

HCT Group

Annual Report and Financial Statements

31 March 2008

BUZZACOTT

Company Limited by Guarantee
1747483 (England and Wales)

Charity Registration Number 1091318

Reference and administrative details of the charity, its trustees and advisers

Trustees	L Alden E Cato J Davis J Heath R Krishna A Levitt C Matharu S Maxwell P Moffatt MBE R Turner N Tyler A Whitehead R Williams
Chief Executive Officer	D Powell OBE
Secretary	S Mason
Registered office	Ash Grove Bus Depot Mare Street London E8 4RH
Company registration number	1747483 (England and Wales)
Charity registration number	1091318
Auditors	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
Bankers	Barclays Bank plc 99 Hatton Garden London EC1N 8DN
Solicitors	Herbert Smith LLP Exchange House Primrose Street London EC2A 2HS Baker & McKenzie 100 New Bridge Street London EC4V 6JA

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The trustees, who are directors of the charitable company, present their report together with the consolidated financial statements for the year ended 31 March 2008. This trustees' report has been prepared in accordance with Part VI of the Charities Act 1993 and is also the report of the directors for purposes of the Companies Act 1985.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 17 and comply with the charitable company's Memorandum and Articles of Association, applicable laws, and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005.

Principal aims and objectives

HCT Group, the charity, is a non-profit making community transport organisation with a strong commitment to equal opportunities operating transport and other related services. It has four direct subsidiary companies; Islington Community Transport, a charitable company; Lambeth and Southwark Community Transport, a charitable company; CT Plus Community Interest Company, a trading company; and Transport Co-ordination Centre Hackney, a company limited by guarantee.

The primary objectives of the charity are to provide a community transport service for the inhabitants of the London Borough of Hackney and its neighbourhood who are in need of such services because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public transport, and also to provide driver training programmes with the aim of reducing unemployment.

Islington Community Transport is a non-profit making community transport organisation with a strong commitment to equal opportunities, operating transport and other related services. The primary objective of the charity is to provide relief to the residents of Islington and its environs, who have need because of age, mental or physical disability and poverty, by means of a community transport service; and to assist the charitable work of organisations engaged in promoting such provision of services.

CT Plus Community Interest Company's primary objective is to carry on any business as a general commercial company. Surpluses made by CT Plus Community Interest Company are generated with the intention of supporting the charitable objects of HCT Group. The company became a Community Interest Company on 20 April 2007.

The primary objective of CT Plus (Yorkshire) Community Interest Company, a subsidiary of CT Plus Community Interest Company, is to carry on activities which benefit the community within Yorkshire and in particular to provide transport to those who are in need of such services because of age, sickness, disability or poverty, or because of a lack of available or adequate safe public transport. Surpluses made by CT Plus (Yorkshire) Community Interest Company are generated with the intention of supporting the charitable objects of HCT Group.

Lambeth and Southwark Community Transport's primary objective is to provide a community transport service for the inhabitants of Lambeth and Southwark and its neighbourhood who are in need of such a service because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public passenger service.

Principal aims and objectives (continued)

The principal activity of LaSCoT Limited, a subsidiary of Lambeth and Southwark Community Transport, is to support its parent company with associated activities thereto.

Transport Co-ordination Centre Limited's principal activity is the co-ordination of transport to increase the provision available to elderly users, people with disabilities and those attending education and leisure facilities.

Leeds Alternative Travel – an Industrial Provident Society was acquired on 11 November 2008. Its primary objective is to operate transport services for the benefit of the community in Leeds who are in need of such a service because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public passenger service.

Structure, governance and management

HCT Group, the charity, is limited by guarantee and governed by its Memorandum and Articles of Association. It is managed by its Management Committee, a body of 13 individuals; 7 elected from the users of the services operated by the charity and 6 nominated professionals. The Management Committee are the trustees and directors of the charitable company. At every Annual General Meeting one third of this committee must retire from office; new committee members are elected at the AGM.

The Chief Executive Officer is Dai Powell OBE. He is supported by the Deputy Chief Executive Officer, Jude Winter, the Group Finance Director, Stephen Mason and the Chief Operations Officer, Jon McColl. These four postholders are known as the Chief Officers and they form the core of the senior management team, together with the heads of department and project managers.

The Management Committee make strategic decisions and the day-to-day operations of the charity are managed by the Chief Officers of HCT Group, delegated to other staff members, as appropriate.

CT Plus Community Interest Company is a wholly owned subsidiary of HCT Group with an issued share capital of £1. Its directors are John Davis, Andrew Whitehead (Chair and Treasurer of HCT Group respectively), Janusz Heath, Adam Levitt, Robert Turner (trustees of HCT Group) and the four Chief Officers of the charity set out above.

CT Plus (Yorkshire) Community Interest Company is a wholly owned subsidiary of CT Plus Community Interest Company with an issued share capital of £1. Its directors are John Davis, Andrew Whitehead (Chair and Treasurer of HCT Group respectively), Janusz Heath, Adam Levitt, Robert Turner (trustees of HCT Group) and the four Chief Officers of the charity set out above.

Islington Community Transport is a wholly controlled company limited by guarantee. The Management Committee of HCT Group are also the trustees/directors of Islington Community Transport.

Structure, governance and management (continued)

On 15 June 2006 Lambeth and Southwark Community Transport became a wholly controlled subsidiary of HCT Group. It is a company limited by guarantee and the directors are John Davis, Andrew Whitehead (Chair and Treasurer of HCT Group respectively), Janusz Heath, Adam Levitt, and Robert Turner (trustees of HCT Group). It should be noted that the formal date that the charity took control was 15 June 2006 but control actually passed on 1 April 2006 and these financial statements include the activity from that date.

