

**HCT Group**

**Annual Report and  
Financial Statements**

31 March 2009

Company Limited by Guarantee  
1747483 (England and Wales)

Charity Registration Number 1091318

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

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

## Contents

### Reports

Trustees' report	1
Independent auditors' report	13

### Financial statements

Consolidated statement of financial activities	15
Group and charity balance sheets	16
Consolidated cash flow statement	17
Principal accounting policies	19
Notes to the financial statements	22

The trustees, who are directors of the charity, present their report together with the consolidated financial statements for the year ended 31 March 2009. 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 19 to 21 and comply with the charity'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 that operates transport and other related services. It has five direct subsidiary companies, two of which have further subsidiary companies themselves:

- ◆ Islington Community Transport, a charity.
- ◆ Lambeth and Southwark Community Transport, a charity. LaSCoT Limited is a subsidiary of Lambeth and Southwark Community Transport.
- ◆ CT Plus Community Interest Company, a trading company. CT Plus (Yorkshire) Community Interest Company is a wholly owned subsidiary of CT Plus Community Interest Company.
- ◆ Transport Co-ordination Centre Hackney, a company limited by guarantee.
- ◆ Leeds Alternative Travel Limited, an Industrial and Provident Society.

E & HCT Limited, a joint venture with Ealing Community Transport Limited, has also been treated as a subsidiary of HCT Group, as the charity has overall control.

The primary objectives of HCT Group 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 objectives of the charity are 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.

**Principal aims and objectives** (continued)

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.

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

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 Limited, an Industrial and 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.

E & HCT Limited was incorporated on 5 April 2008 as a joint venture between HCT Group and Ealing Community Transport Limited. Its principal activity is the provision of transport services in the East London area. Surpluses made by E & HCT Limited are generated with the intention of supporting the charitable objects of its parent entities.

**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 charity. 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.

**Structure, governance and management** (continued)

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.

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).

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

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 5 April 2008 E & HCT Limited was incorporated. This is a joint venture between HCT Group and Ealing Community Transport Limited which has been consolidated within these financial statements as a subsidiary as HCT Group has overall control. Its directors are Dai Powell OBE, Jon McColl, Anna Whitty and Mahua Nandi.

On 11 November 2008 Leeds Alternative Travel Limited 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:

	<b>Appointed / Resigned</b>
L Alden	
D Barron	Appointed 15 December 2008
E Cato	
J Davis	
J Heath	
R Krishna	Resigned 21 July 2008
A Levitt	
C Matharu	Resigned 20 April 2009
S Maxwell	
P Moffatt MBE	Resigned 21 July 2008
R Turner	

**Structure, governance and management** (continued)

Trustees (continued)

---

**Appointed / Resigned**

---

N Tyler  
A Whitehead  
R Williams

---

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

**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.

**Financial instruments**

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

**Liquidity risk**

The charity manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the charity 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, human resources and management.

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

### **Structure, governance and management** (continued)

Methods adopted for the recruitment and appointment of new trustees (continued)

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, requested to sign the Code of Conduct and to make a declaration concerning conflicts of interest. 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 HCT Group 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.

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; commercial contracts (via its trading subsidiaries), grant funding and under service level agreements with local authorities and other government agencies. 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 Community Bus Services – fixed route Hail-and-Ride services for people with mobility difficulties in the London borough of Islington; Group Transport - providing access to a fleet of minibuses (accessible and non-accessible) for community groups in the London Boroughs of Hackney, Lambeth, Southwark, Haringey and Islington and in Leeds at a reasonable charge; and Door-to-Door services.

#### *Public Sector Contracts*

These include the provision of Red Bus services for Transport for London, home-to-school transport for pupils with special needs, door to door services, transport to and from day care centres, yellow school bus services and most recently the bus services for a major building project.

#### *Training Programmes*

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



### **Statement of public benefit**

When setting the objectives and planning the work of the charity for the year the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

#### *Transport services*

The charity provides 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. The community transport service includes the following projects:

#### ◆ Door to Door

This service is provided to support those with mobility problems who find it impossible to use public transport. The service provides a door to door car scheme that ensures beneficiaries can retain their independence in the community, access services and have an improved quality of life.

Members do not have to be registered as disabled to use the service nor is there any age restriction.

To ensure that costs to the member are kept to a minimum the service uses volunteer drivers and helpers. The training programmes also offer trainees the opportunity to work within this service as part of their work experience.

HCT Group supports this service both financially through its Social Investment programme and through providing substantial management resources. During 2008 the trustees agreed to fund the cost of a driver so that the needs of door to door service users could be met more fully when volunteers were not available. This is part of the Social Investment from the Group as reported elsewhere in this report.

#### ◆ Group Transport

The Community Group Transport Service provides low-cost, safe, clean and fully accessible minibuses for voluntary, community and not for profit organisations, groups and clubs located within the London Boroughs we operate in. This service provides public benefit by enabling community groups to better deliver their activities, supporting social and community cohesion. The fleet of minibuses can be booked with or without drivers, used for travel anywhere within the UK and can be booked for as little as a few hours or as long as a few weeks.

This service is also provided in Lambeth and Southwark by Lambeth and Southwark Community Transport and in Leeds by Leeds Alternative Travel Limited, both are subsidiary charitable companies.

**Statement of public benefit** (continued)

*Transport services (continued)*

◆ **Group Transport** (continued)

The service is highly valued by the communities it serves. For example, in a recent internal survey for LaSCoT, 39% of community groups responding said that if the service did not exist, their group would either not be able to travel or that their whole group and its activities would be jeopardised.

The trustees monitor and set the level of the fees paid by the Group Transport members, the fees charged are lower than a conventional hire and cover direct costs and a proportion of overhead costs. The remainder of the costs are covered by the Group's Social Investment of its surpluses as reported elsewhere in this report and the service is further supported by the contribution of extensive management resources.

