

# **HCT Group**

## **Annual Report and Financial Statements**

31 March 2014

Company Limited by Guarantee  
01747483 (England and Wales)

Charity Registration Number 1091318

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

<b>Trustees</b>	D Barron P Brennan E Carr J Heath C Hewitt A Levitt J Moseley OBE (Chair) A Ross A Whitehead
<b>Chief Executive Officer</b>	D Powell OBE
<b>Secretary</b>	J Smart
<b>Registered office</b>	Ash Grove Bus Depot Mare Street London E8 4RH
<b>Company registration number</b>	01747483 (England and Wales)
<b>Charity registration number</b>	1091318
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Barclays Bank plc 1 Churchill Place Public Sector Team Level 27 London E14 5HP
<b>Solicitors</b>	Bates Wells & Braithwaite LLP 2-6 Cannon Street London EC4M 6YH  Gordons LLP Riverside West Whitehall Road Leeds LS1 4AW

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HCT Group is a social enterprise in the transport industry, safely providing a range of transport services – from London red buses to social services transport, from school transport to Park and Ride, from community transport to education and training.

We reinvest the profits from our commercial work into high social impact transport services or projects in the communities we serve, and into providing training opportunities for people who are long-term unemployed – making a real difference to people's lives.

The year to March 2014 has been characterised by three themes.

Once again, we have seen a year of increasing social impact, with significant increases in trips provided for community groups, journeys made on our community buses and in qualifications gained through our Learning Centre by people who are long-term unemployed.

Second, whilst the business environment remains challenging, the turnaround programme that we have put in place following the challenging previous year has been very effective. This has enabled us to deliver significantly improved financial results and means that we will return to a surplus position in the coming year.

Third, this has been a year of consolidation following several years of rapid growth. Our contracts in the Channel Islands have performed well in their first full year of operation. Towards the end of the year we won some significant new contracts and the Group's strategy is to continue to grow and further enhance our position as a leading social enterprise.

I would like to thank the Board of Directors, the management team and staff across the organisation for their work over the past year, in often challenging circumstances. One of the strengths of HCT Group is the values we have and these values are shared by many of the organisations we work with and the authorities where we work.

I would also like to thank our partners in these organisations and authorities for supporting the delivery and ideas which help improve people's lives.

We set out new objectives in the report and the Directors look forward to meeting them over the next financial year.

Joyce Moseley OBE  
Chair

HCT has had a very positive year on all fronts, the quality of service provision has been very high, the financial performance has improved hugely and the impact generated is at record level.

With austerity and the retrenching of local government the demand for our services increases and the last year is no exception. The demand for local authorities to provide high quality services with less money has helped HCT grow and significantly increased our impact.

Our Community Transport operations performed well, with passenger trips provided to community groups up by 61% to 198,000, community bus services up by 62% to 122,214 and minibus training up by 9% to 1,234 drivers trained. This was in part aided by the successful integration of Bristol Community Transport into the Group.

The Learning Centre had a very good year, delivering an ever wider variety of socially necessary courses. Net margins on training more than doubled to £86k and more importantly we trained greater numbers than ever before.

The financial value of our social investment in the year is £80k. We have been able to deliver greater impact at reduced costs due to the efficiency gains we have made and this puts us in a strong position going forward. Full details of the impact that this investment has had in the communities we serve can be found in the Social Impact Report.

However as a Social Enterprise the impact is only part of the story. To be a successful social enterprise we have to be a successful enterprise and the improvement in financial performance over the last year has been outstanding.

Largely as a result of the full year impact of the Jersey business our turnover grew to £43.7m, an increase of 16% on last year. More importantly the group returned to profit, the result for the year being a profit of £262k. Included in this figure is the profit realised on the planned disposal of part of our land in Walthamstow. If this is excluded there is a small trading loss of £169k. This is a dramatic turnaround on the trading loss last year of £1.5m.

Throughout the year there has been a strong emphasis on operational performance. We introduced a robust performance management process which has seen performance, especially in London Bus, improve month on month. This performance is recognised in the performance league tables produced by TfL. The focus on operational effectiveness and efficiency not only drives down costs but also increases our revenue due to higher performance bonus payments on the TfL contracts.

Operations in the Channel Islands benefited in a similar way from greater operational focus and route/vehicle optimisation. On bus fare revenues were strong, particularly during the peak summer months, and came in ahead of expectation. Our results benefited from a full year of operation in Jersey. We are looking forward to working with our partners in Jersey to deliver a more cohesive public and community transport strategy and implementing some ground breaking ideas. As we forecast last year, the investment in the Guernsey fleet has enabled the operation to trade profitably.

**Chief executive's report** 31 March 2014

Our operations in Yorkshire had a good year increasing both turnover and margin, however the Hull depot continues to face some challenges which we are working to resolve.

The outlook for the current year is encouraging. The focus on operational performance management will continue leading to further improved profitability and consequent ability to deliver social impact. The budget for the year shows a return to trading profitability and so far we are tracking comfortably ahead of the year to date budget.

Dai Powell OBE  
Chief Executive

The trustees, who are directors of the charity, present their report together with the consolidated financial statements for the year ended 31 March 2014. This trustees' report has been prepared in accordance with the Charities Act 2011 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 25 to 28 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" (SORP 2005).

### **Principal aims and objectives**

HCT Group, the charity, is a social enterprise with a strong commitment to equal opportunities that operates community transport, other types of passenger transport and other related services

The objects of HCT Group are for such purposes as may be charitable in law but in particular:

- a) to provide community transport services for people 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
- b) the relief of unemployment for public benefit through the provision of training programmes.

The objects of HCT Group are carried out by the holding company and its eight direct subsidiary companies, three of which have further subsidiary companies themselves:

- ◆ Lambeth and Southwark Community Transport, a charity which provides community transport services in Lambeth & Southwark..
- ◆ CT Plus Community Interest Company, a trading company which directly and through its subsidiary CT Plus (Yorkshire) Community Interest Company undertakes commercial activities with a view to generating profits to support the charitable activities of the Group.
- ◆ Transport Co-ordination Centre Hackney, a company limited by guarantee which co-ordinates the provision of transport to increase provision for elderly users, people with disabilities and those attending education and leisure facilities.
- ◆ Leeds Alternative Travel Limited, an Industrial and Provident Society community transport services in Leeds.
- ◆ Bristol Community Transport, a company limited by guarantee provides a community transport service in Bristol.