LaSCoT Limited is a wholly owned subsidiary of Lambeth and Southwark Community Transport. Its directors are Dai Powell OBE, Jude Winter (Chief Executive and Deputy Chief Executive of HCT Group respectively) and Geoffrey Reid.

Transport Co-ordination Centre Hackney Limited is a company limited by guarantee and its directors are John Davis, Andrew Whitehead (Chair and Treasurer of HCT Group respectively) and Dai Powell OBE.

On 11 November 2008 Leeds Alternative Travel became a wholly owned subsidiary of HCT Group. It is an industrial and provident society with HCT Group, CT Plus (Yorkshire) Community Interest Company and CT Plus Community Interest Company as its only members.

Trustees

The trustees in office during the year were as follows:

	Appointed / Resigned
L Alden	
E Cato	
J Davis	
J Heath	Appointed 1 January 2008
R Krishna	
A Levitt	
C Matharu	
S Maxwell	
P Moffatt MBE	Appointed 16 June 2007
R Turner	
N Tyler	
A Whitehead	
R Williams	Appointed 16 June 2007

None of the trustees has or had any beneficial interest in the charity or its subsidiaries.

S Mason was appointed Company Secretary on 1 August 2007.

Risk management

The trustees have made an assessment of the risks to which the charity and its subsidiaries are exposed, particularly with respect to finance, staff, premises and governance. The major risks to which the charity is exposed have been identified and the trustees are satisfied that systems are in place to mitigate those risks.

Structure, governance and management (continued)

Financial instruments

The charitable company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for the charitable company's operations. In addition, the charitable company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Liquidity risk

The charitable company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the charitable company has sufficient liquid resources to meet the needs of its operations.

Credit risk

Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Methods adopted for the recruitment and appointment of new trustees

HCT Group promotes user participation across the group of companies. As part of this process user fora have been established and members of the fora – group transport, individual transport and bus users – are encouraged to put themselves forward as the elected representatives from their user group to the Management Committee. 7 trustee positions are open to users via this route.

The remaining 6 positions are reserved for individuals co-opted onto the Management Committee on the basis of their expertise in a field relevant to the organisation, such as legal, financial, transport, and human resources/management.

Individuals wishing to become trustees must stand for election/co-option at the Annual General Meeting.

New trustees are provided with an induction to the charity, which includes an induction pack introducing the organisation and its activities, and outlines the rights and responsibilities of charity trustees. Prior to the first meeting a trustee is introduced to senior staff within the HCT group and requested to sign the Code of Conduct. Trustees are invited to visit the organisation whilst services are in operation, and are encouraged to do so throughout their term of office.

Objectives and activities

The primary objectives of the charity are to provide a community transport service for the inhabitants of the London Borough of Hackney and its neighbourhood who are in need of such services because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public transport, and also to provide driver training programmes with the aim of reducing unemployment.

Objectives and activities (continued)

HCT Group pursues its primary objectives by securing income on a continuing basis that allows it to provide services which fulfil the criteria set down in its Memorandum of Association, as stated in the previous paragraph. Income is secured from three primary sources; grant funding, under service level agreements with local authorities and other government agencies, and through commercial contracts (via its trading subsidiaries). The commercial contracts are with public sector bodies under which HCT Group aims to deliver a service that offers best value, in terms of quality and price, to both service users and its contractors.

The activities of the Group fall into three main areas: Community Transport, Public Sector Contracts, and Training Programmes.

Community Transport

Community Transport activities include the operation of PlusBuses – fixed route Hail-and-Ride services for people with mobility difficulties in the London boroughs of Hackney, Islington and Camden, Group Transport – providing access to a fleet of minibuses (accessible and non-accessible) for community groups in the Hackney, Lambeth, Brixton and Islington areas at a reasonable charge; and Door-to-Door services.

Public Sector Contracts

In the late 1990s HCT Group began its first public sector contracts. Its subsidiary, CT Plus Community Interest Company, now operates three Transport for London bus routes, the 153, 388 and 394, as well as providing the home-to-school transport for pupils with special needs in the London Borough of Waltham Forest. In 2006 CT Plus (Yorkshire) Community Interest Company was created to provide Yellow School Bus Services in Wakefield and Leeds and an Access Bus service in Leeds.

Training Programmes

The Training Programmes are provided to enable unemployed people in the Hackney area to gain qualifications and employability skills to enable them to obtain work, usually in the transport industry.

Achievements and performance

The objectives set for the Group in 2007/08 were as follows.

- Increase the number of yellow school buses (MyBus) in Yorkshire
- Increase the provision of 'red bus' services in London
- Develop further operating depots outside and inside London
- Develop community transport services in areas where we undertake contractual services

In Yorkshire the yellow MyBus fleet increased by 25 in Leeds and 3 in Wakefield.

The contract for W13 bus route started in March 2007 and has now successfully completed its first full year in operation. In addition the 394 bus route was upgraded from a low frequency route to a high frequency route in September 2007 further increasing the red bus revenue.

Achievements and performance (continued)

On 1 April 2008 the contract to provide the transport for the builders of the 2012 Olympics was secured by a joint venture between HCT Group and ECT Group. The depot at Stratford in East London was started on 14 April 2008 and the contract runs until June 2011.

HCT started a community transport operation in Haringey in the year and took delivery of two minibuses funded by City Bridge in March 2008. HCT continues to work towards developing other community transport services in other areas.

During the year surpluses of £563,567 were generated by the trading subsidiaries and gift aided to the parent charity, HCT Group.

Financial review

The group achieved a surplus of £618,192 for the year ended 31 March 2008 (2007 – £121,950). The results are set out in the statement of financial activities on page 11 and the notes thereto.

