

HCT Group

**Annual Report and
Financial Statements**

31 March 2010

Company Limited by Guarantee
01747483 (England and Wales)

Charity Registration Number 1091318

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

Trustees	D Barron J Davis J Heath A Levitt S Maxwell J Moseley OBE (Chair) A Ross R Turner N Tyler A Whitehead R Williams
Chief Executive Officer	D Powell OBE
Secretary	D Downie
Registered office	Ash Grove Bus Depot Mare Street London E8 4RH
Company registration number	01747483 (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 charity, present their report together with the consolidated financial statements for the year ended 31 March 2010. 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 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 23 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.

CT Plus Humber Community Interest Company, a joint venture with Goodwin Development Trust, was incorporated on 30 March 2010. Its subsidiary, West Hull Community Transport, was created on 31 March 2010. These companies will be accounted for as subsidiaries 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. These activities are now undertaken by HCT Group.

Principal aims and objectives (continued)

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.

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.

The primary objective of Leeds Alternative Travel Limited is to operate transport services in Leeds for the benefit of the community 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 primary objective of E & HCT Limited 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.

CT Plus Humber Community Interest Company was incorporated on 30 March 2010 and registered as a Community Interest Company on 2 September 2010. Whilst the company is currently dormant its principal activity will be the provision of transport services in Hull and East Yorkshire. Surpluses made by CT Plus Humber Community Interest Company are generated with the intention of supporting the charitable objects of its subsidiary, West Hull Community Transport.

West Hull Community Transport, incorporated on 31 March 2010, is a limited company, wholly owned by CT Plus Humber Community Interest Company. The primary objective of West Hull Community Transport is to provide a community transport service for the inhabitants of Kingston-upon-Hull and its surrounding areas 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 company commenced trading on 1 July 2010 following the transfer of the community transport activities of Goodwin Development Trust.

Structure, governance and management

HCT Group, is a registered charity and is incorporated as a company limited by guarantee and governed by its Memorandum and Articles of Association. It is managed by its Board of Trustees who are the trustees and directors of the charity. At every Annual General Meeting one third of the trustees must retire and may offer themselves for re-election. New members are also elected at the AGM.

Board members are proposed by the HCT Group's Governance Committee which seeks to ensure that the Board of Trustees have a broad range of appropriate skills and experience. The board meets at least six times a year and has a maximum of eleven members.

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.

In order to keep our social mission at the forefront of our business decisions, the HCT Group is in the process of establishing three regional Advisory Committees whose membership will include beneficiaries and service users in Yorkshire, South West London and North East London. These Committees of up to eight people will meet twice a year to develop and make recommendations on the allocation of HCT Group's social investment, highlight any regional-specific opportunities to increase our impact and advise on the current operation of services in their regions.

RACs will be self-governing, with elected members who meet certain criteria - including residing in or working in the specific region. HCT Group staff members will not be eligible for membership.

The Chief Executive Officer is Dai Powell OBE. He is supported by the Deputy Chief Executive Officer, Jude Winter, the Chief Financial Officer, Douglas Downie 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 Board of Trustees 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 Joyce Moseley OBE, Andrew Whitehead (Chair and Treasurer of HCT Group respectively), John Davis, Janusz Heath, Adam Levitt, Robert Turner (trustees of HCT Group), and Dai Powell OBE, Jude Winter and Jon McColl.

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 Joyce Moseley OBE, Andrew Whitehead (Chair and Treasurer of HCT Group respectively), John Davis, Janusz Heath, Adam Levitt, Robert Turner (trustees of HCT Group) and Dai Powell OBE, Jude Winter and Jon McColl.

Structure, governance and management (continued)

Islington Community Transport is a wholly controlled company limited by guarantee. Its directors are Joyce Moseley OBE, Andrew Whitehead (Chair and Treasurer of HCT Group respectively), John Davis, Janusz Heath, Adam Levitt, Stuart Maxwell, Robert Turner, Nick Tyler and Ruth Williams (trustees of HCT Group).

Lambeth and Southwark Community Transport is a company limited by guarantee and the directors are Joyce Moseley OBE, Andrew Whitehead (Chair and Treasurer of HCT Group respectively) John Davis, Janusz Heath, Adam Levitt and Robert Turner.

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 Joyce Moseley OBE, Andrew Whitehead (Chair and Treasurer of HCT Group respectively), John Davis and Dai Powell OBE.

Leeds Alternative Travel Limited is 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.

E & HCT Limited 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 John Duran.

CT Plus Humber Community Interest Company is a joint venture between HCT Group and Goodwin Development Trust. Its directors are Dai Powell OBE, Jude Winter, Anthony Dearing and John Illingworth.

West Hull Community Transport, incorporated on 31 March 2010, is a limited company, wholly owned by CT Plus Humber Community Interest Company. Its directors are Dai Powell OBE, Jude Winter, Anthony Dearing and John Illingworth.

Trustees

The trustees in office during the year were as follows:

	Appointed / Resigned
L Alden	Resigned 28 June 2010
D Barron	
E Cato	Resigned 28 June 2010
J Davis	
J Heath	
A Levitt	
C Matharu	Resigned 20 April 2009
S Maxwell	
J Moseley	Appointed 26 July 2010
A Ross	Appointed 29 March 2010
R Turner	
N Tyler	
A Whitehead	
R Williams	

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

Structure, governance and management (continued)

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 and bonds of various forms, 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.