◆ **Community Bus Service**

The Community Bus Service (previously known as PlusBus) is an innovative and successful transport service specifically provided for people who have difficulties using public transport.

Destinations covered by the Community Bus Service routes include community resource centres, health services, major supermarkets, street markets, recreation centres and high density residential areas. The routes were developed with the local community to meet the specific needs of mobility impaired residents.

The innovative aspects of this service were recognised in 2007 through the introduction of two brand new bus routes in Islington and Hackney (routes 812 and 816). Today route 812 continues to operate under a London Service Permit granted by Transport for London.

The service is funded by The London Borough of Islington but the trustees agreed to fund extra services to increase the frequency of the service by one third. Consultation with service users shows that the increased frequency makes the Community Bus Service a great deal more practical to use – removing barriers to access and independence. This funding is part of the Social Investment made by the Group.

◆ **ScotAbility**

ScotAbility won the prestigious 2006 National Transport Award for project innovation. The scheme is a partnership between HCT Group and its funders who are the London Borough of Camden, the London Borough of Islington and Transport for London. The service is open to members who live in Camden and Islington. They are entitled to borrow mobility scooters and powerchairs free of charge. We arrange for the machines to be delivered to the door of the individual member and for collection. They can be borrowed for up to four days, dramatically improving service users' independence and quality of life through greater access to services and leisure activities.

**Statement of public benefit** (continued)

*Education services*

Our training team's primary purpose is to support long term unemployed residents in our community to gain the skills and confidence they need to access sustainable employment in the transport industry. We are committed to providing a welcoming and supportive learning environment which reflects the diverse needs of our learners all of whom are able to access the training free of charge.

In partnership with development agencies and other organisations the learning centres run training programmes to help the long term unemployed get back to work.

◆ Women into the Bus Industry - London

During 2008/09 the Learning Centre ran a training programme to attract women into the bus industry. This is a London wide programme, available to all women - particularly those who are unemployed or are at risk of unemployment. The programme also aims to redress a substantial gender imbalance in the transport industry.

The programme is free and runs for 6 weeks and is followed up with help for the trainees in their job search. 210 women started the course during the year of which 137 qualified and 37 obtained jobs (as at end of March 2009).

◆ Women into the Bus Industry - Yorkshire

Funded by UK Commission for Employment and Skills (UKCES) this programme, similar to the London programme, was started in October 2008. 27 women have been trained of which 22 qualified.

◆ Minibus Drivers Awareness Scheme (MiDAS)

This training is provided at low cost to the group transport members.

Much of the cost associated with running the Learning Centres in London and Leeds is covered by the third party contracts and funding, although this activity is also subsidised by a Social Investment from the Group and the commitment of substantial management resource.

**Achievements and performance**

The objectives set for the Group 2008/09 were as follows.

- ◆ To generate surpluses to support charitable activities
- ◆ 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

The Yorkshire operation will increase by 6 Yellow MyBuses in September 2009.

**Achievements and performance** (continued)

The 388 Transport for London Bus route was extended which resulted in greater revenue and surplus.

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 Ealing Community Transport Limited. The depot at Stratford in East London was opened on 14 April 2008 and the contract runs until June 2011.

During the year, HCT acquired Leeds Alternative Travel Limited, a thriving community transport business based in Leeds. This company provides the basis for investment of surpluses made from our commercial operations in Yorkshire into the local community in Yorkshire.

Training provision has also increased in both London and Leeds with a major project to train women into the bus industry funded by the London Development Agency in London and UK Commission for Employment and Skills (UKCES) in Leeds.

During the year surpluses of £1,192,019 were generated by the trading subsidiaries. Of these surpluses £1,112,023 was gift aided to the parent charity, HCT Group, and £76,000 was gift aided to Ealing Community Transport Limited.

The surplus created from competing successfully in the market place exists in part to drive our social aims and deliver public benefit. After reinvesting in the growth and development of the business, the surpluses are reinvested into the communities that we serve. This is done by providing further transport, training and community services that support access and independence. The group is pleased to demonstrate the financial value of its investment into local communities and an analysis of this Social Investment can be found in the notes to these accounts. A total of £141,778 was invested directly into local community projects for transport and training during 2008/09 representing 23% of the surplus achieved in 2007/08.

The revenue budget for social investment is £225,000 in 2009/10 and this follows anticipated capital investment of £400,000 in vehicles for community benefit.

**Financial review**

The group achieved a surplus of £831,556 for the year ended 31 March 2009 (2008 – £618,192) after deducting the payments due to minority interests, but not including the funds transferred on acquisition of Leeds Alternative Travel Limited. The results are set out in the statement of financial activities on page 15 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 and loan obligations.

**Financial review** (continued)

Reserves (continued)

The general fund represents the free working capital of the charity which enables it to plan and operate its services. At 31 March 2009 the surplus on the general fund amounted to £2,176,486 (2008 – £1,251,881).

Reserves policy

At 31 March 2009 the balance on the general reserve fund was £2,176,486 (2008 – £1,251,881).

The charity is reliant on a number of income streams and is also subject to fluctuations in the cost of its activities. The charity needs to maintain a level of reserve so that it can continue its operations in the event that an unforeseen shortfall in voluntary income or increase in costs creates an imbalance of funding.

The trustees have taken a risk based approach in calculating the amount that is required to be held in reserves.

In assessing the amount of reserves required to be held the risk of a shortfall in income or an increase in cost is estimated and a sum held to cover the potential shortfall for each element of the charity's income and expenditure. The risk weightings range from 5% to 25% depending on the nature of the activities.

Based on these calculations, the trustees estimate that a total of £1.4 million is required. This represents less than one month of the charity's operating expenditure for 2008/09.

The increase in the general reserve of £924,605 during the year to 31 March 2009 reflects the measures taken by management to ensure that the charity builds its reserves in line with this policy. The level of reserves held are considered to be adequate but are not excessive given the uncertainties of the current economic climate.