Reserves

The charity has three reserves funds.

The restricted funds represent monies received by the charity which are subject to restrictions on their use, but which have not yet been expended.

The fixed asset fund represents the net book value of those assets held at the balance sheet date which are not readily realisable into liquid funds less the related finance lease obligations.

The general fund represents the free working capital of the charity which enables it to plan and operate its services. At 31 March 2008 the surplus on the general fund amounted to £1,251,881 (2007 – £214,913).

Reserves policy

At 31 March 2008 the balance on the general reserve fund was £1,251,881 (2007 – £214,913).

The trustees have taken a risk based approach to calculating the value of general reserve that they feel is necessary to sustain the charitable operation in the event of adverse trading conditions. This calculation is based on a formula applied across all of the activities that takes into account the sensitivities to trading. For example the sensitivity to fuel prices increasing or contract penalty clauses being invoked in the event that key performance indicators are missed. The trustees stress that that this approach does not imply in any way that the contingencies being calculated are likely to occur.

The trustees have calculated the target value of the reserve to be £1,267,000 for the current and next trading year. The calculation will be reviewed each year when the budget for the next year is set by the trustees.

The increase in the general reserve of £1,036,968 during the year to 31 March 2008 reflects the measures taken by management to ensure that the charity builds its reserves in line with this policy. It is anticipated that these positive results will continue into 2008/2009.

Plans for the future

As a renowned social enterprise, trading for a social purpose, the Group continues to grow in both reputation and activity, applying the business model that surpluses generated by the commercial activities are used for the community transport activities. This is done in partnership with local authorities such as the London Boroughs of Hackney, Islington, Lambeth, Southwark and Haringey and other funding bodies keen to expand transport and training provision in the local community in line with HCT Group's declared objectives.

The overarching objective is that HCT continues to deliver services, both contractual and community transport, that offer best value in terms of quality and price to both service users and contractors.

Our community transport activities will:

- Provide group transport services in the above London boroughs
- Provide door to door services in Hackney
- Develop community transport provision in geographical areas where surpluses have been generated
- Provide PlusBus services in Islington
- Provide Midas training
- Provide scooter loan services in Camden and Islington
- Provide training to enable unemployed people to obtain employment

The plans for expansion in the commercial activities include the following opportunities:

- Increase number of yellow school buses (MyBus)
- Increase provision of 'red bus' services in London
- Develop further operating depots
- Award of further public sector contracts to deliver transport

In addition and in line with the objective of developing other community transport provision the group has successfully acquired Leeds Alternative Travel – a fast growing community transport provider based in Leeds.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the profit and loss of the group for that period. In preparing those financial statements, the trustees are required to:-

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the trustees, in his or her capacity as director of the charity confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditors are unaware; and
- ◆ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Employees

HCT Group is committed to equal opportunities in its employment practices and encourages the employment of people with disabilities.

Signed on behalf of the board of directors:



Trustee

Approved by the board on: 15.12.08

Independent auditors' report to the members of HCT Group

We have audited the financial statements on pages 11 to 31 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 15 to 17.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and independent auditors

As described on page 8, the trustees, who are the directors of HCT Group, are responsible for the preparation of the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

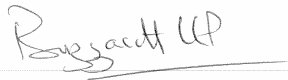
We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report 31 March 2008

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the group's and the charitable company's state of affairs as at 31 March 2008 and of the incoming resources and application of resources, including income and expenditure, of the group in the year then ended;
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- ◆ the information given in the trustees' report is consistent with the financial statements.



Buzzacott LLP
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

23 December 2008

Consolidated statement of financial activities 31 March 2008

	Notes	Unrestricted funds £	Restricted funds £	Total 2008 funds £	Total 2007 funds £
Incoming resources					
Incoming resources from generated funds					
. Voluntary income	1	—	451,245	451,245	505,616
. Investment income		9,944	—	9,944	170
Incoming resources from charitable activities					
. Income from transport services	2	15,890,569	—	15,890,569	12,010,598
Other incoming resources					
. Management charges		—	—	—	54,750
. Miscellaneous income		42,217	—	42,217	4,593
Total incoming resources		15,942,730	451,245	16,393,975	12,575,727
Resources expended					
Charitable activities					
. Community transport	3	1,507,029	640,638	2,147,667	1,785,840
. Public sector contracts	3	13,172,724	—	13,172,724	10,090,170
. Training programmes	3	370,534	39,000	409,534	527,120
Governance costs	4	45,858	—	45,858	50,647
Total resources expended		15,096,145	679,638	15,775,783	12,453,777
Net incoming (outgoing) resources					
	6	846,585	(228,393)	618,192	121,950
Fund balances transferred from Lambeth and Southwark Community Transport					
		—	—	—	254,063
Transfers between funds	17	11,594	(11,594)	—	—
Net movement in funds		858,179	(239,987)	618,192	376,013
Fund balances at 1 April 2007		815,489	332,407	1,147,896	771,883
Fund balances at 31 March 2008		1,673,668	92,420	1,766,088	1,147,896

There were no other recognised gains or losses other than the net incoming resources for the above two financial years.

All of the group's activities in the above two financial years derived from continuing operations.