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 Group is committed to providing a proportion of any profit generated in each of the areas in which it operates to provide services in that area.

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

Objectives and activities (continued)

Community Transport

Community Transport activities include the operation of Route 812 – a 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, Leeds and Kingston-upon-Hull at a reasonable charge; and an accessible door-to-door community car service through our YourCar scheme.

Public Sector Contracts

These include the provision of mainstream scheduled 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, the bus services for a major building project and most recently Park and Ride services in Kingston-upon-Hull.

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 the following community transport service for people with mobility needs:

◆ YourCar

HCT Group have provided a door-to-door transport service, in Hackney, for people with disabilities who find it difficult or impossible to use public transport since our inception in 1982. Re-launched in December 2009 as YourCar, services have been extended to Leeds, Haringey, Lambeth and Southwark.

YourCar operates as an accessible community car service 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.

The scheme also employs people who were unemployed via the Department for Work and Pensions' Future Jobs Fund, aiming to improve the life chances of its workforce through paid work experience and the opportunity to gain qualifications in road passenger transport.

HCT Group supports this service both financially through its Social Investment programme, investing in the accessible vehicles required to deliver the service and through providing substantial management resources.

Statement of public benefit (continued)

Transport services (continued)

◆ YourCar (continued)

Passenger journeys	2009/10	2008/09
YourCar	3,007	N/A

◆ Group Transport

HCT Group provides accessible, low-cost minibuses to a wide range of local community groups: from under 5s groups to over 60s clubs, faith groups, sports clubs, disabled groups, and many more. Group Transport enables people to access various social, cultural, faith-based, and healthy-living activities in Hackney, Leeds, Kingston-upon-Hull, Islington, Haringey, Lambeth and Southwark.

After joining as a member of one of our Group Transport programmes, community groups can book one of our fleet of accessible minibuses at a subsidised rate. We also provide low-cost minibus driver (MiDAS) training for groups to ensure they can get out and about.

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 and the service is further supported by the contribution of extensive management resources. In Hackney and Haringey, the service is also supported by the Local Authority.

The service is highly valued by the communities it serves. 30% of respondents in a recent cross-Group user survey (June 2010) said that their group and/or the activities they provide could be jeopardised without our Group Transport service. A further 11% said their group would no longer be able to travel without the service. 51% of survey respondents say that they prefer HCT services as those services promote inclusion among their group members, allowing both disabled and non-disabled people to travel together.

	2009/10	2008/09
Passenger trips provided to community groups	98,592	60,272
Individuals trained as minibus (MiDAS) drivers	799	513
Car journeys saved ¹	36,972	22,602

¹ This calculation is based on an average Group Transport occupancy rate of 8 passengers per vehicle, and thus 8 individual journeys. Considering average car occupancy of 2 passengers, a saving of 6 individual trips has been made, or 3 car journeys, per Group Transport trip.

Statement of public benefit (continued)

Transport services (continued)

◆ **Route 812 Community Bus Service**

Route 812 Community Bus Service (previously known as PlusBus) is an innovative and successful transport service specifically provided for people who have difficulties using public transport.

Route 812 in Islington connects older people and people with disabilities with destinations that they consider important to them - including 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, yet are open to the whole community as a hail and ride route.

The service is let as a contract by the London Borough of Islington, however, 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 Route 812 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.

The service is highly valued by its users. In a recent (July 2010) user satisfaction survey, 80% of respondents said that the service had improved their independence, 60% stated that their sense of being part of the community was better and one in five noted a positive health outcome.

In July 2010, HCT Group was able to introduce new vehicles onto the Route, via funding from Social Investment Business. This will ensure greater comfort, safety and reliability for service users, who were consulted at a special event on the layout of the new vehicles.

Passenger journeys	2009/10	2008/09
Route 812 Community Bus Service	34,926	27,661

◆ **ScootAbility**

ScootAbility 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 scooters 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)

Transport services (continued)

◆ ScootAbility (continued)

Passenger journeys	2009/10	2008/09
Scooter loan programmes	2,300	2,285

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**
The Learning Centre runs London's flagship programme aiming to attract women into the bus industry, seeking to address the issue that only 6% of the Capital's bus drivers are women. This is a London wide programme, available to all women – particularly those who are unemployed or are at risk of unemployment. The programme is free and is followed up with ongoing support for learners in their job search.
- ◆ **Women into the Bus Industry - Yorkshire**
Funded by UK Commission for Employment and Skills (UKCES) this programme, similar to the London programme, aims to support women from long term unemployment into careers in the Transport industry.
- ◆ **Transport Skills 2 Progress - Leeds**
Funded by Leeds City Council and the Learning and Skills Council, this programme is aimed towards helping people who are unemployed gain the skills, confidence and experience needed to start a rewarding career in the transport industry.
- ◆ **The Kingsway Programme – London**
Delivered in partnership with and funded by Kingsway College, this programme enabled learners to be trained for their full PSV licence, required for a career as a bus driver. Learners without a driving licence had the opportunity to gain their qualification as a Passenger Assistant (PATs).
- ◆ **Road Passenger Transport NVQ Level 2 – London**
Delivered in partnership with, and funded by, City and Islington College, this programme developed learner's skills in road passenger transport, enabling them to achieve an industry standard qualification for a wide variety of transport job roles.