**Plans for the future**

As a 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 to support the community transport activities and training. This is done in partnership with local authorities such as the London Boroughs of Hackney, Islington, Lambeth, Southwark, Haringey and Leeds City Council together with 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 Group 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 and Leeds
- ◆ Provide door to door services in Hackney and Leeds

**Plans for the future** (continued)

- ◆ Develop community transport provision in geographical areas where surpluses have been generated
- ◆ Provide Community Bus Services in Islington
- ◆ Provide Minibus Driver Awareness training
- ◆ Provide scooter loan services in Camden, Islington and Haringey
- ◆ Provide training to enable unemployed people to obtain employment
- ◆ Provide Harm Reduction Services

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

- ◆ Increase number of yellow school buses (MyBus)
- ◆ Increase provision of Transport for London red bus services
- ◆ Develop further operating depots
- ◆ Award of further public sector contracts to deliver transport
- ◆ Look for commercially viable mergers and acquisitions

**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 charity 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.

**Statement of trustees' responsibilities** (continued)

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 trustees:



Trustee

Approved by the board on:

26th October 2009

**Independent auditors' report to the members of HCT Group**

We have audited the financial statements of HCT Group for the year ended 31 March 2009 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated cash flow statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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**

The trustees' (who are the directors of HCT Group for the purposes of company law) responsibilities for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' responsibilities. 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 charity 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 group and the charity'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.

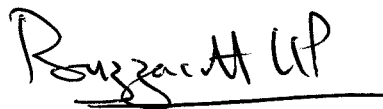


**Independent auditors' report** 31 March 2009

**Opinion**

In our opinion:

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent charity's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure, 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

15 December 2009

## Consolidated statement of financial activities 31 March 2009

	Notes	Unrestricted funds £	Restricted funds £	Total 2009 funds £	Total 2008 funds £
<b>Incoming resources</b>					
Incoming resources from generated funds					
. Voluntary income	1	36,006	279,347	<b>315,353</b>	451,245
. Investment income		12,559	—	<b>12,559</b>	9,944
Incoming resources from charitable activities					
. Income from transport services	2	20,098,853	—	<b>20,098,853</b>	15,890,569
Other incoming resources					
. Miscellaneous income		34,683	—	<b>34,683</b>	42,217
<b>Total incoming resources</b>		<b>20,182,101</b>	<b>279,347</b>	<b>20,461,448</b>	<b>16,393,975</b>
<b>Resources expended</b>					
Charitable activities					
. Community transport	3	1,981,325	263,661	<b>2,244,986</b>	2,147,667
. Public sector contracts	3	16,596,855	—	<b>16,596,855</b>	13,172,724
. Training programmes	3	614,459	40,051	<b>654,510</b>	409,534
Governance costs	4	57,541	—	<b>57,541</b>	45,858
<b>Total resources expended</b>		<b>19,250,180</b>	<b>303,712</b>	<b>19,553,892</b>	<b>15,775,783</b>
<b>Net incoming (outgoing) resources before gift aid due to minority interests</b>					
	7	931,921	(24,365)	<b>907,556</b>	618,192
Gift aid due to minority interest	29	(76,000)	—	<b>(76,000)</b>	—
<b>Net incoming (outgoing) resources</b>		<b>855,921</b>	<b>(24,365)</b>	<b>831,556</b>	<b>618,192</b>
Net assets transferred from Leeds Alternative Travel Limited					
	28	100,394	60,000	<b>160,394</b>	—
<b>Net movement in funds</b>		<b>956,315</b>	<b>35,635</b>	<b>991,950</b>	<b>618,192</b>
<b>Fund balances at 1 April 2008</b>		<b>1,673,668</b>	<b>92,420</b>	<b>1,766,088</b>	<b>1,147,896</b>
<b>Fund balances at 31 March 2009</b>		<b>2,629,983</b>	<b>128,055</b>	<b>2,758,038</b>	<b>1,766,088</b>

There were no other recognised gains or losses other than the net incoming (outgoing) 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 2009

	Notes	Group		Charity	
		2009 £	2008 £	2009 £	2008 £
<b>Fixed assets</b>					
Tangible fixed assets	8	<b>1,749,719</b>	1,967,471	<b>691,476</b>	771,751
<b>Current assets</b>					
Stock		<b>107,922</b>	94,018	<b>12,765</b>	14,127
Debtors	9	<b>2,524,209</b>	1,451,315	<b>2,957,210</b>	2,027,509
Cash at bank and in hand		<b>1,716,610</b>	1,021,346	<b>225,944</b>	146,397
		<b>4,348,741</b>	2,566,679	<b>3,195,919</b>	2,188,033
<b>Creditors: amounts falling due within one year</b>	10	<b>(2,491,202)</b>	(1,530,674)	<b>(893,164)</b>	(763,762)
<b>Net current assets</b>		<b>1,857,539</b>	1,036,005	<b>2,302,755</b>	1,424,271
<b>Total assets less current liabilities</b>		<b>3,607,258</b>	3,003,476	<b>2,994,231</b>	2,196,022
<b>Creditors: amounts falling due after more than one year</b>	11	<b>(849,220)</b>	(1,237,388)	<b>(440,635)</b>	(530,811)
<b>Net assets</b>		<b>2,758,038</b>	1,766,088	<b>2,553,596</b>	1,665,211
<b>Reserves</b>					
Restricted funds	17	<b>128,055</b>	92,420	<b>54,096</b>	63,238
Unrestricted funds:					
· Designated fund	18	<b>453,497</b>	421,787	<b>108,993</b>	95,233
· General fund		<b>2,176,486</b>	1,251,881	<b>2,390,507</b>	1,506,740
<b>Total charity funds</b>		<b>2,758,038</b>	1,766,088	<b>2,553,596</b>	1,665,211

Signed on behalf of the board of trustees by:



Trustee

Approved by the board on: 26<sup>th</sup> October 2009

## Consolidated cash flow statement Year to 31 March 2009

	Notes	2009 £	2008 £
<b>Cash inflow from operating activities</b>	A	<b>1,130,858</b>	1,386,559
<b>Returns on investments and servicing of finance</b>	C	<b>(85,255)</b>	(69,417)
<b>Capital expenditure and financing investments</b>	C	<b>(169,665)</b>	(540,795)
<b>Financing</b>	C	<b>(180,674)</b>	11,910
<b>Increase in cash</b>	B	<b>695,264</b>	<b>788,257</b>

Notes to the cash flow statement for the year to 31 March 2009.