Group and charity balance sheets 31 March 2008

	Notes	Group		Charity	
		2008 £	2007 £	2008 £	2007 £
Fixed assets					
Tangible fixed assets	7	1,967,471	1,774,829	771,751	769,840
Current assets					
Stock		94,018	63,776	14,127	11,116
Debtors	8	1,451,315	2,424,459	2,027,509	1,775,698
Cash at bank and in hand		1,021,346	737,819	146,397	20,681
		2,566,679	3,226,054	2,188,033	1,807,495
Creditors: amounts falling due within one year	9	(1,530,674)	(2,766,041)	(763,762)	(1,333,486)
Net current assets		1,036,005	460,013	1,424,271	474,009
Total assets less current liabilities		3,003,476	2,234,842	2,196,022	1,243,849
Creditors: amounts falling due after more than one year	10	(1,237,388)	(1,086,946)	(530,811)	(380,505)
Net assets		1,766,088	1,147,896	1,665,211	863,344
Reserves					
Restricted funds	17	92,420	332,407	63,238	276,408
Unrestricted funds:					
. Designated fund	18	421,787	600,576	95,233	72,358
. General fund		1,251,881	214,913	1,506,740	514,578
Total charity funds		1,766,088	1,147,896	1,665,211	863,344

Signed on behalf of the board of trustees by:



Trustee

Approved by the board on:

15.12.08

Consolidated cash flow statement Year to 31 March 2008

	Notes	2008 £	2007 £
Cash inflow from operating activities	A	1,386,559	567,180
Returns on investments and servicing of finance	C	(69,417)	(86,442)
Capital expenditure and financing investments	C	(540,795)	(653,795)
Financing	C	11,910	588,579
Increase in cash	B	788,257	415,522

Notes to the cash flow statement for the year to 31 March 2008.

A Adjustment of net incoming resources before transfers to net cash inflow from operating activities

	2008 £	2007 £
Net incoming resources before transfers	618,192	121,950
Depreciation charge	341,974	325,608
Loss on disposal	2,995	5,000
Interest receivable	(9,944)	(170)
Interest payable	79,361	86,612
Other cash movements	3,184	79,896
Decrease (increase) in debtors	973,144	(753,053)
(Increase) decrease in stock	(30,242)	6,733
(Decrease) increase in creditors	(592,105)	694,604
Net cash inflow from operating activities	1,386,559	567,180

B Reconciliation of cash flow to movement in net debt

	2008 £	2007 £
Increase in cash in the year	788,257	415,522
Cash outflow from repayments of debt and lease financing	179,524	182,569
Change in net debt resulting from cash flows	967,781	598,091
Net finance leases	(191,434)	(771,148)
Movement in net debt in the year	776,347	(173,057)
Net debt at 1 April 2007	(1,208,265)	(1,035,208)
Net debt at 31 March 2008	(431,918)	(1,208,265)

Consolidated cash flow statement Year to 31 March 2008

C Gross cash flows

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	9,944	170
Interest element of finance lease rental payments	(44,542)	(47,091)
Interest element of loan payments	(34,819)	(39,521)
	(69,417)	(86,442)
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(540,795)	(653,795)
Financing		
Loan advance	6,000	200,000
Lease rental advance	185,434	639,519
Capital element of finance lease rental payments	(121,623)	(174,326)
Capital element of loan payments	(57,901)	(76,614)
	11,910	588,579

D Analysis of changes in net debt

	At 1 April 2007 £	Cash flows £	Other changes £	At 31 March 2008 £
Cash at bank	737,819	283,527	—	1,021,346
Overdraft	(504,730)	504,730	—	—
Finance leases due within one year	(107,754)	72,910	(101,506)	(136,350)
Loan – due within one year	(246,654)	57,901	109,227	(79,526)
Finance leases – due after one year	(701,607)	(136,721)	101,506	(736,822)
Loans - due after one year	(385,339)	(6,000)	(109,227)	(500,566)
Total	(1,208,265)	776,347	—	(431,918)

Principal accounting policies Year to 31 March 2008

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice “Accounting and Reporting by Charities” (SORP 2005) have been followed in preparing these financial statements.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of HCT Group and its subsidiaries, Islington Community Transport, Transport Co-ordination Centre Hackney Limited, CT Plus Community Interest Company and CT Plus (Yorkshire) Community Interest Company, Lambeth and Southwark Community Transport and LaSCoT Limited made up at the balance sheet date.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it, for example contractual income, or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as incoming resources from charitable activities where these amount to a contract for services, but as donations where the money is given or with greater freedom of use, for example monies for core funding.

No separate statement of financial activities has been presented for HCT Group alone, as permitted by s230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

HCT Group had total incoming resources of £4,138,950 (2007 - £3,307,113) and net incoming resources of £801,860 for the year ended 31 March 2008 (2007 - £144,652).

Principal accounting policies Year to 31 March 2008

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

- a. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report.

Such costs include:

- ◆ staff costs
- ◆ premises costs, equipment and utilities
- ◆ professional fees

The majority of costs are directly attributable to specific activities. Certain shared support costs are apportioned to charitable activities.

Indirect costs are apportioned on a basis which reflects the overall activity of head office.

Office costs and property related costs are allocated in the same proportion as directly attributable staff costs.

- b. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible fixed assets

All assets costing more than £500 and with an expected useful life of more than one year are capitalised.

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates based on the estimated useful life of the assets as follows:

- | | |
|---|-----------------------------------|
| ◆ Motor vehicles – Buses and large mini-buses | straight line basis over 10 years |
| ◆ Motor vehicles – Other | straight line basis over 7 years |
| ◆ Fixtures and fitting | 25% reducing balance |
| ◆ Plant and Equipment | 25% reducing balance |
| ◆ IT Equipment | straight line basis over 3 years |
| ◆ Portacabins | straight line basis over 3 years |
| ◆ Modular Buildings | straight line basis over 20 years |

Principal accounting policies Year to 31 March 2008

Pensions

The charity's contributions to the pension schemes for its employees, all of which are defined contribution schemes, are charged to the income and expenditure account in the period in which they fall due.