Statement of public benefit (continued)

Education services (continued)

◆ Other Learning Centre programmes – London

The Learning Centre also offers a variety of other programmes as and when funding becomes available. During 2009/10 these have included programmes in Customer Service and in Health and Social Care.

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.

	2009/10	2008/09
No. of unemployed people who gained qualifications	374	N/A
No. of unemployed people who gained employment	117	53
No. of employed people who gained qualifications	77	N/A

Achievements and performance

The objectives set for the Group for 2009/10 were as follows.

Community transport activities

- ◆ Provide group transport services in our London boroughs of operation and in Leeds/Develop community transport provision in geographical areas where surpluses have been generated.

Group Transport services in our areas of operation increased the number of passenger trips provided from 60,272 in 2008/09 to 98,592 in 2009/10. The addition of the West Hull Community Transport operation will further enhance our capability to provide Group Transport.

- ◆ Provide door to door services in Hackney and Leeds
The re-launch of our door to door services as YourCar, combining HCT Group social investment with Future Jobs Fund funding, has enabled the Group to extend coverage of door to door services to Haringey, Lambeth and Southwark.
- ◆ Provide Community Bus Services in Islington
The Route 812 Community Bus Service in Islington has increased its ridership from 27,661 in 2008/09 to 34,926 in 2009/10. In July 2010, the Group was also able to introduce new buses onto the Route.
- ◆ Provide Minibus Driver Awareness training
The Group has increased the number of individuals receiving MiDAS training from 513 in 2008/09 to 799 in 2009/10.

Achievements and performance (continued)

- ◆ Provide scooter loan services in Camden, Islington and Haringey
Scooter loan services are ongoing in Camden and Islington.
- ◆ Provide training to enable unemployed people to obtain employment
During 2009/10, at our Learning Centres in London and Leeds, 374 people who were unemployed gained qualifications, with 117 known job outcomes. In addition, our participation in the Future Jobs Fund programme enabled us to create a further 82 jobs with training for people who were long term unemployed.
- ◆ Provide Harm Reduction Services
Our Harm Reduction Services have been ongoing throughout 2009/10.

Expansion in commercial activities

- ◆ Increase provision of Transport for London red bus services
We have increased the number of mainstream London bus services we deliver from four routes to eight, with contracts awarded for routes 212, W12, 385 and 675. In addition, we successfully re-tendered for two existing routes – the 388 and 394, and our contract to deliver route 153 has been extended for a further 2 years.

A strong contributing factor to these results has been a focus on quality improvement. Our final results in Transport for London's 2009/10 league tables for London bus services ranked us top among small operators for five out of the eight quality indicators they use to measure performance – and second on two more.

- ◆ Award of further public sector contracts to deliver transport
In 2009/10, the Group was awarded the contract to deliver Route 701, a Park & Ride service in Hull. We also successfully re-tendered for Route 812 in Islington. LaSCoT and our Waltham Forest depots also won smaller contracts to deliver transport services in their localities.
- ◆ Develop further operating depots
The award of the contract to deliver Park and Ride services in Hull has enabled us to open a new depot in Liverpool Road, Hull. This became operational on 1 February 2010.

The Group has also acquired a site for a new depot in Walthamstow, north east London, to act as a hub for our growth in this area. The site was acquired on 1 April 2010 for £5m.

- ◆ Increase number of yellow school buses (MyBus)
This year's tender rounds in Leeds and Wakefield have seen us with a net gain in routes, despite an increase in the competitive pressures in this marketplace.

Achievements and performance (continued)

◆ Look for mergers and acquisitions

The formation of our joint venture with Goodwin Development Trust to form CT Plus Humber Community Interest Company has seen West Hull Community Transport begin its association with the Group.

In addition, the Executive team have been active in seeking to identify appropriate acquisition opportunities, evaluating a number of commercial road passenger transport firms.

Financial review

The group achieved a surplus of £854,015 for the year ended 31 March 2010 (2009 – £831,556) after deducting the payments due to minority interests. The results are set out in the statement of financial activities on page 17 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.

The general fund represents the free working capital of the charity which enables it to plan and operate its services. At 31 March 2010 the surplus on the general fund amounted to £1,734,284 (2009 – £2,176,486).

Reserves policy

At 31 March 2010 the balance on the general reserve fund was £1,734,284 (2009 – £2,176,486).

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 3% to 10% depending on the nature of the activities.

Based on these calculations, the trustees estimate that a total of £1.6 million is required. This represents less than one month of the charity's operating expenditure for 2009/10.

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

In 2009/10 the Group has maintained its long-standing pattern of robust growth. The Group aims to maintain this pattern for the foreseeable future. This is not for growth's sake: not only does the Group operate in an industry that rewards scale, but also the greater the profit achieved the more social investment is available to reinvest into our mission and the communities that the Group serves.

The Group's plans for community transport activities include:

- ◆ Provide group transport services in Hackney, Haringey, Islington, Lambeth, Southwark, Leeds and, through West Hull Community Transport, in Hull.
- ◆ Provide door to door services, scooter services, community bus services and Minibus Driver Awareness training wherever our local circumstances and funding permit.
- ◆ Provide training to enable unemployed people to obtain employment.

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

- ◆ Increase provision of Transport for London mainstream bus services.
- ◆ Develop our new depot site in Walthamstow.
- ◆ To aim for organic growth by competing for new public sector transport contracts, both in existing geographical markets and in new areas.
- ◆ To aim for growth through relevant merger and acquisition opportunities.