**Principal aims and objectives** (continued)

- ◆ T Plus Jersey Limited, a charity which operates transport services in Jersey and uses the profits generated to provide community transport services in Jersey and in the group's wider area of operations.
- ◆ CT plus Guernsey Limited, a company limited by guarantee which operates transport services in Guernsey and uses the profits generated to provide community transport services in Guernsey and in the group's wider area of operations.

HCT Group also has two joint ventures:

- ◆ 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. This joint venture was set up to deliver transport services for the 2012 London Olympics; having fulfilled this purpose the company is now dormant.
- ◆ CT Plus Humber Community Interest Company, a joint venture with Goodwin Development Trust, which undertakes transport services in Hull and East Yorkshire with the aim of generating surpluses to support its subsidiary, West Hull Community Transport which provides community transport service in Kingston-Upon-Hull. .
- ◆ These companies have been accounted for as subsidiaries of HCT Group, as the charity has overall control.



### **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. New trustees and directors are selected and appointed for a fixed term of office by the Board.

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.

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 has established four Regional Advisory Committees (RACs) whose membership will include beneficiaries and service users in South West London, North East London and Bristol and Yorkshire. These Committees of up to eight people meet up to 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 operation of services in their regions.

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

There are two sub-committees of the Board, the Governance and Remuneration Committee which meets once a year and the Audit Committee which meets twice a year.

In addition there is a Social Impact Advisory Committee, which meets twice a year with one of the Board members to review our social impact.

The Chief Executive Officer is Dai Powell OBE. He is supported by the Deputy Chief Executive Officer, Jude Winter, the Chief Financial Officer, John Smart and the Operations Director, Jane Desmond. 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.

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

***Trustees***

The trustees in office during the year were as follows:

	<b>Appointed / Resigned</b>
D Barron	
P Brennan	Appointed 30 May 2013
E Carr	Appointed 30 May 2013
C Hewitt	Appointed 30 May 2013
J Heath	
A Levitt	
S Maxwell	Resigned 3 January 2014
J Moseley	
A Ross	
N Tyler	Resigned 1 July 2013
A Whitehead	
R Veira	Resigned 31 December 2013

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

### **Objectives and activities**

The primary objectives of HCT Group are to provide a community transport services 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 the relief of unemployment for public benefit through the provision of training programmes.

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 and Articles 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.

### ***Community Transport***

Community Transport activities include the operation of community bus routes in Islington and Bristol to support people with mobility difficulties; 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, Kingston-upon-Hull and Bristol at a reasonable charge; and an accessible door-to-door community car service through our YourCar and other door to door services.

### **Objectives and activities (continued)**

#### ***Public Sector Contracts***

These include the provision of mainstream scheduled bus services in London, Guernsey and Jersey, 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 Park and Ride services in Bristol and Kingston-upon-Hull.

#### ***Training Programmes***

The Training Programmes are provided to enable unemployed people in London to gain qualifications and employability skills to enable them to obtain work both in the transport industry and in other industries.

### **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.

The trustees are responsible for keeping proper 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.

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

Each of the trustees confirms that:

- ◆ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is 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 auditor is 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:

### 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 and Door to Door services

HCT Group provides a door-to-door transport service for people with disabilities who find it difficult or impossible to use public transport in Hackney, Leeds, Haringey, Lambeth, Southwark, Bristol and Hull.

The services ensure beneficiaries can retain their independence in the community, access services and have an improved quality of life.

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.

Financial support is also provided by local authorities in Hackney, Haringey, Bristol and Hull.

<b>Passenger journeys</b>	<b>2013/14</b>	2012/13
YourCar and Door to Door transport	<b>151,234</b>	163,736

◆ 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, Southwark and Bristol.

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, Haringey and Bristol the service is also supported by the Local Authority.

**Statement of public benefit (continued)**

**Transport services (continued)**

<b>Passenger journeys</b>	<b>2013/14</b>	<b>2012/13</b>
Passenger trips provided to community groups	<b>197,832</b>	123,040
Individuals trained as minibus (MiDAS) drivers	<b>1,234</b>	1,130
Car journeys saved <sup>1</sup>	<b>74,187</b>	46,140

◆ **Community Bus Services**

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.

In addition following our merger with Bristol Community Transport we now operate a community Bus Service in Bristol.

Both services 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.

<b>Passenger journeys</b>	<b>2013/14</b>	<b>2012/13</b>
Community Bus Service	<b>122,214</b>	75,445

◆ **ScootAbility**

The ScootAbility 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.

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<sup>1</sup> 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)**

***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 colleges and other funding organisations, the learning centres run training programmes to help the long term unemployed get back to work.

- ◆ **City & Islington College Programme – London**  
Delivered as a Franchise contract from the college and funded by the Skills Funding Agency, this programme enables adult learners to be trained in Level 1 courses in Employability & Work Skills, Personal & Professional Development and or progress to full Level 2 courses in Road Passenger Transport, Health & Social Care, Customer Service and Supporting Teaching & Learning in Schools. All learners receive employment support to assist in looking for work in relevant field.
- ◆ **Havering College Programme – London**  
Delivered as a Franchise contract from the college and funded by the Skills Funding Agency, this programme enables adult learners to be trained in full Level 2 courses in Road Passenger Vehicle Driving, Health & Social Care, Customer Service and Supporting Teaching & Learning in Schools. All learners receive employment support to assist in looking for work in relevant field.
- ◆ **Barking & Dagenham College Programme – London**  
Delivered as a Franchise contract from the college and funded by the Skills Funding Agency, this programme is developed for young people not in education, employment or training aged 16-24. It enables learners to be trained in BTEC Level 2 courses in Fashion & Clothing, Health & Social Care and Customer Service.

Much of the cost associated with running the Learning Centres in London 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.