Contributions in respect of the London Borough of Waltham Forest Pension Fund, which the eligible employees of CT Plus Community Interest Company became members of with effect from 1 May 2004, are charged to the income and expenditure account as explained in note 14 to the financial statements.

Fund accounting

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds represent the net book value of tangible fixed assets held at the balance sheet date which are not readily realisable into liquid funds less the related finance lease obligations.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

Leased assets

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the lease term.

Assets held under finance leases are capitalised and depreciated over their useful lives. The corresponding lease obligation is treated in the balance sheet as a liability. The interest element is charged against income over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

Stock

Stock represents the cost, net of VAT, as at 31 March 2008 of diesel, vehicle parts, oils/lubricants and other vehicle related consumables.

Notes to the financial statements Year to 31 March 2008

1 Voluntary income – grants receivable

Grants receivable are income of the charities HCT Group and Islington Community Transport.

	2008 £	2007 £
Community Transport Grants		
. Urban Bus Challenge	247,845	405,581
. Bridge House Estate Trust Fund – PlusBus	64,000	6,030
. Bridge House Estate Trust Fund – Haringey CT	22,400	—
. Neighbourhood renewal Fund	78,000	—
Training Grants		
. Hackney Works ILM Programme	—	23,098
. EC1 – New deal for communities	39,000	39,286
. BASSAC – Department of Health Opportunities for Volunteers	—	25,000
. London Borough of Camden	—	6,621
	451,245	505,616

2 Income from transport services

The analysis of incoming resources from charitable activities, all of which is derived from the UK is as follows:

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Public Sector Contracts				
. Bus Operations	8,913,176	—	8,913,176	6,645,301
. Home to School Transport	4,791,246	—	4,791,246	3,678,431
Community Transport				
. Contracts	146,397	—	146,397	179,128
. Group Transport	730,624	—	730,624	923,487
. Door-to-Door	11,324	—	11,324	12,031
. ScootAbility	155,514	—	155,514	107,270
Training Programmes				
. Training	410,489	—	410,489	419,950
Other				
. Consultancy	—	—	—	45,000
. Other	731,799	—	731,799	—
	<u>15,890,569</u>	<u>—</u>	<u>15,890,569</u>	<u>12,010,598</u>

In the year the London Borough of Hackney provided HCT Group with income of £100,000 (2007 - £100,000) for a project that provided a community transport service; a range of wheelchair accessible minibuses for use by voluntary and community groups, and a volunteer-run door-to-door service for individuals with disabilities.

The Training Programmes of the charity were also supported by Job Centre Plus and the Learning and Skills Council who provided funds of £nil and £nil respectively (2007 - £177,525 and £104,430).

Notes to the financial statements Year to 31 March 2008

3 Total resources expended

	Basis of allocation £	Community transport £	Public sector contracts £	Training programmes £	Governance £	Total 2008 £	Total 2007 £
Costs directly allocated to activities							
Provision of transport services							
. Bus operations	Direct	—	7,605,654	—	—	7,605,654	5,606,955
. Home to School Transport	Direct	—	4,413,070	—	—	4,413,070	3,491,830
. Group transport	Direct	836,701	—	—	—	836,701	912,248
. Door-to-Door	Direct	10,438	—	—	—	10,438	27,316
. Contracts	Direct	131,004	—	—	—	131,004	215,453
. Plusbus	Direct	195,460	—	—	—	195,460	361,980
. ScootAbility	Direct	82,101	—	—	—	82,101	48,548
. Other	Direct	704,399	—	—	—	704,399	40,000
Training Programmes							
. Driver training programmes	Direct	—	—	371,681	—	371,681	464,584
. Hackney Works ILM Programme	Direct	—	—	—	—	—	15,137
Support costs allocated to activities							
Finance, Human Resources and general office staff							
Turnover		47,296	290,993	9,545	—	347,834	268,564
Management staff	Turnover	54,902	337,790	11,081	—	403,773	337,994
Premises costs	Turnover	33,744	207,611	6,810	—	248,165	258,417
Office costs	Turnover	15,812	97,282	3,191	—	116,285	93,984
Other costs	Turnover	22,455	138,159	4,532	—	165,146	140,596
Legal and professional fees	Turnover	2,598	15,984	524	45,858	64,964	116,159
Depreciation	Turnover	10,757	66,181	2,170	—	79,108	54,012
		2,147,667	13,172,724	409,534	45,858	15,775,783	12,453,777

4 Governance costs

	Unrestricted funds £	Restricted funds £	2008 Total funds £	2007 Total funds £
Auditors' remuneration	42,023	—	42,023	47,465
Other governance costs	3,835	—	3,835	3,182
	45,858	—	45,858	50,647

5 Staff costs

	2008 £	2007 £
Wages and salaries	7,848,046	6,332,958
Social security	733,146	593,410
Pension costs	271,157	199,169
	8,852,349	7,125,537
Agency staff	39,264	42,611
	8,891,613	7,168,148

Notes to the financial statements Year to 31 March 2008

5 Staff costs (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2008 Number	2007 Number
£60,000 - £70,000	—	2
£70,000 - £80,000	2	1
£80,000 - £90,000	1	1
£100,000 - £110,000	1	—
	4	4

The trustees receive no remuneration for their services (2007 - £nil). No expenses have been reimbursed to trustees (2007 - £nil).

Charity and charity trustees indemnity insurance has been purchased to protect the charity from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity for the year totalled £1,949 (2007 - £1,050) and provides cover of up to a maximum of £250,000 (2007 - £250,000).