Statement of trustees' responsibilities

The trustees (who are also directors of HCT Group for the purposes of company law) are responsible for preparing the trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Statement of trustees' responsibilities (continued)

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees 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 s418 of the Companies Act 2006.

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

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:



A Whitehead
Trustee

Approved by the board on: 27 September 2010

Independent auditors' report to the members of HCT Group

We have audited the financial statements of HCT Group for the year ended 31 March 2010 which comprise the consolidated statement of financial activities, the consolidated and parent charity balance sheets, the consolidated cash flow statement, the principal accounting policies 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 are also the directors of HCT Group for the purposes of company law. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of trustees' responsibilities contained within the trustees' report.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' annual report is consistent with those financial statements.

In addition we also report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the trustees' report, and consider whether it is consistent with the audited financial statements. This other information comprises only the trustees' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Independent auditors' report 31 March 2010

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's 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 that 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.

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2010 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 United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the information given in the trustees' annual report is consistent with the financial statements.



Avnish Savjani, Senior Statutory Auditor,
for and on behalf of Buzzacott LLP, Statutory Auditor
12 New Fetter Lane
London
EC4A 1AG

7 October 2010

Consolidated statement of financial activities 31 March 2010

	Notes	Unrestricted funds £	Restricted funds £	Total 2010 funds £	Total 2009 funds £
Incoming resources					
Incoming resources from generated funds					
. Voluntary income	1	327,492	80,000	407,492	315,353
. Investment income		4,336	—	4,336	12,559
Incoming resources from charitable activities					
. Income from transport services	2	22,865,107	—	22,865,107	20,098,853
Other incoming resources					
. Miscellaneous income		22,382	—	22,382	34,683
Total incoming resources		23,219,317	80,000	23,299,317	20,461,448
Resources expended					
Charitable activities					
. Community transport	3	2,361,004	161,333	2,522,337	2,244,986
. Public sector contracts	3	19,048,709	—	19,048,709	16,596,855
. Training programmes	3	726,951	—	726,951	654,510
Governance costs	4	58,145	—	58,145	57,541
Total resources expended		22,194,809	161,333	22,356,142	19,553,892
Net incoming (outgoing) resources before gift aid due to minority interests					
	7	1,024,508	(81,333)	943,175	907,556
Amount due to minority interest		(89,160)	—	(89,160)	(76,000)
Net incoming (outgoing) resources		935,348	(81,333)	854,015	831,556
Net assets transferred from Leeds Alternative Travel Limited					
		—	—	—	160,394
Net movement in funds		935,348	(81,333)	854,015	991,950
Fund balances at 1 April 2009		2,629,983	128,055	2,758,038	1,766,088
Fund balances at 31 March 2010		3,565,331	46,722	3,612,053	2,758,038

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 2010

	Notes	Group		Charity	
		2010 £	2009 £	2010 £	2009 £
Fixed assets					
Tangible fixed assets	8	5,859,056	1,749,719	963,077	691,476
Current assets					
Stock		228,652	107,922	55,610	12,765
Debtors	9	3,457,233	2,524,209	6,077,964	2,957,210
Cash at bank and in hand		1,008,749	1,716,610	43,982	225,944
		<u>4,694,634</u>	<u>4,348,741</u>	<u>6,177,556</u>	<u>3,195,919</u>
Creditors: amounts falling due within one year	10	(3,252,448)	(2,491,202)	(843,243)	(893,164)
Net current assets		<u>1,442,186</u>	<u>1,857,539</u>	<u>5,334,313</u>	<u>2,302,755</u>
Total assets less current liabilities		<u>7,301,242</u>	<u>3,607,258</u>	<u>6,297,390</u>	<u>2,994,231</u>
Creditors: amounts falling due after more than one year	11	(3,689,189)	(849,220)	(2,848,898)	(440,635)
Net assets		<u>3,612,053</u>	<u>2,758,038</u>	<u>3,448,492</u>	<u>2,553,596</u>
Reserves					
Restricted funds	18	46,722	128,055	44,951	54,096
Unrestricted funds:					
· Designated fund	19	1,831,047	453,497	477,880	108,993
· General fund		1,734,284	2,176,486	2,925,661	2,390,507
Total charity funds		<u>3,612,053</u>	<u>2,758,038</u>	<u>3,448,492</u>	<u>2,553,596</u>

Approved by the directors of HCT Group, Company Registration Number 01747483 (England and Wales) and signed on their behalf by:



A Whitehead
Trustee

Approved by the board on: 27 September 2010

Consolidated cash flow statement Year to 31 March 2010

	Notes	2010 £	2009 £
Cash inflow from operating activities	A	1,147,963	1,130,858
Returns on investments and servicing of finance	C	(65,204)	(85,255)
Capital expenditure and financing investments	C	(4,543,740)	(169,665)
Financing	C	2,753,120	(180,674)
(Decrease) increase in cash	B	(707,861)	695,264

Notes to the cash flow statement for the year to 31 March 2010.