	<b>2013/14</b>	2012/13
No. of unemployed people who gained qualifications	<b>707</b>	483
No. of unemployed people who gained employment	<b>53</b>	31
No. of employed people who gained qualifications	<b>81</b>	41



### **Achievements and performance**

The objectives and performance for the Group for 2013/14 were as follows.

#### ***Community transport activities***

- ◆ Provide group transport services in the London Boroughs in which we operate and also in Hull Leeds and Bristol

The number of passenger trips we provided increased from 123,040 in 2012/13 to 197,832 in 2013/14, as a result of good underlying growth in our community transport operations.

- ◆ Provide Community Bus Services  
We provide community bus services in Islington and Bristol. Ridership increased from 75,445 in 2012/13 to 122,214 in 2013/14.

#### ***Community transport activities***

- ◆ Provide Minibus Driver Awareness training  
The number of individuals receiving MiDAS training increased from 1,130 in 2012/13 to 1,234 in 2013/14.
- ◆ Provide scooter loan services  
We provide scooter loan services in Camden and Islington. The number of scooter services provided decreased slightly from 2,216 in 2012/13 to 2,120 in 2013/14.
- ◆ Provide training to enable unemployed people to obtain employment  
During 2013/14 we provided training for 707 people (483 in 2012/13) with 81 known job outcomes (41 in 2012/13).
- ◆ Provide Harm Reduction services  
Our Harm reduction services have been ongoing through 2013/14.

#### ***Expansion in commercial activities***

- ◆ Bristol NHS  
The group has won a contract to provide transport services for hospital staff in Bristol. This is a twelve month contract starting in May 2014.
- ◆ Knowsley  
The group has entered into a contract to deliver community transport services to Knowsley council. Delivery of this contract will commence in the 2014/15 year and therefore no income has been recognised in the current year. A company, Knowsley Community Transport Ltd, has been established to deliver these services but has not been audited as no transactions happened prior to 31 March 2014.

## Achievements and performance (continued)

### *Expansion in commercial activities (continued)*

◆ Develop further operating depots

Our operations in Bristol currently operate out of three locations all of which are at capacity. In order to improve current operational efficiency and to provide room for expansion we have, subsequent to the balance sheet date, entered into a lease for a purpose built transport facility in the area.

Similarly in Leeds we are in negotiations to enter into a lease for a new site which will allow us to consolidate operations onto one site and to provide room for operational expansion.

Plans are currently being finalised for the development of the land at Walthamstow into a bus depot. This will provide expansion opportunities for more TfL work and community transport operations in North East London.

### **Financial review**

In the year to 31 March 2014, there were net incoming resources of £279,372 (2013 – net outgoing resources of £1,419,864) before gift aid due to minority interests and net actuarial gains on final salary pension schemes. After amounts due to minority interests of £17,599 (2013 – £32,066), and the actuarial gains on the defined benefit pension schemes of £279,000 (2013 – actual losses of £219,000) the total net movement of funds was a surplus of £540,773 (2013 – deficit of £1,670,930). The results are set out in the consolidated statement of financial activities on page 21 and the notes thereto.

On 1 April 2010 the charity acquired land at Walthamstow for £5.1m to allow the construction of a new bus depot, to allow us to expand the volume of work which we carry out for Transport for London (TfL), to allow us to re-locate the home to school work that we carry out for Waltham Forest and our other transport and training work in the area. The purchase was funded by loan funding totalling £5m and from internal resources. A proportion of the land has been sold during the year yielding a profit of £431k. This surplus will partly fund the development of the remaining site into a bus depot for which planning permission has been granted.

### **Reserves**

The charity has four 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.

The pension reserves represents the net pension assets in respect of the final salary pension schemes.

## **Financial review** (continued)

### ***Reserves policy***

At 31 March 2014 the balance on the general reserve fund was £2.29m (2013 – £1.20m).

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 £2.5m (2013 - £2.8m) is required representing approximately 3 weeks of budgeted spend for the year 2014/15.

The level of reserves currently held within the business does not meet this target. However, the trustees will continue to build the reserves in order to accommodate expansion of the charity, by improving the profitability of commercial contracts which it operates through its subsidiaries and retaining those profits in the charity.

### **Plans for the future**

The operational turnaround achieved during the year has been considerable and the group is now in a position to capitalise on this and the investments made in new management structures and personnel.

The Channel Islands businesses have performed well and we will continue to work with the States of Jersey and Guernsey to further improve our offering both in terms of public and community transport. On Jersey we are working on plans to deliver a very cohesive transport network combining traditional public bus services and community transport with other innovative transport offerings. London bus service performance has continued to improve and we are focussing on improving the profitability of these contracts by continual management and cost control.

A number of our social loans fall due over the coming year. We are working on a refinancing exercise to address our finance needs over the coming years. This exercise is examining our needs for working capital, capital expenditure and expansion. We will then go to the social investment and bank markets to seek appropriate investment and lending. A favourable outcome is anticipated and therefore, the trustees do not consider there to be a going concern issue for the group.

The capital expenditure programme is largely based upon the development of the Walthamstow depot and the replacement and augmentation of the community transport fleet of vehicles.

**Plans for the future** (continued)

The Group continues to look at new tenders in its core areas of operation, and expects to be able to continue to grow over the medium term to be able to continue to expand its core charitable services in community transport and training.

**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.

The key risks identified by the trustees, and the procedures in place to mitigate them are as follows:

Risk	Procedures to mitigate risk
The group is unable to meet its budget due to cost increases or reduction in income.	We have invested in management capacity and capability to ensure both delivery and financial monitoring are robust.
Substantial loss of contracted or commissioned income and failure to win tenders for existing or new work, resulting in failure to continue to deliver key impact services in regions.	We will strengthen our Business Development Unit bidding team and Develop closer working relationships with existing procurers to add value to existing contracts. We prioritise new contracts in existing areas to reduce reliance on one source of contractual income in a region. The Business Development Strategy identifies clear priorities for future development.
Failure to develop and maintain a sufficiently skilled management workforce to discharge core functions across the group.	Succession planning and management development programme is part of our new draft HR Strategy, which will be rolled out over the next 3 years.