The average number of employees during the year was 450 (2007 - 366):

	2008 £	2007 £
Operations	391	310
Engineering (Infrastructure)	11	9
Transport Unit	6	5
Management and Finance	16	12
Training	8	14
Community Transport Volunteers	18	16
	450	366

The estimated average number of full time equivalent employees is 400 (2007 - 294).

6 Net incoming (outgoing) resources

This is stated after charging/(crediting):

	2008 £	2007 £
Depreciation	341,974	325,608
Auditors' remuneration		
· Audit fees	29,650	28,550
· Other services	7,900	19,600
Bank deposit interest	(9,944)	(170)
Interest payable in respect of finance leases	44,541	39,521
Interest payable in respect of loans	35,372	47,091

Notes to the financial statements Year to 31 March 2008

7 Fixed assets

Group	Leasehold improvement £	IT equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
Cost							
At 1 April 2007	38,462	241,159	82,459	36,532	2,175,310	564,467	3,138,389
Additions	—	15,668	1,634	31,009	492,484	—	540,795
Reclassifications	—	—	2,912	256	(3,168)	—	—
Disposals	—	—	(1,287)	—	(68,147)	—	(69,434)
At 31 March 2008	<u>38,462</u>	<u>256,827</u>	<u>85,718</u>	<u>67,797</u>	<u>2,596,479</u>	<u>564,467</u>	<u>3,609,750</u>
Depreciation							
At 1 April 2007	4,666	211,789	67,402	19,434	1,018,499	41,770	1,363,560
Depreciation on disposals	—	—	—	—	(66,439)	—	(66,439)
Acquired on merger	—	—	—	3,184	—	—	3,184
Reclassifications	—	—	4,646	(3,288)	(1,358)	—	—
Charge for the year	4,665	30,511	6,751	7,308	264,514	28,225	341,974
At 31 March 2008	<u>9,331</u>	<u>242,300</u>	<u>78,799</u>	<u>26,638</u>	<u>1,215,216</u>	<u>69,995</u>	<u>1,642,279</u>
Net book value							
At 31 March 2008	<u>29,131</u>	<u>14,527</u>	<u>6,919</u>	<u>41,159</u>	<u>1,381,263</u>	<u>494,472</u>	<u>1,967,471</u>
At 31 March 2007	<u>33,796</u>	<u>29,370</u>	<u>15,057</u>	<u>17,098</u>	<u>1,156,811</u>	<u>522,697</u>	<u>1,774,829</u>

Charity	IT equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
Cost						
At 1 April 2007	212,603	78,601	13,723	582,729	564,467	1,452,123
Additions	14,847	1,527	16,515	102,754	—	135,643
Disposals	—	(1,287)	—	(68,147)	—	(69,434)
At 31 March 2008	<u>227,450</u>	<u>78,841</u>	<u>30,238</u>	<u>617,336</u>	<u>564,467</u>	<u>1,518,332</u>
Depreciation						
At 1 April 2007	192,396	65,347	8,391	374,379	41,770	682,283
Depreciation on disposals	—	—	—	(66,439)	—	(66,439)
Charge for the year	22,876	4,393	1,332	73,911	28,225	130,737
At 31 March 2008	<u>215,272</u>	<u>69,740</u>	<u>9,723</u>	<u>381,851</u>	<u>69,995</u>	<u>746,581</u>
Net book value						
At 31 March 2008	<u>12,178</u>	<u>9,101</u>	<u>20,515</u>	<u>235,485</u>	<u>494,472</u>	<u>771,751</u>
At 31 March 2007	<u>20,207</u>	<u>13,254</u>	<u>5,332</u>	<u>208,350</u>	<u>522,697</u>	<u>769,840</u>

Finance Leases

The net book value of tangible fixed assets of the group includes an amount of £867,023 (2007 - £774,314) in respect of assets held under finance leases on which the depreciation charge for the year was £119,923 (2007 - £111,875).

Borrowings

Barclays Bank plc has a fixed and floating charge over all current and future assets of HCT Group with respect to its overdraft facilities. HCT Group and CT Plus Community Interest Company both have overdraft facilities with the bank.

Notes to the financial statements Year to 31 March 2008

8 Debtors

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	953,725	927,403	338,235	361,324
Amount due from Transport Co-ordination Centre Hackney Limited	—	116,161	75,719	116,161
Amount due from CT Plus Community Interest Company	—	—	1,357,528	968,119
Amount due from Lambeth and Southwark Community Transport	—	—	—	13,219
Amount due from LaSCoT Limited	—	—	21,878	—
Amount due from Islington Community Transport	—	—	2,200	14,500
Prepayments	83,453	533,267	51,821	152,327
Other debtors	414,137	847,628	180,128	150,048
	1,451,315	2,424,459	2,027,509	1,775,698

9 Creditors: amounts falling due within one year

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Trade creditors	621,025	1,133,805	188,948	217,042
Amount due to CT Plus Community Interest Company	—	—	302,251	—
Amount due to CT Plus (Yorkshire) Community Interest Company	—	—	—	68,767
Taxation and social security	218,677	177,508	56,426	47,632
Bank overdraft (secured)	—	504,730	—	374,454
Other creditors	330,421	239,320	46,858	69,756
Obligations under finance leases (note 12)	136,350	107,754	6,864	7,754
Accruals	144,675	132,234	86,810	100,626
Loans (note 11)	79,526	246,654	75,605	235,935
Deferred income (note 16)	—	224,036	—	211,520
	1,530,674	2,766,041	763,762	1,333,486

The overdraft and loans are secured by fixed and floating charges over the assets of HCT Group.

CT Plus Community Interest Company also has a performance bond facility in the sum of £320,000 (2007 - £320,000) which is secured by a debenture on HCT Group.