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

	2009 £	2008 £
Net incoming resources before transfers	<b>907,556</b>	618,192
Depreciation charge	<b>371,688</b>	341,974
Loss on disposal	<b>26,497</b>	2,995
Interest receivable	<b>(12,559)</b>	(9,944)
Interest payable	<b>97,814</b>	79,361
Other cash movements	<b>105,203</b>	3,184
(Increase) decrease in debtors	<b>(1,072,894)</b>	973,144
Increase in stock	<b>(13,904)</b>	(30,242)
Increase (decrease) in creditors	<b>721,457</b>	(592,105)
<b>Net cash inflow from operating activities</b>	<b>1,130,858</b>	<b>1,386,559</b>

### B Reconciliation of cash flow to movement in net debt

	2009 £	2008 £
Increase in cash in the year	<b>695,264</b>	788,257
Cash outflow from repayments of debt and lease financing	<b>227,780</b>	179,524
Change in net debt resulting from cash flows	<b>923,044</b>	967,781
New finance leases	<b>(47,106)</b>	(191,434)
Cancelled finance leases	<b>44,423</b>	—
Movement in net debt in the year	<b>920,361</b>	776,347
Net debt at 1 April 2008	<b>(431,918)</b>	(1,208,265)
Net debt at 31 March 2009	<b>488,443</b>	(431,918)

## Consolidated cash flow statement Year to 31 March 2009

### C Gross cash flows

	2009 £	2008 £
<b>Returns on investments and servicing of finance</b>		
Interest received	12,559	9,944
Interest element of finance lease rental payments	(47,413)	(44,542)
Interest element of loan payments	(50,401)	(34,819)
	<b>(85,255)</b>	<b>(69,417)</b>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	<b>(169,665)</b>	<b>(540,795)</b>
<b>Financing</b>		
Loan advance	350,000	6,000
Lease rental advance	47,106	185,434
Capital element of finance lease rental payments	(145,830)	(121,623)
Capital element of loan payments	(431,950)	(57,901)
	<b>(180,674)</b>	<b>11,910</b>

### D Analysis of changes in net debt

	At 1 April 2008 £	Cash flows £	Other changes £	At 31 March 2009 £
Cash at bank	1,021,346	695,264	—	<b>1,716,610</b>
Finance leases due within one year	(136,350)	135,240	(296,949)	<b>(298,059)</b>
Loan – due within one year	(79,526)	82,270	(83,632)	<b>(80,888)</b>
Finance leases – due after one year	(736,822)	(36,516)	341,372	<b>(431,966)</b>
Loans - due after one year	(500,566)	—	83,312	<b>(417,254)</b>
<b>Total</b>	<b>(431,918)</b>	<b>876,258</b>	<b>44,103</b>	<b>488,443</b>

## **Principal accounting policies** Year to 31 March 2009

### **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, CT Plus (Yorkshire) Community Interest Company, Lambeth and Southwark Community Transport, LaSCoT Limited and Leeds Alternative Travel Limited made up at the balance sheet date as HCT group either owns the entire share capital of the subsidiary or assumes control of the entity. The financial statements of E & HCT Limited, a joint venture with Ealing Community Transport Limited, have also been consolidated within the consolidated statement of financial activities and group balance sheet on the basis that the joint venture is controlled by HCT Group.

### **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 £3,227,102 (2008 - £2,559,778) and net incoming resources of £888,385 for the year ended 31 March 2009 (2008 - £801,860).

## Principal accounting policies Year to 31 March 2009

### 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 fittings                       | 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 |
| ◆ Leasehold improvements                      | over the length of the lease      |

## **Principal accounting policies** Year to 31 March 2009

### **Pensions**

The charity's contributions to the pension schemes for its employees, all of which are defined contribution schemes, are charged to the statement of financial activities 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 statement of financial activities as explained in note 15 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 2009 of diesel, vehicle parts, oils/lubricants and other vehicle related consumables.



**Notes to the financial statements** Year to 31 March 2009

**1 Voluntary income – grants receivable**

Grants receivable are income of the charities HCT Group and Leeds Alternative Travel Limited.

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Community Transport Grants				
· London Borough of Islington	—	140,004	<b>140,004</b>	—
· Urban Bus Challenge	—	—	—	247,845
· Bridge House Estate Trust Fund – Haringey CT	—	—	—	86,400
· London Borough of Haringey - Neighbourhood renewal Fund	—	80,000	<b>80,000</b>	78,000
· Leeds City Council – Volunteer Expenses Grant	—	14,766	<b>14,766</b>	—
· Leeds City Council – Neighbourhood Learning Grant	—	4,526	<b>4,526</b>	—
· Leeds City Council - Minibus Grant	19,500	—	<b>19,500</b>	—
· Leeds City Council - Social Car Scheme	15,828	—	<b>15,828</b>	—
· Other	678	—	<b>678</b>	—
Training Grants				
· EC1 – New deal for communities	—	40,051	<b>40,051</b>	39,000
	<b>36,006</b>	<b>279,347</b>	<b>315,353</b>	<b>451,245</b>