**Financial instruments**

The charity's principal financial instruments include bank overdrafts, 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.

**Plans for the future** (continued)

***Credit risk***

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

Signed on behalf of the board of trustees:

A Whitehead  
Trustee

Approved by the board on:

**Independent auditor's report to the members of HCT Group**

We have audited the financial statements of HCT Group for the year ended 31 March 2014 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity 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 auditor**

The trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements including the strategic report. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the groups' and the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the trustees' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

**Consolidated statement of financial activities** 31 March 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 funds £	Total 2013 funds £
<b>Incoming resources</b>					
Incoming resources from generated funds					
. Voluntary income	1	166,102	80,000	<b>246,102</b>	258,861
. Investment income		29,255	—	<b>29,255</b>	19,702
Incoming resources from charitable activities					
. Income from transport services	2	43,008,456	—	<b>43,008,456</b>	37,312,904
Other incoming resources					
. Surplus on disposal of tangible fixed assets	8	431,269	—	<b>431,269</b>	—
. Miscellaneous income		—	—	—	2,060
<b>Total incoming resources</b>		<b>43,635,082</b>	<b>80,000</b>	<b>43,715,082</b>	<b>37,593,527</b>
<b>Resources expended</b>					
Charitable activities					
. Community transport	3	3,345,669	89,139	<b>3,434,808</b>	3,378,645
. Public sector contracts	3	38,851,408	—	<b>38,851,408</b>	34,758,782
. Training programmes	3	1,052,353	—	<b>1,052,353</b>	765,440
Governance costs	4	97,141	—	<b>97,141</b>	110,524
<b>Total resources expended</b>		<b>43,346,571</b>	<b>89,139</b>	<b>43,435,710</b>	<b>39,013,391</b>
<b>Net incoming (outgoing) resources before amounts due to minority interests</b>	7	288,511	(9,139)	<b>279,372</b>	(1,419,864)
Amount due to minority interest		(17,599)	—	<b>(17,599)</b>	(32,066)
<b>Net incoming (outgoing) resources for the year</b>		<b>270,912</b>	<b>(9,139)</b>	<b>261,773</b>	<b>(1,451,930)</b>
<b>Statement of total recognised gains and losses</b>					
Deficit on defined benefit pension schemes inherited at date of transfer to charity					
	15	—	—	—	(172,000)
Actuarial gains (losses) on pension schemes					
	15	279,000	—	<b>279,000</b>	(47,000)
<b>Net movement in funds</b>		<b>549,912</b>	<b>(9,139)</b>	<b>540,773</b>	<b>(1,670,930)</b>
<b>Fund balances at 1 April 2013</b>		<b>2,535,255</b>	<b>17,534</b>	<b>2,552,789</b>	<b>4,223,719</b>
<b>Fund balances at 31 March 2014</b>		<b>3,085,167</b>	<b>8,395</b>	<b>3,093,562</b>	<b>2,552,789</b>

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



Group and charity balance sheets 31 March 2014

	Notes	Group		Charity	
		2014 £	2013 £	2014 £	2013 £
<b>Fixed assets</b>					
Tangible fixed assets	8	<b>13,640,232</b>	18,304,421	<b>3,074,914</b>	6,103,517
<b>Current assets</b>					
Stock		<b>436,487</b>	307,799	—	16,897
Debtors	9	<b>3,470,193</b>	3,247,063	<b>4,966,851</b>	4,732,414
Short-term deposits		<b>430,000</b>	430,000	<b>430,000</b>	430,000
Cash at bank and in hand		<b>2,084,289</b>	1,750,833	<b>107,728</b>	656,799
		<b>6,420,969</b>	5,735,695	<b>5,504,579</b>	5,836,110
<b>Creditors: amounts falling due within one year</b>	10	<b>(8,266,353)</b>	(6,782,057)	<b>(4,692,078)</b>	(2,511,657)
<b>Net current (liabilities) assets</b>		<b>(1,845,384)</b>	(1,046,362)	<b>812,501</b>	3,324,453
<b>Total assets less current (liabilities) assets</b>		<b>11,794,848</b>	17,258,059	<b>3,887,415</b>	9,427,970
<b>Creditors: amounts falling due after more than one year</b>	11	<b>(8,834,286)</b>	(14,494,270)	<b>(2,762,942)</b>	(7,792,733)
<b>Net assets excluding pension liabilities</b>		<b>2,960,562</b>	2,763,789	<b>1,124,473</b>	1,635,237
Net pension assets (liabilities)	15	<b>133,000</b>	(211,000)	—	—
<b>Net assets including pension assets (liabilities)</b>		<b>3,093,562</b>	2,552,789	<b>1,124,473</b>	1,635,237
<b>Reserves</b>					
Restricted funds	17	<b>8,395</b>	17,534	<b>8,395</b>	17,534
Unrestricted funds:					
. Designated fund	18	<b>663,593</b>	1,543,933	<b>660,920</b>	1,083,600
. General fund		<b>2,288,574</b>	1,202,322	<b>455,158</b>	534,103
. Pension reserve	15	<b>133,000</b>	(211,000)	—	—
<b>Total funds</b>		<b>3,093,562</b>	2,552,789	<b>1,124,473</b>	1,635,237

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

Trustee

Approved by the board on:

## Consolidated cash flow statement Year to 31 March 2014

	Notes	2014 £	2013 £
<b>Cash inflow from operating activities</b>	A	<b>1,767,249</b>	1,917,341
<b>Returns on investments and servicing of finance</b>	C	<b>(694,354)</b>	(623,120)
<b>Capital expenditure and financing investments</b>	C	<b>3,035,270</b>	(7,666,831)
<b>Management of liquid resources</b>	C	—	520,000
<b>Financing</b>	C	<b>(3,774,709)</b>	6,022,089
<b>Increase in cash</b>	B	<b>333,456</b>	169,479