Notes to the financial statements Year to 31 March 2008

10 Creditors: amounts falling after more than one year

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Obligations under finance leases (note 12)	736,822	701,607	30,245	—
Loans (note 11)	500,566	385,339	500,566	380,505
	1,237,388	1,086,946	530,811	380,505

Details of the security for the loan is set out in note 9.

11 Loan commitments

The future loan obligations to which the group is committed are as follows:-

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Within one year	79,526	246,654	75,605	235,935
Between two and five years	336,207	195,357	336,207	190,523
Over five years	164,359	189,982	164,359	189,982
	580,092	631,993	576,171	616,440

12 Finance lease commitments

The future finance lease obligations to which the group is committed are as follows:-

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Within one year	136,350	107,754	6,864	7,754
Between two and five years	736,822	701,607	30,245	—
	873,172	809,361	37,109	7,754

13 Operating lease commitments

The future operating lease obligations to which the group is committed are as follows:-

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Motor vehicles				
Within one year	12,131	10,120	—	10,120
Between two and five years	734,006	587,739	10,969	10,969
Over five years	168,593	150,420	—	—
	914,730	748,279	10,969	21,089

13 Operating lease commitments (continued)

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Land and buildings				
After five years	57,500	53,750	—	—

14 London Borough of Waltham Forest Pension Fund

The London Borough of Waltham Forest Pension Fund is a defined benefit scheme.

With effect from 1 May 2004, eligible employees of CT Plus Community Interest Company under the Transfer of Undertakings (Protection of Employment) Regulations became active members of the scheme. The employer contribution rate at 1 May 2004 was set at 9.18% of gross salary where the employees' contribution rate is 6% and 7.65% of gross salary where the employees' contribution rate is 5%. Where the initial rate (9.18% or 7.65%) imposed upon CT Plus Community Interest Company changes, the London Borough of Waltham Forest has agreed to an appropriate adjustment to the basic charge so that CT Plus's commitment is limited to the initial rates. The contribution rate paid by CT Plus Community Interest Company is calculated on an ongoing funding basis, assuming a past funding level in respect of the eligible employees of 100% as at 1 May 2004.

Contributions are accounted for by CT Plus Community Interest Company based on the actual amounts payable to the scheme. The total pension cost for CT Plus Community Interest Company during the year was £27,722 (2007 - £31,399).

15 Taxation

No provision has been made in these financial statements for income or corporation tax because the charitable activities of HCT Group qualify for exemption under Section 505 of ICTA 1986. Islington Community Transport and Lambeth and Southwark Community Transport, as registered charities, also qualify for exemption under Section 505 of ICTA 1986. The subsidiary companies, CT Plus Community Interest Company, CT Plus (Yorkshire) Community Interest Company, LaSCoT Limited and Transport Co-ordination Centre Hackney Limited donate their taxable profits, if any, to HCT Group each year.

Notes to the financial statements Year to 31 March 2008

16 Deferred income

Group and charity	2007 £	Received £	Released £	2008 £
Revenue received in advance				
Scooterbility invoiced in advance	8,400	—	(8,400)	—
Urban Bus Challenge	139,300	—	(139,300)	—
Bridge House Estates Trust Fund	63,820	—	(63,820)	—
Charity	211,520	—	(211,520)	—
LVPC (Lambeth Summer Project)	6,039	—	(6,039)	—
Lambeth Children's Fund	5,000	—	(5,000)	—
LB Lambeth invoiced in advance	1,477	—	(1,477)	—
Total	224,036	—	(224,036)	—

17 Restricted funds

Group and charity	2007 £	Transfers	Received £	Released £	2008 £
Neighbourhood Renewal Fund – HCT Group	—	—	78,000	(78,000)	—
Bridge House Estate Trust Fund – PlusBus	—	—	64,000	(762)	63,238
Urban Bus Challenge	212,588	—	247,845	(460,433)	—
Bridge House Estate Trust Fund	63,820	—	—	(63,820)	—
Bridge House Estate Trust Fund – Haringey CT	—	—	22,400	(22,400)	—
EC1 – New deal for communities	—	—	39,000	(39,000)	—
Restricted funds – charity	276,408	—	451,245	(664,415)	63,238
LaSCoT	55,999	(11,594)	—	(15,223)	29,182
Restricted funds - group	332,407	(11,594)	451,245	(679,638)	92,420

Bridge House Estate Trust Fund - PlusBus

This is money received from Bridge House for the purchase of a PlusBus.

LaSCoT

This is money received in Lambeth and Southwark Community Transport from a variety of sources, the application of which has been specified by the grantor.

18 Unrestricted funds

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
General fund	1,251,881	214,913	1,506,740	514,578
Fixed assets fund	421,787	600,576	95,233	72,358
	1,673,668	815,489	1,601,973	586,936

The fixed assets fund represents the net book value of those assets held at the balance sheet date which are not readily realisable into liquid funds less the related finance lease obligations. A decision was made to separate this fund from the general fund of the charity thereby leaving the general fund to represent the free reserves of the charity.

19 Status

HCT Group is registered in England, limited by guarantee and has no share capital. The liability of the members is limited to £1 each. HCT Group is registered with the Charity Commission for England and Wales.

CT Plus Community Interest Company is registered in England. It has Authorised Share Capital of 1,000 × £1 shares, of which HCT Group owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by CT Plus Community Interest Company are set out in note 22. On 20 April 2007 the company converted to a Community Interest Company.

CT Plus (Yorkshire) Community Interest Company is registered in England. It has Authorised Share Capital of 1,000 × £1 shares, of which CT Plus Community Interest Company owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by CT Plus (Yorkshire) Community Interest Company are set out in note 23.