## Notes to the financial statements Year to 31 March 2009

### 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 £	2009 Total funds £	2008 Total funds £
Public Sector Contracts				
. Bus Operations	11,645,415	—	<b>11,645,415</b>	8,913,176
. Home to School Transport	5,937,145	—	<b>5,937,145</b>	4,791,246
Community Transport				
. Contracts	121,911	—	<b>121,911</b>	146,397
. Group Transport	1,006,175	—	<b>1,006,175</b>	730,624
. Door-to-Door	11,740	—	<b>11,740</b>	11,324
. ScootAbility	142,724	—	<b>142,724</b>	155,514
Training Programmes				
. Training	626,827	—	<b>626,827</b>	410,489
Other				
. Other	606,916	—	<b>606,916</b>	731,799
	<u>20,098,853</u>	<u>—</u>	<u><b>20,098,853</b></u>	<u>15,890,569</u>

In the year the London Borough of Hackney provided HCT Group with income of £100,000 (2008 - £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.

## Notes to the financial statements Year to 31 March 2009

### 3 Total resources expended

	Basis of allocation £	Community transport £	Public sector contracts £	Training pro- grammes £	Governance £	Total 2009 £	Total 2008 £
<b>Costs directly allocated to activities</b>							
Provision of transport services							
. Bus operations	Direct	—	10,605,135	—	—	<b>10,605,135</b>	7,605,654
. Home to school transport	Direct	—	4,487,606	—	—	<b>4,487,606</b>	4,413,070
. Group transport	Direct	1,156,934	—	—	—	<b>1,156,934</b>	836,701
. Door-to-Door	Direct	14,927	—	—	—	<b>14,927</b>	10,438
. Contracts	Direct	154,243	—	—	—	<b>154,243</b>	131,004
. Community Bus Service	Direct	122,009	—	—	—	<b>122,009</b>	195,460
. ScootAbility	Direct	111,348	—	—	—	<b>111,348</b>	82,101
. Other	Direct	556,431	—	—	—	<b>556,431</b>	704,399
Training Programmes							
. Driver training programmes	Direct	—	—	599,247	—	<b>599,247</b>	371,681
<b>Support costs allocated to activities</b>							
Finance, Human Resources and general office staff							
Turnover		34,540	402,434	14,786	—	<b>451,760</b>	347,834
Management staff							
Turnover		32,456	378,154	13,894	—	<b>424,504</b>	403,773
Premises costs							
Turnover		29,484	343,527	12,621	—	<b>385,632</b>	248,165
Office costs							
Turnover		9,542	111,177	4,085	—	<b>124,804</b>	116,285
Other costs							
Turnover		13,259	154,483	5,676	—	<b>173,418</b>	165,146
Legal and professional fees							
Turnover		5,787	67,426	2,477	57,541	<b>133,231</b>	64,964
Depreciation							
Turnover		4,026	46,913	1,724	—	<b>52,663</b>	79,108
		<b>2,244,986</b>	<b>16,596,855</b>	<b>654,510</b>	<b>57,541</b>	<b>19,553,892</b>	<b>15,775,783</b>

### 4 Governance costs

	Unrestricted funds £	Restricted funds £	2009 Total funds £	2008 Total funds £
Auditors' remuneration	49,043	—	<b>49,043</b>	42,023
Other governance costs	8,498	—	<b>8,498</b>	3,835
	<b>57,541</b>	<b>—</b>	<b>57,541</b>	<b>45,858</b>

## Notes to the financial statements Year to 31 March 2009

### 5 Social Investment

	2009 £
Net surplus before social investment	1,049,334
Social Investment in:	
Group Transport in Hackney	23,065
Group Transport in Lambeth and Southwark	55,294
Group Transport in Leeds	10,529
Door to Door in Hackney	6,931
Community Bus Service in Islington	39,365
Training in London and Leeds	6,594
Total social investment in year	141,778
Net surplus after social investment (page 15)	907,556

The above analysis shows that HCT Group's contribution to social investment during the year ended 31 March 2009 is £141,778 representing 23% of the surplus achieved in 2007/08. The projects listed above would incur deficits without this investment which has been made available from the surpluses generated from other activities within the group.

### 6 Staff costs

	2009 £	2008 £
Wages and salaries	9,517,636	7,848,046
Social security	905,181	733,146
Pension costs	317,318	271,157
	10,740,135	8,852,349
Agency staff	167,386	39,264
	10,907,521	8,891,613

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:

	2009 Number	2008 Number
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£100,001 - £110,000	1	1
	4	4

The trustees received no remuneration for their services during the year (2008 - £nil). One trustee was reimbursed for travel expenses of £158 (2008 - £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 (2008 - £1,949) and provides cover of up to a maximum of £250,000 (2008 - £250,000).

**Notes to the financial statements** Year to 31 March 2009

**6 Staff costs** (continued)

The average number of employees during the year was 479 (2008 – 450):

	<b>2009</b>	2008
	<b>£</b>	£
Operations	<b>430</b>	391
Engineering (infrastructure)	<b>12</b>	11
Transport unit	<b>6</b>	6
Management and finance	<b>22</b>	16
Training	<b>9</b>	8
	<b>479</b>	432
Community transport volunteers	<b>16</b>	18
	<b>495</b>	450

The estimated average number of full time equivalent employees is 450 (2008 – 400).