Notes to the cash flow statement for the year to 31 March 2014

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

	2014 £	2013 £
Net incoming (outgoing) resources	<b>261,773</b>	(1,451,930)
Depreciation charge	<b>2,060,188</b>	1,434,018
Pension (credit) charge	<b>(37,000)</b>	9,000
Surplus on disposal of tangible fixed assets	<b>(431,269)</b>	—
Net interest received from pension scheme	<b>(28,000)</b>	(17,000)
Interest receivable	<b>(1,255)</b>	(3,297)
Interest payable	<b>695,609</b>	626,417
Increase in stock	<b>(128,688)</b>	(36,971)
(Increase) decrease in debtors	<b>(223,130)</b>	624,653
(Decrease) increase in creditors	<b>(400,979)</b>	732,451
<b>Net cash inflow from operating activities</b>	<b>1,767,249</b>	1,917,341

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

	2014 £	2013 £
Increase in cash in the year	<b>333,456</b>	169,479
Decrease in short-term deposits	—	(520,000)
Cash outflow from repayments of debt and lease financing	<b>4,429,325</b>	1,119,035
Change in net debt resulting from cash flows	<b>4,762,781</b>	768,514
New finance leases	<b>(654,616)</b>	(6,502,661)
New loans	—	(638,463)
Movement in net debt in the year	<b>4,108,165</b>	(6,372,610)
Net debt at 1 April 2013	<b>(14,562,120)</b>	(8,189,510)
Net debt at 31 March 2014	<b>(10,453,955)</b>	(14,562,120)

## Consolidated cash flow statement Year to 31 March 2014

### C Gross cash flows

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	1,255	3,297
Interest element of finance lease rental payments	(87,620)	(115,765)
Interest element of loan payments	(607,989)	(510,652)
	<u>(694,354)</u>	<u>(623,120)</u>
<b>Capital expenditure and financial investment</b>		
Proceeds on disposal of tangible fixed assets	3,422,722	—
Payments to acquire tangible fixed assets	(387,452)	(7,666,831)
	<u>3,035,270</u>	<u>(7,666,831)</u>
<b>Management of liquid resources</b>		
Decrease in short-term deposits	—	520,000
<b>Financing</b>		
Loan advance	—	638,463
Lease rental advance	654,616	6,502,661
Capital element of finance lease rental payments	(1,181,345)	(603,975)
Capital element of loan payments	(3,247,980)	(515,060)
	<u>(3,774,709)</u>	<u>6,022,089</u>

### D Analysis of changes in net debt

	At 1 April 2013 £	Cash flows £	At 31 March 2014 £
Cash at bank	1,750,833	333,456	<b>2,084,289</b>
Liquid resources	430,000	—	<b>430,000</b>
Finance leases due within one year	(1,108,461)	(89,064)	<b>(1,197,525)</b>
Loans – due within one year	(1,140,222)	(1,796,211)	<b>(2,936,433)</b>
Finance leases – due after one year	(6,533,715)	615,793	<b>(5,917,922)</b>
Loans - due after one year	(7,960,555)	5,044,191	<b>(2,916,364)</b>
<b>Total</b>	<u>(14,562,120)</u>	<u>4,108,165</u>	<u><b>(10,453,955)</b></u>

**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.

The accounts have been prepared on a going concern basis. There are investor loans totalling £2.5m which are due to be repaid in March 2015, £1.5m of these loans are "social loans" and under the terms of issue they only need to be repaid if there are sufficient cash reserves in the group to enable this. Nevertheless, the Trustees are confident that there will be sufficient funds raised to cover the repayment of all loans and all other debts as they fall due. Further information is given in the Trustees' Report.

**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, Leeds Alternative Travel Limited, Bristol Community Transport, BCT Community Interest Company, CT Plus Guernsey Limited and CT Plus Jersey 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. The financial statements of CT Plus Humber Community Interest Company and its subsidiary, West Hull Community Transport, a joint venture between HCT group and Goodwin Development Trust have 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.

## Principal accounting policies Year to 31 March 2014

### Incoming resources (continued)

HCT Group had total incoming resources of £3,276,658 (2013 – £2,645,387) and net outgoing resources of £510,764 for the year ended 31 March 2014 (2013 - net outgoing resources of £1,291,462).

### 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

## Principal accounting policies Year to 31 March 2014

### Tangible fixed assets (continued)

- ◆ Leasehold improvements over the length of the lease

No depreciation is provided on freehold land.

### Pensions

The charity's contributions to defined contribution pension schemes for the majority of its employees, are charged to the statement of financial activities in the period in which they fall due.

Eligible employees of CT Plus Community Interest Company are offered membership of the London Borough of Waltham Forest Pension Fund or the Avon Pension Fund. The London Borough of Waltham Forest Pension Fund and the Avon Pension Fund are defined benefit schemes and are able to identify CT Plus Community Interest Company's share of assets and liabilities of the schemes. The requirements of FRS 17, Accounting for Retirement Benefits have been followed.

CT Plus Community Interest Company's share of the schemes' assets are measured at fair value as at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

### 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 2014 of diesel, vehicle parts, oils/lubricants and other vehicle related consumables.

**Principal accounting policies** Year to 31 March 2014

**Term deposits**

Term deposits comprise monies held in short-term deposits with maturity periods of more than 24 hours.

**Hedge accounting**

As at 31 March 2014 the group had not hedged the price of fuel. No loss or gain has been taken into these financial statements as the hedge will be set against the actual fuel bills arising during the year ending 31 March 2015.