Islington Community Transport is registered in England, limited by guarantee and has no share capital. Islington Community Transport is registered as a charity with the Charity Commission for England and Wales (charity registration number 1085613). Details of transactions undertaken by Islington Community Transport are set out in note 24.

Lambeth and Southwark Community Transport (LaSCoT) is registered in England, limited by guarantee and has no share capital. The liability of the members is limited to £1. Lambeth and Southwark Community Transport is registered with the Charity Commission for England and Wales (Charity Registration Number 1091621 and Company Registration Number 4352550). Details of transactions undertaken by Lambeth and Southwark Community Transport are set out in note 25.

LaSCoT Limited is registered in England and is a wholly owned subsidiary of Lambeth and Southwark Community Transport. Details of transactions undertaken by LaSCoT Limited are set out in note 26.

Transport Co-ordination Centre Hackney Limited is registered in England, limited by guarantee and has no share capital. Details of transactions undertaken by Transport Co-ordination Centre Hackney are set out in note 27.

Notes to the financial statements Year to 31 March 2008

20 Related party transactions

Transactions between the charity and its wholly controlled subsidiaries are not disclosed, as permitted by the exemptions set out in FRS 8.

21 Analysis of net assets between funds

	Designated Fund £	General fund £	Restricted funds £	Total £
Fund balances at 31 March 2008 are represented by:				
Tangible fixed assets	1,875,051	—	92,420	1,967,471
Stock	—	94,018	—	94,018
Debtors	—	1,451,315	—	1,451,315
Cash at bank and in hand	—	1,021,346	—	1,021,346
Creditors: amounts falling due within one year	(215,876)	(1,314,798)	—	(1,530,674)
Creditors: amounts falling due after one year	(1,237,388)	—	—	(1,237,388)
	421,787	1,251,881	92,420	1,766,088

22 CT Plus Community Interest Company

HCT Group holds 100% of the issued share capital of CT Plus Community Interest Company, a company registered in England and Wales.

The following is a summary of the financial statements of CT Plus Community Interest Company for the year ended 31 March 2008, which have been included in the consolidated financial statements.

	2008 £	2007 £
Turnover	10,894,123	9,042,450
Cost of sales	(10,395,300)	(8,560,346)
Gross profit	498,823	482,104
Interest payable	(60,256)	(58,444)
Gift aid	(438,567)	(423,660)
Net profit for the year	—	—
Retained profit at 1 April 2007	1	1
Retained profit at 31 March 2008	1	1
Called up share capital	1	1
At 31 March 2008	2	2

23 CT Plus (Yorkshire) Community Interest Company

CT Plus Community Interest Company holds 100% of the issued share capital of CT Plus (Yorkshire) Community Interest Company, a company registered in England and Wales.

The following is a summary of the financial statements of CT Plus (Yorkshire) Community Interest Company for the year ended 31 March 2008, which have been included in the consolidated financial statements.

	Year ended 31 March 2008 £	Period ended 31 March 2007 £
Turnover	2,227,215	901,316
Cost of sales	(2,097,385)	(903,434)
Operating profit (loss)	129,830	(2,118)
Interest payable	—	(2,625)
Gift aid	(125,000)	—
Net profit (loss) for the year	4,830	(4,743)
Retained loss at 1 April 2007	(4,743)	—
Retained profit (loss) at 31 March 2008	87	(4,743)
Called up share capital	1	1
At 31 March 2008	88	(4,742)

24 Islington Community Transport

Islington Community Transport is a company limited by guarantee and wholly controlled by HCT Group.

The following is a summary of the financial statements of Islington Community Transport for the year ended 31 March 2008, which have been included in the consolidated financial statements.

	2008 £	2007 £
Incoming resources	58,623	96,848
Resources expended	(85,832)	(111,685)
Net outgoing resources	(27,209)	(14,837)
Fund balances at 1 April 2007	60,868	75,705
Fund balances at 31 March 2008	33,659	60,868

25 Lambeth and Southwark Community Transport

Lambeth and Southwark Community Transport became a wholly controlled subsidiary of HCT Group on 1 April 2006.

The following is a summary of the financial statements of Lambeth and Southwark Community Transport for the year ended 31 March 2008, which have been included in the consolidated financial statements.

	2008	2007
	£	£
Incoming resources	470,881	660,796
Resources expended	(633,456)	(746,927)
Net outgoing resources	(162,575)	(86,131)
Fund balances at 1 April 2007	228,425	314,556
Fund balances at 31 March 2008	65,850	228,425

26 LaSCoT Limited

LaSCoT Limited is a company limited by guarantee and wholly controlled by Lambeth and Southwark Community Transport.

The following is a summary of the financial statements of LaSCoT Limited for the year ended 31 March 2008, which have been included in the consolidated financial statements.

	2008	2007
	£	£
Turnover	63,726	124,071
Cost of sales	(26,194)	(105,653)
Gross profit	37,532	18,418
Interest receivable	—	430
Gift aid	(37,532)	(11,600)
Net profit for the year	—	7,248
Retained loss at 1 April 2007	—	(7,248)
Retained profit at 31 March 2008	—	—

27 Transport Co-ordination Centre Hackney Limited

Transport Co-ordination Centre Limited is a company limited by guarantee and wholly controlled by HCT Group.

The following is a summary of the financial statements of Transport Co-ordination Centre Limited for the year ended 31 March 2008, which have been included in the consolidated financial statements.

	2008	2007
	£	£
Incoming resources	733,775	1,045,722
Resources expended	(737,198)	(1,046,474)
Net outgoing resources	(3,423)	(752)
Fund balances at 1 April 2007	4,703	5,455
Fund balances at 31 March 2008	1,280	4,703