**7 Net incoming (outgoing) resources**

This is stated after charging/(crediting):

	<b>2009</b>	2008
	<b>£</b>	£
Depreciation	<b>371,688</b>	341,974
Auditors' remuneration		
· Audit fees	<b>38,200</b>	29,650
· Other services	<b>10,843</b>	7,900
Bank deposit interest	<b>(12,559)</b>	(9,944)
Interest payable in respect of finance leases	<b>47,413</b>	44,541
Interest payable in respect of loans	<b>50,401</b>	35,372

## Notes to the financial statements Year to 31 March 2009

### 8 Fixed assets

Group	Leasehold improvement £	IT equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
<b>Cost</b>							
At 1 April 2008	38,462	256,827	85,718	67,797	2,596,479	564,467	<b>3,609,750</b>
Additions	1,587	17,111	—	25,360	125,607	—	<b>169,665</b>
Acquired on merger	—	27,238	3,950	—	118,536	—	<b>149,724</b>
Reclassifications	—	—	16,516	(16,516)	—	—	<b>—</b>
Disposals	—	—	—	—	(116,461)	—	<b>(116,461)</b>
At 31 March 2009	<b>40,049</b>	<b>301,176</b>	<b>106,184</b>	<b>76,641</b>	<b>2,724,161</b>	<b>564,467</b>	<b>3,812,678</b>
<b>Depreciation</b>							
At 1 April 2008	9,331	242,300	78,799	26,638	1,215,216	69,995	<b>1,642,279</b>
Depreciation on disposals	—	—	—	—	(45,537)	—	<b>(45,537)</b>
Acquired on merger	—	27,238	2,104	—	65,187	—	<b>94,529</b>
Charge for the year	4,668	16,506	7,249	12,351	302,690	28,224	<b>371,688</b>
At 31 March 2009	<b>13,999</b>	<b>286,044</b>	<b>88,152</b>	<b>38,989</b>	<b>1,537,556</b>	<b>98,219</b>	<b>2,062,959</b>
<b>Net book value</b>							
At 31 March 2009	<b>26,050</b>	<b>15,132</b>	<b>18,032</b>	<b>37,652</b>	<b>1,186,605</b>	<b>466,248</b>	<b>1,749,719</b>
At 31 March 2008	<b>29,131</b>	<b>14,527</b>	<b>6,919</b>	<b>41,159</b>	<b>1,381,263</b>	<b>494,472</b>	<b>1,967,471</b>

Charity	Leasehold improvement £	IT equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
<b>Cost</b>							
At 1 April 2008	—	227,450	78,841	30,238	617,336	564,467	<b>1,518,332</b>
Additions	1,587	12,584	—	23,799	5,500	—	<b>43,470</b>
Reclassifications	—	—	16,516	(16,516)	—	—	<b>—</b>
At 31 March 2009	<b>1,587</b>	<b>240,034</b>	<b>95,357</b>	<b>37,521</b>	<b>622,836</b>	<b>564,467</b>	<b>1,561,802</b>
<b>Depreciation</b>							
At 1 April 2008	—	215,272	69,740	9,723	381,851	69,995	<b>746,581</b>
Charge for the year	—	10,168	6,411	6,954	71,988	28,224	<b>123,745</b>
At 31 March 2009	<b>—</b>	<b>225,440</b>	<b>76,151</b>	<b>16,677</b>	<b>453,839</b>	<b>98,219</b>	<b>870,326</b>
<b>Net book value</b>							
At 31 March 2009	<b>1,587</b>	<b>14,594</b>	<b>19,206</b>	<b>20,844</b>	<b>168,997</b>	<b>466,248</b>	<b>691,476</b>
At 31 March 2008	<b>—</b>	<b>12,178</b>	<b>9,101</b>	<b>20,515</b>	<b>235,485</b>	<b>494,472</b>	<b>771,751</b>

#### Finance Leases

The net book value of tangible fixed assets of the group includes an amount of £701,904 (2008 - £867,023) in respect of assets held under finance leases on which the depreciation charge for the year was £140,601 (2008 - £119,923).

#### 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, CT Plus Community Interest Company, CT Plus (Yorkshire) Community Interest Company and Transport Co-ordination Centre Hackney Limited all have overdraft facilities with the bank.

**Notes to the financial statements** Year to 31 March 2009

**9 Debtors**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Trade debtors	<b>1,531,184</b>	953,725	<b>456,202</b>	338,235
Amount due from Transport Co-ordination Centre Hackney Limited	—	—	<b>29,926</b>	75,719
Amount due from CT Plus Community Interest Company	—	—	<b>1,771,408</b>	1,357,528
Amount due from LaSCoT Limited	—	—	—	21,878
Amount due from Islington Community Transport	—	—	<b>4,659</b>	2,200
Amount due from Leeds Alternative Travel Limited (note 29)	—	—	<b>29,571</b>	—
Amount due from E & HCT Limited	—	—	<b>392,888</b>	—
Prepayments	<b>154,384</b>	83,453	<b>108,082</b>	51,821
Other debtors	<b>838,641</b>	414,137	<b>164,474</b>	180,128
	<b>2,524,209</b>	1,451,315	<b>2,957,210</b>	2,027,509

**10 Creditors: amounts falling due within one year**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Trade creditors	<b>1,010,873</b>	621,025	<b>360,525</b>	188,948
Amount due to CT Plus Community Interest Company	—	—	—	302,251
Amount due to CT Plus (Yorkshire) Community Interest Company	—	—	<b>255,138</b>	—
Amount due to Leeds Alternative Travel Limited	—	—	<b>13,701</b>	—
Amount due to Ealing community Transport Limited (note 29)	<b>76,000</b>	—	—	—
Amount due to Lambeth and Southwark Community Transport	—	—	<b>1,317</b>	—
Taxation and social security	<b>272,993</b>	218,677	<b>65,935</b>	56,426
Other creditors	<b>658,290</b>	330,421	<b>84,164</b>	46,858
Obligations under finance leases (note 13)	<b>298,059</b>	136,350	<b>6,864</b>	6,864
Accruals	<b>94,099</b>	144,675	<b>24,632</b>	86,810
Loans (note 12)	<b>80,888</b>	79,526	<b>80,888</b>	75,605
	<b>2,491,202</b>	1,530,674	<b>893,164</b>	763,762

The 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 (2008 - £320,000) which is secured by a debenture on HCT Group.

