gains or losses in 2019 or 2018 other than those dealt with above. All results of the company refer to continuing activities.

The notes on pages 17 to 30 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

Balance Sheet

As at 31 March 2019

	Notes	£	2019 £	2018 £
Fixed assets				
Tangible assets	10		125,984	162,018
Investments	11		352,123	-
			<u>478,107</u>	<u>162,018</u>
Current assets				
Debtors	12	158,921		64,329
Cash at bank and in hand		346,706		802,381
			<u>505,627</u>	<u>866,710</u>
Creditors: amounts falling due within one year	13	(58,943)		(56,779)
Net current assets			446,684	809,931
<i>Total assets less liabilities</i>			924,791	971,949
Defined benefit pension scheme asset/(liability)	16		-	-
Net assets			<u>924,791</u>	<u>971,949</u>
			=====	=====
Total funds of the charity:				
Restricted funds	14		84,797	161,862
Unrestricted funds	14			
Designated funds			76,849	102,566
General funds			763,145	707,521
Pension reserve			-	-
			<u>924,791</u>	<u>971,949</u>
			=====	=====

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard 102.

Approved by the Directors on 3 September 2019 and signed on their behalf by :



K Brown
Director

Registered number: SC079712

The notes on pages 17 to 30 form part of these financial statements.

HANDICABS (LOTHIAN) LIMITED

Cash Flow Statement

As at 31 March 2019

	2019 £	2018 £
Cash flows from operating activities	(9,605)	362,097
Cash flows from investing activities:		
Purchase of fixed assets	(98,703)	(53,792)
Proceeds from the sale of fixed assets	1,201	-
Dividends and interest from investment	1,061	-
Purchase of investments	(304,025)	-
	<hr/>	<hr/>
Net cash (used) by investing activities	(400,466)	(53,792)
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(410,071)	308,305
Cash and cash equivalents at the beginning of the year	802,381	494,076
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	392,310	802,381
	=====	=====
Represented by:		
Cash at bank and in hand	346,706	802,381
Cash held as part of investment portfolio	45,604	-
	<hr/>	<hr/>
	392,310	802,381
	=====	=====

Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net (expenditure)/income for the year	(47,158)	341,491
Adjustments for the year:		
Depreciation charge	132,782	139,658
Loss on sale of fixed assets	754	-
Dividends and interest from investment	(1,061)	-
Net (gains)/losses on investments	(2,494)	-
(Increase)/decrease in debtors	(94,592)	20,035
Increase/(decrease) in creditors	2,164	(12,087)
Pension movement	-	(127,000)
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	(9,605)	362,097
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

1. General information

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the charitable company's transactions are denominated. These financial statements are of Handicabs (Lothian) only and cover the year to 31 March 2019.

The Principal activities of Handicabs (Lothian) Ltd during the year is to provide transport for disabled, ill and or disadvantaged people and for health and life saving purposes.

Handicabs (Lothian) Ltd is an incorporated charity limited by guarantee in the United Kingdom and is registered in Scotland. It is recognised as a charity for tax purposes by HMRC and is registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC013906. Details of the registered office can be found in the Directors Report of these financial statements.

2. Statement of compliance

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)", the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the charity's financial statements unless otherwise stated.

a) Basis of accounting

The financial statements are prepared on the historical cost basis.

Handicabs (Lothian) Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires directors to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The Directors consider that there are no material uncertainties about the ability of the charity to continue as a going concern for the foreseeable future. Accordingly, the accounts have been prepared on a going concern basis.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

b) Income recognition

All income is included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Grants receivable, including capital grants, are credited to the Statement of Financial Activities (SOFA) when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. Income is deferred only when the funder specifies that the funds must be used in future accounting periods or has imposed conditions that must be met before the charity has unconditional entitlement, and these conditions have not yet been met.
- Incomes from service level agreements, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Incomes from passenger fares are recognised when services have been received.
- Income is only deferred where entitlement conditions have not been met or related services have not been provided as at the year end.
- Donations and legacies are included in full in the Statement of Financial Activities when receivable. Income from activities for generating funds is recognised as earned, as the related services are provided.
- Investment income is included when receivable.
- The charity is grateful for volunteers and donations-in-kind, which are not recognised in the accounts as the benefit to the charity cannot be reasonably quantified. Where the donation-in-kind benefit can be reasonably quantified it is included in the accounts.

c) Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is not registered for VAT and, accordingly, expenditure is shown gross of irrecoverable VAT.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs which support the charity's programmes and activities. These costs include the expenses of the statutory audit and legal and professional fees.

d) Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost with assets costing in excess of £500 capitalised.