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

	2010 £	2009 £
Net incoming resources before transfers	854,015	907,556
Depreciation charge	429,616	371,688
Loss on disposal	4,787	26,497
Interest receivable	(4,336)	(12,559)
Interest payable	69,540	97,814
Other cash movements	—	105,203
Increase in debtors	(933,024)	(1,072,894)
Increase in stock	(120,730)	(13,904)
Increase in creditors	848,095	721,457
Net cash inflow from operating activities	1,147,963	1,130,858

B Reconciliation of cash flow to movement in net debt

	2010 £	2009 £
(Decrease) increase in cash in the year	(707,861)	695,264
Cash outflow from repayments of debt and lease financing	410,067	227,780
Change in net debt resulting from cash flows	(297,794)	923,044
New finance leases	(663,187)	(47,106)
Cancelled finance leases	—	44,423
New loans	(2,500,000)	—
Movement in net debt in the year	(3,460,981)	920,361
Net debt at 1 April 2009	488,443	(431,918)
Net debt at 31 March 2010	(2,972,538)	488,443

Consolidated cash flow statement Year to 31 March 2010

C Gross cash flows

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	4,336	12,559
Interest element of finance lease rental payments	(47,836)	(47,413)
Interest element of loan payments	(21,704)	(50,401)
	<u>(65,204)</u>	<u>(85,255)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	<u>(4,543,740)</u>	(169,665)
Financing		
Loan advance	2,500,000	350,000
Lease rental advance	663,187	47,106
Capital element of finance lease rental payments	(329,265)	(145,830)
Capital element of loan payments	(80,802)	(431,950)
	<u>2,753,120</u>	<u>(180,674)</u>

D Analysis of changes in net debt

	At 1 April 2009 £	Cash flows £	Other changes £	At 31 March 2010 £
Cash at bank	1,716,610	(707,861)	—	1,008,749
Finance leases due within one year	(298,059)	92,454	—	(205,605)
Loan – due within one year	(80,888)	(5,605)	—	(86,493)
Finance leases – due after one year	(431,966)	(426,376)	—	(858,342)
Loans - due after one year	(417,254)	(2,413,593)	—	(2,830,847)
Total	<u>488,443</u>	<u>(3,460,981)</u>	<u>—</u>	<u>(2,972,538)</u>

Principal accounting policies Year to 31 March 2010

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006. 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 s408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

HCT Group had total incoming resources of £5,946,625 (2009 - £5,063,224) and net incoming resources of £894,896 for the year ended 31 March 2010 (2009 - £888,385).

Principal accounting policies Year to 31 March 2010

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 periods between 10 and 17 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 2010

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 and loans.

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 2010 of diesel, vehicle parts, oils/lubricants and other vehicle related consumables.

Notes to the financial statements Year to 31 March 2010

1 Voluntary income – grants receivable

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

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Community Transport Grants				
. London Borough of Islington	70,000	—	70,000	140,004
. Future Jobs Fund	189,600	—	189,600	—
. London Borough of Haringey - Neighbourhood renewal Fund	—	80,000	80,000	80,000
. Leeds City Council – Volunteer Expenses Grant	21,966	—	21,966	14,766
. Leeds City Council – Neighbourhood Learning Grant	—	—	—	4,526
. Leeds City Council - Minibus Grant	25,350	—	25,350	19,500
. Leeds City Council - Social Car Scheme	20,576	—	20,576	15,828
. Other	—	—	—	678
Training Grants				
. EC1 – New deal for communities	—	—	—	40,051
	327,492	80,000	407,492	315,353

Notes to the financial statements Year to 31 March 2010

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 £	2010 Total funds £	2009 Total funds £
Public Sector Contracts				
. Bus Operations	14,225,247	—	14,225,247	12,299,960
. Home to School Transport	5,840,024	—	5,840,024	5,282,600
Community Transport				
. Contracts	123,435	—	123,435	121,911
. Group Transport	1,274,537	—	1,274,537	1,006,175
. Door-to-Door	3,589	—	3,589	11,740
. ScootAbility	183,051	—	183,051	142,724
Training Programmes				
. Training	713,999	—	713,999	626,827
Other				
. Other	501,225	—	501,225	606,916
	<u>22,865,107</u>	<u>—</u>	<u>22,865,107</u>	<u>20,098,853</u>

In the year the London Borough of Hackney provided HCT Group with income of £100,000 (2009 - £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. In the year the London Borough of Islington provided HCT Group with income of £140,000 for a community bus service.

Notes to the financial statements Year to 31 March 2010

3 Total resources expended

	Basis of allocation £	Community transport £	Public sector contracts £	Training programmes £	Governance £	Total 2010 £	Total 2009 £
Costs directly allocated to activities							
Provision of transport services							
. Bus operations	Direct	—	12,735,193	—	—	12,735,193	10,605,135
. Home to school transport	Direct	—	4,471,550	—	—	4,471,550	4,487,606
. Group transport	Direct	1,561,426	—	—	—	1,561,426	1,156,934
. Door-to-Door	Direct	21,541	—	—	—	21,541	14,927
. Contracts	Direct	120,368	—	—	—	120,368	154,243
. Community Bus Service	Direct	151,939	—	—	—	151,939	122,009
. ScootAbility	Direct	97,435	—	—	—	97,435	111,348
. Other	Direct	430,464	—	—	—	430,464	556,431
Training Programmes							
. Driver training programmes	Direct	—	—	664,247	—	664,247	599,247
Support costs allocated to activities							
Finance, Human Resources and general office staff							
Turnover		40,408	534,840	18,207	—	593,455	451,760
Management staff							
Turnover		29,238	386,989	13,174	—	429,401	424,504
Premises costs							
Turnover		25,099	332,206	11,309	—	368,614	385,632
Office costs							
Turnover		11,630	153,933	5,240	—	170,803	124,804
Other costs							
Turnover		15,649	207,122	7,051	—	229,822	173,418
Legal and professional fees							
Turnover		13,365	176,906	6,022	58,145	254,438	133,231
Depreciation							
Turnover		3,775	49,970	1,701	—	55,446	52,663
		2,522,337	19,048,709	726,951	58,145	22,356,142	19,553,892