**Notes to the financial statements** Year to 31 March 2009

**11 Creditors: amounts falling after more than one year**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Obligations under finance leases (note 13)	<b>431,966</b>	736,822	<b>23,381</b>	30,245
Loans (note 12)	<b>417,254</b>	500,566	<b>417,254</b>	500,566
	<b>849,220</b>	1,237,388	<b>440,635</b>	530,811

Details of the security for the loans are set out in note 10.

**12 Loan commitments**

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

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Within one year	<b>80,888</b>	79,526	<b>80,888</b>	75,605
Between two and five years	<b>317,665</b>	336,207	<b>317,665</b>	336,207
Over five years	<b>99,589</b>	164,359	<b>99,589</b>	164,359
	<b>498,142</b>	580,092	<b>498,142</b>	576,171

**13 Finance lease commitments**

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

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Within one year	<b>298,059</b>	136,350	<b>6,864</b>	6,864
Between two and five years	<b>431,966</b>	736,822	<b>23,381</b>	30,245
	<b>730,025</b>	873,172	<b>30,245</b>	37,109



## Notes to the financial statements Year to 31 March 2009

### 14 Operating lease commitments

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

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
Motor vehicles				
Operating leases which expire:				
Within one year	<b>465,901</b>	12,131	—	—
Between two and five years	<b>703,956</b>	734,006	<b>13,792</b>	10,969
Over five years	—	168,593	—	—
	<b>1,169,857</b>	914,730	<b>13,792</b>	10,969
Land and buildings				
Operating leases which expire:				
After five years	<b>223,500</b>	223,500	<b>166,000</b>	166,000

At 31 March 2009 the group had a yearly lease obligation of £48,192 (2008 - £48,192) under a license to occupy land and buildings which continues until notice is given by either Licensor or Licensee.

### 15 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 £35,635 (2008 - £27,722).

## 16 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, and Leeds Alternative Travel Limited, as an exempt charity, 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. E & HCT Limited, a joint venture with Ealing Community Transport Limited, donates its taxable profits, if any, to HCT Group and Ealing Community Transport Limited each year.

## 17 Restricted funds

Group and charity	2008 £	Funds transferred from Leeds Alternative Travel Limited £	Received £	Released £	2009 £
London Borough of Islington	—	—	140,004	(140,004)	—
Bridge House Estate Trust Fund – Haringey CT	63,238	—	—	(9,142)	<b>54,096</b>
London Borough of Haringey – Neighbourhood Renewal Fund	—	—	80,000	(80,000)	—
EC1 – New deal for communities	—	—	40,051	(40,051)	—
<b>Restricted funds – charity</b>	<b>63,238</b>	<b>—</b>	<b>260,055</b>	<b>(269,197)</b>	<b>54,096</b>
<b>LaSCoT</b>	<b>29,182</b>	<b>—</b>	<b>—</b>	<b>(15,223)</b>	<b>13,959</b>
<b>LAT</b>	<b>—</b>	<b>60,000</b>	<b>19,292</b>	<b>(19,292)</b>	<b>60,000</b>
<b>Restricted funds - group</b>	<b>92,420</b>	<b>60,000</b>	<b>279,347</b>	<b>(303,712)</b>	<b>128,055</b>

*Bridge House Estate Trust Fund – Haringey CT* – funds received to purchase 2 accessible minibuses to operate Group Transport in the London Borough of Haringey.

### *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.

### *LAT*

This is money received in Leeds Alternative Travel Limited from a variety of sources, the application of which has been specified by the grantor.

**18 Unrestricted funds**

	Group		Charity	
	2009 £	2008 £	2009 £	2008 £
General fund	<b>2,176,486</b>	1,251,881	<b>2,390,507</b>	1,506,740
Fixed assets fund	<b>453,497</b>	421,787	<b>108,993</b>	95,233
	<b>2,629,983</b>	1,673,668	<b>2,499,500</b>	1,601,973

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 and loan obligations.

**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 (Charity Registration Number 1091318 and Company Registration number 1747483).

CT Plus Community Interest Company is registered in England (Company Registration Number 4137890). 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 2008 the company converted to a Community Interest Company.

CT Plus (Yorkshire) Community Interest Company is registered in England (Company Registration Number 5629152). 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 (Company Registration Number 4902768) 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.

## Notes to the financial statements Year to 31 March 2009

### 19 Status (continued)

Transport Co-ordination Centre Hackney Limited is registered in England, limited by guarantee and has no share capital (Company Registration Number 3689127). Details of transactions undertaken by Transport Co-ordination Centre Hackney are set out in note 27.

Leeds Alternative Travel Limited is an Industrial and Provident Society (Industrial and Provident Society Registration Number IP28657R) with three allotted, called up and fully paid issued shares which are owned by HCT Group, CT Plus Community Interest Company and CT Plus (Yorkshire) Community Interest Company. Details of transactions undertaken by Leeds Alternative Travel Limited are set out in note 28.

E & HCT Limited is registered in England. It has authorised share capital of 500 x £1 'A' shares of which HCT Group owns the single allotted, called up and fully paid issued share and 500 x £1 'B' shares of which Ealing Community Transport Limited owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by E & HCT Limited are set out in note 29.