Depreciation is provided at rates calculated to write off the cost of each asset in equal instalments over their expected useful life, as follows:

Motor vehicles	25%
Office equipment	20%

e) Leasing

Operating lease rentals are written off to the Statement of Financial Activities as incurred.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

f) Pensions

The charity has two pension schemes. A defined benefit scheme with the Lothian Pension Fund that provides benefit on a final pensionable pay, and a defined contribution scheme with The People's Pension. Contributions are charged to the Statement of Financial Activities.

g) Fund accounting

Unrestricted funds are incoming resources generated for the objects of the charity without further specified purpose and are available as general funds.

Designated funds are unrestricted funds that have been earmarked by the directors for a specific purpose.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure that meets these criteria is charged to the fund together with a fair allocation of management and support costs.

h) Investments and investment income

Investments have been included in the balance sheet at market value. Realised gains and losses are recognised in the Income and Expenditure account and the Statement of Financial Activities in the period to which they relate. Unrealised gains and losses are recognised in The Statement of Financial Activities in the period to which they relate.

Income from investments is credited to income in the year in which it is receivable.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

j) Cash & cash equivalents

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

l) Financial instruments

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised and there is an intention to settle on a net basis or to realise the asset and the liability simultaneously.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

4. Investment income

	Dial-A Bus	Dial-A-Ride	Other Charitable services	Total 2019	Total 2018
	£	£	£	£	£
Interest received	-	-	377	377	523
Investment income	-	-	684	684	-
	<u>-</u>	<u>-</u>	<u>1,061</u>	<u>1,061</u>	<u>523</u>
	=====	=====	=====	=====	=====

Investment income for the comparative year ended 31 March 2018 was £523 of which all was unrestricted.

5. Income from charitable activities

	Dial-A- Bus	Dial-A-Ride	Other Charitable services	Total 2019	Total 2018
	£	£	£	£	£
Grants received					
The City of Edinburgh Council	106,555	311,435	-	417,990	417,990
The City of Edinburgh Council – Drum Brae	35,000	-	-	35,000	-
East Lothian Council	6,114	68,752	-	74,866	68,366
West Lothian Council	32,280	178,372	-	210,652	210,652
Midlothian Council	27,697	138,644	-	166,340	155,880
The Order of St John	-	-	-	-	10,000
Robertson Trust	-	-	-	-	5,000
Anton Jurgens Charitable Trust	-	-	-	-	7,500
Total	<u>207,646</u>	<u>697,203</u>	<u>-</u>	<u>904,848</u>	<u>875,388</u>
	=====	=====	=====	=====	=====

Income from charitable activities for the comparative year ended 31 March 2018 consisted of £875,388 of operating grant income, of which £862,500 was unrestricted and £12,500 of which was restricted.

Capital grants in the comparative year consisted of £36,500 all of which were restricted.

Fares in the comparative were £234,016 which was all unrestricted.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

6. Expenditure

	Dial-A Bus £	Dial- A- Ride £	Other charitable service £	Total 2019 £	Total 2018 £
Charitable expenditure:					
Administration wages	-	135,580	-	135,580	136,870
Drivers and despatchers wages	182,562	558,190	-	740,752	728,705
Relief drivers	3,853	15,538	-	19,391	18,752
Volunteers' expenses	-	1,074	-	1,074	788
Protective clothing and medicals	271	3,074	-	3,345	4,713
Conference, training and travelling	709	6,986	-	7,695	9,383
Vehicle costs	64,473	210,405	-	274,878	240,804
Rent, rates and heating	5,067	17,955	-	23,022	23,066
Repairs and cleaning	2,067	6,501	-	8,568	8,736
Printing, stationery and advertising	3,476	10,512	-	13,988	10,901
Telephone	1,061	3,509	-	4,570	2,409
<i>Support costs:</i>					
Insurance	1,962	5,887	-	7,849	7,184
Computer running costs	-	2,929	-	2,929	4,371
Software support	3,159	9,477	-	12,636	12,516
Miscellaneous expenses	502	4,562	2,257	7,321	7,432
Bad debts	-	2,121	-	2,121	1,167
Depreciation	-	-	132,782	132,782	139,658
Loss on sale of fixed assets	-	-	754	754	-
Consultancy fees	-	-	-	-	2,727
Professional fees	216	3,444	-	3,660	1,438
Investment management fees	-	-	1,055	1,055	-
<i>Governance costs:</i>					
Audit and accountancy	1,673	1,913	3,166	6,752	4,097
Total	<u>271,051</u> =====	<u>999,657</u> =====	<u>140,014</u> =====	<u>1,410,722</u> =====	<u>1,365,717</u> =====

Support costs are apportioned on an invoiced basis.