## 1 Voluntary income

Group	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Community Transport Grants				
. London Borough of Haringey - Neighbourhood renewal Fund	—	80,000	<b>80,000</b>	80,000
. Bristol City Council - Grant	166,102	—	<b>166,102</b>	178,861
	<u>166,102</u>	<u>80,000</u>	<b><u>246,102</u></b>	<u>258,861</u>

## 2 Income from transport services

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

Group	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Public Sector Contracts				
. Bus Operations	34,943,653	—	<b>34,943,653</b>	29,158,457
. Home to School Transport	4,464,331	—	<b>4,464,331</b>	4,545,802
Community Transport				
. Contracts	196,853	—	<b>196,853</b>	272,506
. Group Transport	1,600,664	—	<b>1,600,664</b>	1,936,701
. ScootAbility	140,108	—	<b>140,108</b>	140,059
Training Programmes				
. Training	1,077,111	—	<b>1,077,111</b>	690,030
Other				
. Other	585,736	—	<b>585,736</b>	542,349
	<u>43,008,456</u>	<u>—</u>	<b><u>43,008,456</u></b>	<u>37,312,904</u>



## Notes to the Financial Statements Year to 31 March 2014

### 3 Total resources expended

Group	Basis of allocation	Community transport £	Public sector contracts £	Training programmes £	Governance £	Total 2014 £	Total 2013 £
<b>Costs directly allocated to activities</b>							
Provision of transport services							
. Bus operations	Direct	—	31,251,865	—	—	<b>31,251,865</b>	27,046,088
. Home to school transport	Direct	—	4,753,684	—	—	<b>4,753,684</b>	5,025,224
. Group transport	Direct	2,207,068	—	—	—	<b>2,207,068</b>	2,385,225
. Contracts	Direct	172,438	—	—	—	<b>172,438</b>	245,311
. Community Bus Service	Direct	450,660	—	—	—	<b>450,660</b>	114,032
. ScootAbility	Direct	71,441	—	—	—	<b>71,441</b>	69,615
. Other	Direct	395,603	—	—	—	<b>395,603</b>	380,958
Training Programmes							
. Driver training programmes	Direct	—	—	975,864	—	<b>975,864</b>	711,541
<b>Support costs allocated to activities</b>							
Finance, Human Resources and general office staff							
Management staff	Turnover	21,696	448,719	12,060	—	<b>482,475</b>	395,849
Premises costs	Turnover	36,168	748,039	20,106	—	<b>804,313</b>	847,865
Office costs	Turnover	18,150	375,383	10,089	—	<b>403,622</b>	289,732
Other costs	Turnover	7,092	146,679	3,942	—	<b>157,713</b>	130,675
Legal and professional fees	Turnover	47,395	980,251	26,347	—	<b>1,053,993</b>	697,629
Depreciation	Turnover	2,316	47,898	1,287	97,141	<b>148,642</b>	543,895
	Turnover	4,781	98,890	2,658	—	<b>106,329</b>	129,752
		<b>3,434,808</b>	<b>38,851,408</b>	<b>1,052,353</b>	<b>97,141</b>	<b>43,435,710</b>	<b>39,013,391</b>

### 4 Governance costs

Group	Unrestricted funds £	Restricted funds £	2014 Total funds £	2013 Total funds £
Professional fees	97,141	—	<b>97,141</b>	110,524

## 5 Social investment

Group	2014 £	2013 £
Net surplus (deficit) before social investment	<b>359,664</b>	(1,201,968)
Social investment in:		
Group Transport in Hackney and Haringey	<b>13,273</b>	16,181
Group Transport in Lambeth and Southwark	—	54,051
Group Transport - social car scheme and training in Leeds	<b>25,025</b>	65,334
Community Bus Service in Islington	<b>3,786</b>	8,959
Training in London	—	17,814
YourCar in London	<b>14,509</b>	34,773
Group Transport in Bristol	<b>23,699</b>	20,784
Total social investment in year	<b>80,292</b>	217,896
Net surplus (deficit) after social investment (page 18)	<b>279,372</b>	(1,419,864)

The above analysis shows that HCT Group's social investment during the year ended 31 March 2014 is £80,292 (2013 – £217,896). This expenditure represents funds generated from the activities of the group which have been spent directly on services for the benefit of the communities in which HCT Group operates.

Despite the reduction in the re-investment of profit that HCT Group was able to make this year, the social impact we deliver has continued to increase, with none of the social impact services reduced. We have continued to provide more trips for disadvantaged individuals and to community groups, and more qualifications and jobs for unemployed people.

## 6 Staff costs

Group	2014 £	2013 £
Wages and salaries	<b>22,000,735</b>	19,566,211
Social security	<b>1,832,414</b>	1,752,012
Pension costs	<b>555,988</b>	711,809
	<b>24,389,137</b>	22,030,032
Agency staff	<b>512,687</b>	529,579
	<b>24,901,824</b>	22,559,611

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:

	2014 Number	2013 Number
£60,001 - £70,000	<b>1</b>	4
£70,001 - £80,000	<b>2</b>	—
£80,001 - £90,000	<b>2</b>	2
£90,001 - £100,000	<b>1</b>	2
£100,001 - £110,000	<b>1</b>	—
£110,001 - £120,000	<b>1</b>	1
	<b>8</b>	9

**6 Staff costs** (continued)

The trustees received no remuneration for their services during the year (2013 – none). 4 trustees were reimbursed for travel expenses of £1,898 (2013 – £3,679).

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 £2,120 (2013 – £2,311) and provides cover of up to a maximum of £2,000,000 (2013 – £2,000,000).

The average number of employees during the year was 926 (2013 – 792):

	2014 £	2013 £
Operations	866	735
Engineering (infrastructure)	22	17
Transport unit	5	5
Management and finance	23	25
Training	10	10
	<b>926</b>	<b>792</b>

**7 Net incoming (outgoing) resources**

This is stated after charging/ (crediting):

Group	2014 £	2013 £
Depreciation	2,060,188	1,434,018
Surplus on disposal of tangible fixed assets	431,269	—
Auditor's remuneration		
. Audit fees		
.. Current year	62,766	59,650
.. Prior year	—	924
. Other services	21,704	40,819
Other auditor's remuneration	12,571	9,131
Bank deposit interest	(29,255)	(19,702)
Interest payable in respect of finance leases	87,620	115,765
Interest payable in respect of loans	607,989	510,652