### 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

Group	Designated fund £	General fund £	Restricted funds £	Total £
<b>Fund balances at 31 March 2009 are represented by:</b>				
Tangible fixed assets	1,681,664	—	68,055	<b>1,749,719</b>
Stock	—	107,922	—	<b>107,922</b>
Debtors	—	2,524,209	—	<b>2,524,209</b>
Cash at bank and in hand	—	1,656,610	60,000	<b>1,716,610</b>
Creditors: amounts falling due within one year	(378,947)	(2,112,255)	—	<b>(2,491,202)</b>
Creditors: amounts falling due after one year	(849,220)	—	—	<b>(849,220)</b>
	453,497	2,176,486	128,055	<b>2,758,038</b>

**Notes to the financial statements** Year to 31 March 2009

**21 Analysis of net assets between funds (continued)**

<b>Charity</b>	Designated fund £	General fund £	Restricted funds £	<b>Total £</b>
<b>Fund balances at 31 March 2009 are represented by:</b>				
Tangible fixed assets	637,380	—	54,096	<b>691,476</b>
Stock	—	12,765	—	<b>12,765</b>
Debtors	—	2,957,210	—	<b>2,957,210</b>
Cash at bank and in hand	—	225,944	—	<b>225,944</b>
Creditors: amounts falling due within one year	(87,752)	(805,412)	—	<b>(893,164)</b>
Creditors: amounts falling due after one year	(440,635)	—	—	<b>(440,635)</b>
	<b>108,993</b>	<b>2,390,507</b>	<b>54,096</b>	<b>2,553,596</b>

**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 2009, which have been included in the consolidated financial statements.

	2009 £	2008 £
Turnover	<b>12,344,065</b>	10,894,123
Cost of sales	<b>(11,579,448)</b>	(10,395,300)
Gross profit	<b>764,617</b>	498,823
Interest payable	<b>(65,080)</b>	(60,256)
Gift aid	<b>(699,537)</b>	(438,567)
Net profit for the year	—	—
Retained profit at 1 April 2008	<b>1</b>	1
Retained profit at 31 March 2009	<b>1</b>	1
Called up share capital	<b>1</b>	1
At 31 March 2009	<b>2</b>	2

## Notes to the financial statements Year to 31 March 2009

### 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 2009, which have been included in the consolidated financial statements.

	2009 £	2008 £
Turnover	<b>2,495,744</b>	2,227,215
Cost of sales	<b>(2,227,854)</b>	(2,097,385)
Operating profit	<b>267,890</b>	129,830
Gift aid	<b>(265,000)</b>	(125,000)
Net profit for the year	<b>2,890</b>	4,830
Retained profit (loss) at 1 April 2008	<b>87</b>	(4,743)
Retained profit at 31 March 2009	<b>2,977</b>	87
Called up share capital	<b>1</b>	1
At 31 March 2009	<b>2,978</b>	88

### 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 2009, which have been included in the consolidated financial statements.

	2009 £	2008 £
Incoming resources	<b>141</b>	58,623
Resources expended	<b>(20,089)</b>	(85,832)
Net outgoing resources	<b>(19,948)</b>	(27,209)
Fund balances at 1 April 2008	<b>33,659</b>	60,868
Fund balances at 31 March 2009	<b>13,711</b>	33,659

### 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 2009, which have been included in the consolidated financial statements.

**Notes to the financial statements** Year to 31 March 2009

**25 Lambeth and Southwark Community Transport (continued)**

	2009 £	2008 £
Incoming resources	<b>462,163</b>	470,881
Resources expended	<b>(491,461)</b>	(633,456)
Net outgoing resources	<b>(29,298)</b>	(162,575)
Fund balances at 1 April 2008	<b>65,850</b>	228,425
Fund balances at 31 March 2009	<b>36,552</b>	65,850

**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 2009, which have been included in the consolidated financial statements.

	2009 £	2008 £
Turnover	<b>73,373</b>	63,726
Cost of sales	<b>(38,887)</b>	(26,194)
Gross profit	<b>34,486</b>	37,532
Gift aid	<b>(34,486)</b>	(37,532)
Net profit for the year	—	—
Retained loss at 1 April 2008	—	—
Retained profit at 31 March 2009	—	—

**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 2009, which have been included in the consolidated financial statements.

	2009 £	2008 £
Incoming resources	<b>607,528</b>	733,775
Resources expended	<b>(607,580)</b>	(737,198)
Net outgoing resources	<b>(52)</b>	(3,423)
Fund balances at 1 April 2008	<b>1,280</b>	4,703
Fund balances at 31 March 2009	<b>1,228</b>	1,280

**Notes to the financial statements** Year to 31 March 2009

**28 Leeds Alternative Travel Limited**

Leeds Alternative Travel Limited is an Industrial and Provident Society wholly controlled by HCT Group.

The following is a summary of the financial statements of Leeds Alternative Travel Limited for the year ended 31 March 2009 which have been included in the consolidated financial statements from 1 October 2008 when HCT Group effectively took control of Leeds Alternative Travel Limited.

	2009 £	2008 £
Incoming resources	<b>448,848</b>	445,620
Resources expended	<b>(489,333)</b>	(418,349)
Net (outgoing) incoming resources	<b>(40,485)</b>	27,271
Fund balances at 1 April 2008	<b>190,168</b>	162,897
Fund balances at 31 March 2009	<b>149,683</b>	190,168
Called up share capital	<b>3</b>	135
At 31 March 2009	<b>149,686</b>	190,303

**29 E & HCT Limited**

E & HCT Limited is a joint venture between HCT Group and Ealing Community Transport Limited where HCT group has overall control. HCT Group owns the single allotted, called up and fully paid 'A' share and Ealing Community Transport Limited owns the single allotted, called up and fully paid 'B' share.

The following is a summary of the financial statements of E & HCT Limited for the period ended 31 March 2009, which have been included in the consolidated financial statements as HCT has the controlling vote and therefore effectively controls the company.

	2009 £
Turnover	<b>2,095,539</b>
Cost of sales	<b>(1,874,805)</b>
Operating profit	<b>220,734</b>
Interest payable	<b>30,628</b>
Gift aid*	<b>(190,000)</b>
Retained profit at 31 March 2009	<b>106</b>
Called up share capital	<b>2</b>
At 31 March 2009	<b>108</b>

\*E & HCT Limited donates its taxable profits, if any, to its parent undertakings as per the agreed profit split of 60/40. At 31 March 2009 £114,000 was payable to HCT Group and £76,000 was payable to Ealing Community Transport Limited.