Charitable expenditure for the comparative year ended 31 March 2018 totalled £1,365,717, of which £1,248,569 was unrestricted and £117,148 was restricted.

7. Net (expenditure)/income for the year

This is stated after charging/(crediting):-

	2019 £	2018 £
Depreciation	132,782	139,658
Loss on sale of fixed assets	754	-
Operating lease charges – land	19,700	19,700
Operating lease charges – Other	1,084	1,206
Auditors' remuneration: (previous auditor) - Audit of accounts	-	(274)
(previous auditor) - Audit of grant claims	-	682
(current auditor) - Audit of accounts	4,300	4,200
(current auditor) - Audit of grant claims	960	506
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

8. Staff costs and numbers and related party transactions

	2019	2018
	£	£
Salaries and wages	697,205	669,099
Social security costs	48,873	49,308
Pension contributions	149,645	165,920
	<u>895,723</u>	<u>884,327</u>
	=====	=====

The average number of employees during the year on a head count basis was 40 (2018: 39)

No employee received emoluments of more than £60,000 during either the current or previous year.

The company operates a defined benefit pension scheme as detailed in note 16.

The pension cost charge represents contributions payable by the Company to both the Lothian Pension Fund £82,110 (2018: £81,070) and The People's Pension Fund £2,535 (2018: £850), the total of which amounts to £84,645 (2018: £81,920). Contributions totalling £9,158 (2018: £8,427) were payable to the fund at the year end and are included in creditors.

The key management personnel of the charity comprise the trustees and the senior management team. The total employee benefits of the key management personnel of the charity were £111,758.

The treasurer was paid an honorarium during the year of £1,400. No other directors received any remuneration in the year and during the year there were no re-imbursment of expenses to directors (2018: £1,400).

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

9. 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 2019

10. Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 April 2018	819,258	11,163	830,421
Additions	98,703	-	98,703
Disposals	(120,458)	(2,382)	(122,840)
At 31 March 2019	<u>797,503</u> =====	<u>8,781</u> =====	<u>806,284</u> =====
Depreciation			
At 1 April 2018	657,240	11,163	668,403
Charge for the year	132,782	-	132,782
Write off on disposal	(118,503)	(2,382)	(120,885)
At 31 March 2019	<u>671,519</u> =====	<u>8,781</u> =====	<u>680,300</u> =====
Net book value			
At 31 March 2019	<u>125,984</u> =====	<u>-</u> =====	<u>125,984</u> =====
At 31 March 2018	<u>162,018</u> =====	<u>-</u> =====	<u>162,018</u> =====

The charity has title to land that was donated in a prior year. The directors consider the cost/benefit of valuing the land not to be worthwhile at this point in time. The directors believe the current value of the land is not material to the financial statements.

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

	2019 £	2018 £
11. Investments		
Market value on 1 April 2018	-	-
Additions at cost	304,025	-
Increase in cash held	45,604	-
Net unrealised investment gains/(losses)	2,494	-
	<hr/>	<hr/>
Market value at 31 March 2019	352,123	-
	=====	=====
Cost	349,629	-
	=====	=====

Included in investments in 2019 is £45,604 (2018 - £nil) held as cash.

	2019 £	2018 £
Investments at fair value comprised:		
Equities	193,392	-
Bonds, fixed interest securities, real assets	113,127	-
Cash held within the investment portfolio	45,604	-
	<hr/>	<hr/>
As at 31 March 2019	352,123	-
	=====	=====

All investments are carried at their fair value. Investments are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

12. Debtors

	2019 £	2018 £
Trade debtors	4,873	6,329
Grants receivable	151,853	58,000
Gift aid	2,195	-
	<hr/>	<hr/>
	158,921	64,329
	=====	=====

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	20,374	15,751
Accruals	18,032	22,427
Pension creditor	9,158	8,427
Taxation and social security	11,379	10,174
	<hr/>	<hr/>
	58,943	56,779
	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

14. Movements in funds

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2019 £
Restricted fund:					
Capital funds	161,862	32,000	(109,065)	-	84,797
Unrestricted:					
Designated fund	102,566	-	(23,717)	-	76,849
General fund	707,521	1,266,564	(1,212,940)	-	763,145
Pension fund	-	65,000	(65,000)	-	-
	<u>971,949</u>	<u>1,363,564</u>	<u>(1,410,722)</u>	<u>-</u>	<u>924,791</u>
	=====	=====	=====	=====	=====

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

In 2015/16 the charity designated £150,000 towards the purchase of two new dial-a-ride vehicles and one new dial-a-bus vehicle.