## 8 Fixed assets

Group	Freehold land £	Leasehold improve-ments £	IT and office equipment £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
<b>Cost</b>							
At 1 April 2013	5,399,470	177,782	778,364	669,488	16,622,144	564,467	<b>24,211,715</b>
Additions	60,266	—	71,704	112,168	143,314	—	<b>387,452</b>
Disposals	(2,972,591)	(18,095)	(73,580)	(13,950)	(85,786)	—	<b>(3,164,002)</b>
At 31 March 2014	<u>2,487,145</u>	<u>159,687</u>	<u>776,488</u>	<u>767,706</u>	<u>16,679,672</u>	<u>564,467</u>	<b>21,435,165</b>
<b>Depreciation</b>							
At 1 April 2013	—	64,415	550,528	203,075	4,878,162	211,114	<b>5,907,294</b>
Depreciation on disposals	—	(8,714)	(73,580)	(5,013)	(85,242)	—	<b>(172,549)</b>
Charge for the year	—	58,588	130,683	120,817	1,721,876	28,224	<b>2,060,188</b>
At 31 March 2014	<u>—</u>	<u>114,289</u>	<u>607,631</u>	<u>318,879</u>	<u>6,514,796</u>	<u>239,338</u>	<b>7,794,933</b>
<b>Net book value</b>							
At 31 March 2014	<u>2,487,145</u>	<u>45,398</u>	<u>168,857</u>	<u>448,827</u>	<u>10,164,876</u>	<u>325,129</u>	<b>13,640,232</b>
At 31 March 2013	<u>5,399,470</u>	<u>113,367</u>	<u>227,836</u>	<u>466,413</u>	<u>11,743,982</u>	<u>353,353</u>	<b>18,304,421</b>

Charity	Freehold land £	Leasehold improve-ments £	IT and office equipment £	Plant and equipment £	Motor vehicles £	Modular buildings £	Total £
<b>Cost</b>							
At 1 April 2013	5,174,471	84,617	557,309	99,204	725,804	564,467	<b>7,205,872</b>
Additions	60,265	—	44,872	13,224	81,090	—	<b>199,451</b>
Disposals	(2,972,591)	(18,095)	(73,580)	—	—	—	<b>(3,064,266)</b>
At 31 March 2014	<u>2,262,145</u>	<u>66,522</u>	<u>528,601</u>	<u>112,428</u>	<u>806,894</u>	<u>564,467</u>	<b>4,341,057</b>
<b>Depreciation</b>							
At 1 April 2013	—	31,753	400,620	67,096	391,772	211,114	<b>1,102,355</b>
Depreciation on disposals	—	(8,714)	(73,580)	—	—	—	<b>(82,294)</b>
Charge for the year	—	15,175	89,720	8,647	104,316	28,224	<b>246,082</b>
At 31 March 2014	<u>—</u>	<u>38,214</u>	<u>416,760</u>	<u>75,743</u>	<u>496,088</u>	<u>239,338</u>	<b>1,266,143</b>
<b>Net book value</b>							
At 31 March 2014	<u>2,262,145</u>	<u>28,308</u>	<u>111,841</u>	<u>36,685</u>	<u>310,806</u>	<u>325,129</u>	<b>3,074,914</b>
At 31 March 2013	<u>5,174,471</u>	<u>52,864</u>	<u>173,165</u>	<u>15,632</u>	<u>334,032</u>	<u>353,353</u>	<b>6,103,517</b>

On 1 April 2010 the charity acquired land in Walthamstow, London for a total purchase price of £5,107,243 comprising consideration of £5m and other related purchase costs of £107,243. The purpose of the acquisition was to build a new depot, to allow the charity to expand its operations in the area. During the year to 31 March 2014 a portion of that land was sold for £3,403,860. The proceeds of the sale were £3,403,860. The cost of the portion sold has been calculated as £2,972,591, and the surplus on disposal of £431,269 has been included in total incoming resources in the consolidated statement of financial activities.

## 8 Fixed assets (continued)

### *Finance Leases*

The net book value of tangible fixed assets of the group includes an amount of £6,779,402 (2013 - £7,841,020) in respect of assets held under finance leases on which the depreciation charge for the year was £1,093,919 (2013 - £617,510).

### *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, LaSCoT Limited, Bristol Community Transport, BCT Community Interest Company, E&HCT Limited, West Hull Community Transport, CT Plus Guernsey Limited and CT Plus Jersey Limited all have overdraft facilities with the bank.

## 9 Debtors

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	<b>2,002,675</b>	2,133,966	<b>276,203</b>	494,458
Amount due from Transport Co-ordination Centre Hackney Limited	—	—	—	90,009
Amount due from CT Plus Community Interest Company	—	—	<b>2,703,739</b>	2,992,465
Amount due from CT Plus (Yorkshire) Community Interest Company	—	—	<b>486,443</b>	508,020
Amount due from Lambeth and Southwark Community Transport	—	—	<b>161,938</b>	79,440
Amount due from LaSCoT Limited	—	—	<b>125,474</b>	141,272
Amount due from Islington Community Transport	—	—	<b>2,663</b>	228
Amount due from Bristol Community Transport	—	—	<b>3,790</b>	968
Amount due from E & HCT Limited	—	—	<b>54,711</b>	—
Amount due from CT Plus Guernsey Limited	—	—	<b>406,091</b>	194,247
Amount due from West Hull Community Transport	—	—	<b>53,665</b>	33,604
Prepayments	<b>332,773</b>	243,966	<b>166,968</b>	135,283
Other debtors	<b>1,134,745</b>	869,131	<b>525,166</b>	62,420
	<b>3,470,193</b>	3,247,063	<b>4,966,851</b>	4,732,414

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

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Trade creditors	<b>1,525,181</b>	1,497,181	<b>461,460</b>	594,716
Amount due to Ealing Community Transport Limited	—	209,981	—	—
Amount due to E & HCT Limited	—	—	<b>51,568</b>	23,427
Amount due to BCT Community Interest Company	—	—	<b>7,388</b>	—
Amount due to CT Plus Jersey Limited	—	—	<b>400,967</b>	506,478
Amount due to Leeds Alternative Travel Limited	—	—	<b>48,353</b>	69,025
Amount due to Transport Co-ordination Centre Hackney Limited	—	—	<b>1,449</b>	—
Taxation and social security	<b>747,482</b>	648,845	<b>92,567</b>	68,785
Other creditors	<b>1,487,865</b>	1,573,818	<b>570,659</b>	669,670
Obligations under finance leases (note 13)	<b>1,197,525</b>	1,108,461	—	—
Accruals	<b>371,867</b>	603,549	<b>136,369</b>	91,265
Loans (note 12)	<b>2,936,433</b>	1,140,222	<b>2,921,298</b>	488,291
	<b>8,266,353</b>	6,782,057	<b>4,692,078</b>	2,511,657