4 Governance costs

	Unrestricted funds £	Restricted funds £	2010 Total funds £	2009 Total funds £
Auditors' remuneration	51,572	—	51,572	49,043
Other governance costs	6,573	—	6,573	8,498
	58,145	—	58,145	57,541

Notes to the financial statements Year to 31 March 2010

5 Social investment

	2010 £
Net surplus before social investment	1,156,462
Social investment in:	
Group Transport in Hackney and Haringey	28,196
Group Transport in Lambeth and Southwark	36,252
Group Transport in Leeds	63,880
Door to Door in Hackney	22,448
Community Bus Service in Islington	38,385
Training in London	17,336
YourCar in London and Leeds	6,790
Total social investment in year	213,287
Net surplus after social investment (page 15)	943,175

The above analysis shows that HCT Group's contribution to social investment during the year ended 31 March 2010 is £213,287 (2009 - £141,778) representing 26% (2009 - 23%) of the surplus achieved in 2008/09. 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

	2010 £	2009 £
Wages and salaries	11,146,317	9,517,636
Social security	1,059,806	905,181
Pension costs	356,658	317,318
	12,562,781	10,740,135
Agency staff	154,140	167,386
	12,716,921	10,907,521

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:

	2010 Number	2009 Number
£70,001 - £80,000	2	1
£80,001 - £90,000	1	2
£100,001 - £110,000	1	1
	4	4

The trustees received no remuneration for their services during the year (2009 - none). 2 trustees were reimbursed for travel expenses of £965 (2009 - £158).

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 £2,180 (2009 - £1,949) and provides cover of up to a maximum of £2,000,000 (2009 - £2,000,000).

Notes to the financial statements Year to 31 March 2010

6 Staff costs (continued)

The average number of employees during the year was 595 (2009 – 479):

	2010 £	2009 £
Operations	544	446
Engineering (infrastructure)	15	12
Transport unit	6	6
Management and finance	21	22
Training	9	9
	595	495

7 Net incoming (outgoing) resources

This is stated after charging/(crediting):

	2010 £	2009 £
Depreciation	429,616	371,688
Auditors' remuneration		
· Audit fees	39,455	38,200
· Other services	12,117	10,843
Bank deposit interest	(4,336)	(12,559)
Interest payable in respect of finance leases	47,836	47,413
Interest payable in respect of loans	21,704	50,401

Notes to the financial statements Year to 31 March 2010

8 Fixed assets

Group	Leasehold improvement £	IT equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
Cost							
At 1 April 2009	40,049	301,176	106,184	76,641	2,724,161	564,467	3,812,678
Additions	43,207	37,613	16,976	141,741	4,304,203	—	4,543,740
Disposals	—	—	—	—	(72,906)	—	(72,906)
At 31 March 2010	83,256	338,789	123,160	218,382	6,955,458	564,467	8,283,512
Depreciation							
At 1 April 2009	13,999	286,044	88,152	38,989	1,537,556	98,219	2,062,959
Depreciation on disposals	—	—	—	—	(68,119)	—	(68,119)
Charge for the year	6,796	13,158	10,677	17,331	353,431	28,223	429,616
At 31 March 2010	20,795	299,202	98,829	56,320	1,822,868	126,442	2,424,456
Net book value							
At 31 March 2010	62,461	39,587	24,331	162,062	5,132,590	438,025	5,859,056
At 31 March 2009	26,050	15,132	18,032	37,652	1,186,605	466,248	1,749,719
Charity							
Charity	Leasehold improvement £	IT equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
Cost							
At 1 April 2009	1,587	240,034	95,357	37,521	622,836	564,467	1,561,802
Additions	43,207	27,540	15,068	56,950	278,155	—	420,920
Reclassifications	—	—	16,516	(16,516)	—	—	—
Disposals	—	—	—	—	(57,566)	—	(57,566)
At 31 March 2010	44,794	267,574	126,941	77,955	843,425	564,467	1,925,156
Depreciation							
At 1 April 2009	—	225,440	76,151	16,677	453,839	98,219	870,326
Charge for the year	2,129	12,255	8,906	9,403	83,886	28,223	144,802
Depreciation on disposals	—	—	—	—	(53,049)	—	(53,049)
At 31 March 2010	2,129	237,695	85,057	26,080	484,676	126,442	962,079
Net book value							
At 31 March 2010	42,665	29,879	41,884	51,875	358,749	438,025	963,077
At 31 March 2009	1,587	14,594	19,206	20,844	168,997	466,248	691,476

Finance Leases

The net book value of tangible fixed assets of the group includes an amount of £1,050,929 (2009 - £701,904) in respect of assets held under finance leases on which the depreciation charge for the year was £143,612 (2009 - £140,601).