The pension fund represents movements in the pension deficit over the year, as advised by the scheme actuary (see also note 16 to the accounts).

Comparative figures:

	Balance at 1 April 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2018 £
Restricted fund:					
Capital funds	212,400	64,000	(114,538)	-	161,862
R Sinclair fund	1,402	-	(1,402)	-	-
CATSS fund	1,208	-	(1,208)	-	-
Unrestricted:					
Designated fund	126,283	-	(23,717)	-	102,566
General fund	416,165	1,432,208	(1,140,852)	-	707,521
Pension fund	(127,000)	211,000	(84,000)	-	-
	<u>630,458</u>	<u>1,707,208</u>	<u>(1,365,717)</u>	<u>-</u>	<u>971,949</u>
	=====	=====	=====	=====	=====

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

15. Analysis of net assets between funds

	Fixed assets £	Investments £	Net current assets £	Pension liability £	Totals £
Restricted fund	102,267	-	(17,470)	-	84,797
Unrestricted funds	23,717	352,123	464,154	-	839,994
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2019	125,984	352,123	446,684	-	924,791
	=====	=====	=====	=====	=====

	Fixed assets £	Investments £	Net current assets £	Pension liability £	Totals £
Restricted fund	114,581	-	47,281	-	161,862
Unrestricted funds	47,437	-	762,650	-	810,087
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	162,018	-	809,931	-	971,949
	=====	=====	=====	=====	=====
	=				

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

16. Pensions

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

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

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

	31 March 2019 % pa	31 March 2018 % pa
Rate of increase in salaries	4.2%	4.1%
Rate of increase in pensions payment	2.5%	2.4%
Discount rate	2.4%	2.7%

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:

	Males	Females
Current pensioners	21.7 years	24.3 years
Future pensioners	24.7 years	27.5 years

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

	31 March 2019 %	31 March 2018 %
Equities	74%	75%
Bonds	12%	11%
Property	7%	7%
Cash	7%	7%

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

16. Pensions (continued)

Changes in the fair value of plan assets, defined benefit obligation and net liability for the year ended 31 March 2019:

	Assets £(000)	Obligations £(000)	Net (liability)/ Asset £(000)	Net position March 2018 £(000)
	£	£	£	£
Fair value of plan assets	4,490	-	4,490	4,508
Present value of funded liabilities	-	4,289	(4,289)	(4,635)
Present value of unfunded liabilities	-	-	-	-
Opening position as at 31 March 2018	4,490	4,289	201	(127)
Service cost				
Current service cost	-	147	(147)	(162)
Past service cost (including curtailments)	-	-	-	-
Effect of settlements	-	-	-	-
Total service cost	-	147	(147)	(162)
Net interest				
Interest income on plan assets	122	-	122	118
Interest cost on defined benefit obligation	-	117	(117)	(122)
Impact of asset ceiling on net interest	-	-	-	-
Total net interest	122	117	5	(4)
Total defined benefit cost recognised in net income or (expenditure)	122	264	(142)	(166)
Cashflows				
Plan participants' contributions	23	23	-	-
Employer contributions	82	-	82	82
Contributions in respect of unfunded benefits	-	-	-	-
Benefits paid	(68)	(68)	-	-
Unfunded benefits paid	-	-	-	-
Expected closing position	4,649	4,508	141	(211)
Re-measurements				
Changes in demographic assumptions	-	-	-	(6)
Changes in financial assumptions	-	(367)	(367)	128
Other experience	-	-	-	461
Return on assets excluding amounts included in net interest	304	-	304	(171)
Total re-measurements recognised in other gains or losses in Statement of Financial Activities	304	(367)	(63)	412
Fair value of plan assets	4,953	-	4,953	4,490
Present value of funded liabilities	-	4,875	(4,875)	(4,289)
Present value of unfunded liabilities	-	-	-	-
Closing position as at 31 March 2019	4,953	4,875	78	201

HANDICABS (LOTHIAN) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2019

16. Pensions (continued)

Defined contribution scheme

The charity also operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund.

17. Operating lease commitments

At the 31 March 2019 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2019	2018
	£	£
Land and buildings:		
No later than one year	19,700	19,700
No later than 5 years	3,500	17,975
	=====	=====
Other:		
No later than one year	1,084	2,168
No later than 5 years	1,897	5,962
	=====	=====