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, Transport Co-ordination Centre Hackney Limited, Islington Community Transport, Lambeth and Southwark Community Transport and LaSCoT Limited all have overdraft facilities with the bank.

Notes to the financial statements Year to 31 March 2010

9 Debtors

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	1,585,270	1,531,184	302,741	456,202
Amount due from Transport Co-ordination Centre Hackney Limited	—	—	28,714	29,926
Amount due from CT Plus Community Interest Company	—	—	4,669,313	1,771,408
Amount due from CT Plus (Yorkshire) Community Interest Company	—	—	198,170	—
Amount due from Lambeth and Southwark Community Transport	—	—	134,195	—
Amount due from LaSCoT Limited	—	—	50,000	—
Amount due from Islington Community Transport	—	—	729	4,659
Amount due from Leeds Alternative Travel Limited	—	—	64,379	29,571
Amount due from E & HCT Limited	—	—	125,604	392,888
Prepayments	238,499	154,384	196,026	108,082
Other debtors	1,633,464	838,641	308,093	164,474
	3,457,233	2,524,209	6,077,964	2,957,210

10 Creditors: amounts falling due within one year

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Trade creditors	1,226,115	1,010,873	445,016	360,525
Amount due to CT Plus (Yorkshire) Community Interest Company	—	—	—	255,138
Amount due to Leeds Alternative Travel Limited	—	—	—	13,701
Amount due to Ealing Community Transport Limited (note 29)	89,160	76,000	—	—
Amount due to Lambeth and Southwark Community Transport	—	—	—	1,317
Taxation and social security	271,742	272,993	64,800	65,935
Other creditors	1,025,962	658,290	72,015	84,164
Obligations under finance leases (note 13)	205,605	298,059	4,855	6,864
Accruals	347,371	94,099	170,064	24,632
Loans (note 12)	86,493	80,888	86,493	80,888
	3,252,448	2,491,202	843,243	893,164

Details of the security for the loans are set out in note 12.

CT Plus Community Interest Company also has a performance bond facility in the sum of £320,000 (2009 - £320,000) which is secured by a debenture on HCT Group.

Notes to the financial statements Year to 31 March 2010

11 Creditors: amounts falling after more than one year

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Obligations under finance leases (note 13)	858,342	431,966	18,051	23,381
Loans (note 12)	2,830,847	417,254	2,830,847	417,254
	3,689,189	849,220	2,848,898	440,635

Details of the security for the loans are set out in note 12.

12 Loan commitments

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

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Within one year	86,493	80,888	86,493	80,888
Between two and five years	291,046	317,665	291,046	317,665
Over five years	2,539,801	99,589	2,539,801	99,589
	2,917,340	498,142	2,917,340	498,142

£1,500,000 of the loans are unsecured and are at a rate of interest linked to growth in turnover. £1,000,000 of the loans are unsecured and are at an interest rate of 5%. £417,340 of the loans are secured over certain assets of HCT Group and are at rates of between 3.5% and 6.7%.

13 Finance lease commitments

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

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Within one year	205,605	298,059	4,855	6,864
Between two and five years	701,495	431,966	18,051	23,381
Over five years	156,847	—	—	—
	1,063,947	730,025	22,906	30,245

14 Operating lease commitments

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

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Motor vehicles				
Operating leases which expire:				
Within one year	83,767	465,901	—	—
Between two and five years	1,136,701	703,956	50,477	13,792
	1,220,468	1,169,857	50,477	13,792
Land and buildings				
Operating leases which expire:				
Between two and five years	39,800	—	9,753	—
After five years	261,100	223,500	205,100	166,000
	300,900	223,500	214,853	166,000

At 31 March 2010 the group had a yearly lease obligation of £53,445 (2009 - £53,445) under a license to occupy land and buildings which continues until notice is given by either Licensor or Licensee.

15 Post balance sheet event

On 1 April 2010 the charity acquired, for £5m, a site for a new depot in Walthamstow, north east London, to act as a hub for growth in this area. The acquisition was funded by external borrowings.

16 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 £30,441 (2009 - £35,635).

17 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.

18 Restricted funds

Group and charity	At 1 April 2009 £	Received £	Released £	At 31 March 2010 £
City Bridge Trust Fund – Haringey CT	54,096	—	(9,145)	44,951
London Borough of Haringey – Neighbourhood Renewal Fund	—	80,000	(80,000)	—
Restricted funds – charity	54,096	80,000	(89,145)	44,951
LaSCoT	13,959	—	(12,188)	1,771
LAT	60,000	—	(60,000)	—
Restricted funds - group	128,055	80,000	(161,333)	46,722

City Bridge 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.

19 Unrestricted funds

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
General fund	1,734,284	2,176,486	2,925,661	2,390,507
Fixed assets fund	1,831,047	453,497	477,880	108,993
	3,565,331	2,629,983	3,403,541	2,499,500

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.

20 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 04137890). It has Authorised Share Capital of $1,000 \times \text{£}1$ 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 23.

CT Plus (Yorkshire) Community Interest Company is registered in England (Company Registration Number 05629152). It has Authorised Share Capital of $1,000 \times \text{£}1$ 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 24.

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 and Company Registration Number 03654675). Details of transactions undertaken by Islington Community Transport are set out in note 25.

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 04352550). Details of transactions undertaken by Lambeth and Southwark Community Transport are set out in note 26.

LaSCoT Limited is registered in England (Company Registration Number 04902768) and is a wholly owned subsidiary of Lambeth and Southwark Community Transport. Details of transactions undertaken by LaSCoT Limited are set out in note 27.

Transport Co-ordination Centre Hackney Limited is registered in England, limited by guarantee and has no share capital (Company Registration Number 03689127). Details of transactions undertaken by Transport Co-ordination Centre Hackney Limited are set out in note 28.

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 29.

Notes to the financial statements Year to 31 March 2010

20 Status (continued)

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 30.

21 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.

22 Analysis of net assets between funds

Group	Designated fund £	General fund £	Restricted funds £	Total £
Fund balances at 31 March 2010 are represented by:				
Tangible fixed assets	5,812,334	—	46,722	5,859,056
Stock	—	228,652	—	228,652
Debtors	—	3,457,233	—	3,457,233
Cash at bank and in hand	—	1,008,749	—	1,008,749
Creditors: amounts falling due within one year	(292,098)	(2,960,350)	—	(3,252,448)
Creditors: amounts falling due after one year	(3,689,189)	—	—	(3,689,189)
	1,831,047	1,734,284	46,722	3,612,053
Charity	Designated fund £	General fund £	Restricted funds £	Total £
Fund balances at 31 March 2010 are represented by:				
Tangible fixed assets	918,126	—	44,951	963,077
Stock	—	55,610	—	55,610
Debtors	2,500,000	3,577,964	—	6,077,964
Cash at bank and in hand	—	43,982	—	43,982
Creditors: amounts falling due within one year	(91,348)	(751,895)	—	(843,243)
Creditors: amounts falling due after one year	(2,848,898)	—	—	(2,848,898)
	477,880	2,925,661	44,951	3,448,492

Notes to the financial statements Year to 31 March 2010

23 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 2010, which have been included in the consolidated financial statements.

	2010 £	2009 £
Turnover	13,352,468	12,344,065
Cost of sales	(12,250,725)	(11,579,448)
Operating profit	1,101,743	764,617
Interest payable	(61,620)	(65,080)
Gift aid	(1,040,123)	(699,537)
Net profit for the year	—	—
Retained profit at 1 April 2009	1	1
Retained profit at 31 March 2010	1	1
Called up share capital	1	1
At 31 March 2010	2	2

24 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 2010, which have been included in the consolidated financial statements.

	2010 £	2009 £
Turnover	2,720,602	2,495,744
Cost of sales	(2,650,032)	(2,227,854)
Operating profit	70,570	267,890
Gift aid	(70,000)	(265,000)
Net profit for the year	570	2,890
Retained profit at 1 April 2009	2,977	87
Retained profit at 31 March 2010	3,547	2,977
Called up share capital	1	1
At 31 March 2010	3,548	2,978

Notes to the financial statements Year to 31 March 2010

25 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 2010, which have been included in the consolidated financial statements.

	2010 £	2009 £
Incoming resources	6,037	141
Resources expended	(19,610)	(20,089)
Net outgoing resources	(13,573)	(19,948)
Fund balances at 1 April 2009	13,711	33,659
Fund balances at 31 March 2010	138	13,711

26 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 2010, which have been included in the consolidated financial statements.

	2010 £	2009 £
Incoming resources	783,986	462,163
Resources expended	(756,582)	(491,461)
Net outgoing resources	27,404	(29,298)
Fund balances at 1 April 2009	36,552	65,850
Fund balances at 31 March 2010	63,955	36,552

Notes to the financial statements Year to 31 March 2010

27 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 2010, which have been included in the consolidated financial statements.

	2010 £	2009 £
Turnover	60,983	73,373
Cost of sales	(30,260)	(38,887)
Retained profit	30,723	34,486
Gift aid	(30,723)	(34,486)
Net profit for the year	—	—
Retained profit at 1 April 2009	—	—
Retained profit at 31 March 2010	—	—

28 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 2010, which have been included in the consolidated financial statements.

	2010 £	2009 £
Incoming resources	501,251	607,528
Resources expended	(498,289)	(607,580)
Net incoming (outgoing) resources	2,962	(52)
Gift aid	(26)	—
Fund balances at 1 April 2009	1,228	1,280
Fund balances at 31 March 2010	4,164	1,228

Notes to the financial statements Year to 31 March 2010

29 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 2010 which have been included in the consolidated financial statements from 1 October 2008 when HCT Group effectively took control of Leeds Alternative Travel Limited.

	2010 £	2009 £
Incoming resources	476,012	448,848
Resources expended	(534,269)	(489,333)
Net outgoing resources	(58,257)	(40,485)
Fund balances at 1 April 2009	149,683	190,168
Fund balances at 31 March 2010	91,426	149,683
Called up share capital	3	3
At 31 March 2010	91,429	149,686

30 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 2010, which have been included in the consolidated financial statements as HCT has the controlling vote and therefore effectively controls the company.

	2010 £	2009 £
Turnover	3,118,098	2,095,539
Cost of sales	(2,889,613)	(1,879,805)
Operating profit	228,485	220,734
Interest payable	(5,548)	(30,628)
Gift aid	(222,900)	(190,000)
Net profit for the year	37	106
Retained profit at 1 April 2009	106	—
Retained profit at 31 March 2010	143	106
Called up share capital	2	2
At 31 March 2010	145	108