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

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

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Obligations under finance leases (note 13)	<b>5,917,922</b>	6,533,715	—	—
Loans (note 12)	<b>2,916,364</b>	7,960,555	<b>2,762,942</b>	7,792,733
	<b>8,834,286</b>	14,494,270	<b>2,762,942</b>	7,792,733

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	
	2014 £	2013 £	2014 £	2013 £
Within one year	<b>2,936,433</b>	1,140,222	<b>2,921,298</b>	488,291
Between two and five years	<b>1,843,849</b>	5,013,599	<b>1,690,427</b>	4,845,777
Over five years	<b>1,072,515</b>	2,946,956	<b>1,072,515</b>	2,946,956
	<b>5,852,797</b>	9,100,777	<b>5,684,240</b>	8,281,024

**12 Loan commitments (continued)**

£4,056,000 of the loans are unsecured and either have a fixed rate of interest (5%) or have a rate of interest that varies depending on the turnover of the business, £1,192,016 of the loans are secured by a fixed charge on the property at Walthamstow. Interest rates are variable at either 2% fixed rate or 1.75% above base rate with a minimum of 3.5%. £76,188 of the loans are secured over certain assets of HCT Group and are at rates of between 3.5% and 6.7%. £360,035 is an unsecured loan to CT Plus Jersey Limited which will be converted to a facility secured of between six and seven years length secured on certain assets of CT Plus Jersey Limited. The interest rate is 3.5% above one month Libor. £168,558 is a loan to Bristol Community Transport secured upon property in Bristol. The interest rate is 3.05% above base rate.

**13 Finance lease commitments**

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

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Within one year	<b>1,197,525</b>	1,108,461	—	—
Between two and five years	<b>3,734,190</b>	3,787,425	—	—
Over five years	<b>2,183,732</b>	2,746,290	—	—
	<b>7,115,447</b>	7,642,176	—	—

**14 Operating lease commitments**

At 31 March 2014 the group had the following annual commitments under non-cancellable operating leases:

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
<b>Motor vehicles</b>				
Operating leases which expire:				
Within one year	—	133,093	—	—
Between two and five years	<b>908,301</b>	650,218	—	—
After five years	—	261,369	—	—
	<b>908,301</b>	1,044,680	—	—
<b>Land and buildings</b>				
Operating leases which expire:				
Within one year	<b>49,079</b>	36,017	<b>26,579</b>	13,517
Between two and five years	<b>321,790</b>	282,690	<b>199,294</b>	160,190
After five years	<b>79,178</b>	118,278	<b>5,810</b>	44,910
	<b>450,047</b>	436,985	<b>231,683</b>	218,617
<b>Equipment</b>				
Operating leases which expire:				
After five years	<b>20,484</b>	—	—	—

## 15 Pension commitments

Group pension assets / (liabilities)	2014 £
a) The London Borough of Waltham Forest Pension Scheme	161,000
b) Avon Pension Fund	(28,000)
	133,000

a) The London Borough of Waltham Forest Pension Scheme

The London borough of Waltham Forest pension fund is a defined benefit scheme.

Certain employees of CT Plus CIC were transferred under Transfer of Undertakings (Protection of Employment) Regulations from the London Borough of Waltham Forest on 1 May 2004. Up until 31 August 2011 CT Plus CIC's liability as an admitted employer under the scheme was capped. CT Plus CIC won another seven year contract with the London Borough of Waltham Forest and became fully liable for the defined benefit scheme for the relevant employees as from 1 September 2011.

Contributions payable by CT Plus Community Interest Company are determined on the basis of triennial valuations carried out by a qualified actuary using the projected unit method. The employer contributions for the year were £96,000 (2013: £32,000).

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	31 March 2010
Actuarial method	Ongoing
Investment returns per annum	6.5%
Average inflation per annum	3.0%
Salary increases per annum	4.5%
Market value of assets of Whole Scheme at date of last valuation	£480m
Proportion of members' accrued benefits covered by the actuarial value of the assets	60%

a) The London Borough of Waltham Forest Pension Scheme (continued)

The information above is provided as for the London Borough of Waltham Forest Pension Fund as a whole. As at 1 September 2011 the proportion of members' accrued benefits covered by the actuarial value of the assets was 100%.

The employer has contributed at a rate of 16%. Members have paid contributions in line with the rates outlined in Scheme documentation.



**15 Pension commitments** (continued)

The financial assumptions used to calculate Scheme liabilities under FRS 17 are as follows:

	<b>At 31 March 2014 % pa</b>	At 31 March 2013 % pa
Inflation	<b>2.5</b>	2.4
Discount rate	<b>4.7</b>	4.2
Rate of increase in salaries	<b>4.0</b>	3.9
Rate of increase for pensions in payment	<b>2.5</b>	2.4

The mortality assumptions used were as follows:

	<b>2014 years</b>	2013 years
Longevity at age 65 for current pensioners		
. Men	<b>23.0</b>	21.8
. Women	<b>25.4</b>	24.6
Longevity at age 65 for future pensioners		
. Men	<b>25.3</b>	23.6
. Women	<b>27.8</b>	26.5

The assets in the scheme and the expected rate of return.

a) The London Borough of Waltham Forest Pension Scheme (continued)

	<b>Long-term rate of return, expected at 31 March 2014 %</b>	<b>Value at 31 March 2014 £'000</b>	Long-term rate of return, expected at 31 March 2013 %	Value at 31 March 2013 £'000
Property	<b>6.2</b>	<b>84</b>	5.7	81
Equities	<b>7.0</b>	<b>789</b>	7.0	1,245
Other bonds	<b>4.3</b>	<b>191</b>	3.9	226
Cash	<b>0.5</b>	<b>12</b>	0.5	16
Other	<b>7.0</b>	<b>120</b>	7.0	49
Total market value of assets		<b>1,196</b>		1,617
Present value of Scheme liabilities		<b>(1,035)</b>		(1,747)
Surplus (deficit) in the Scheme		<b>161</b>		(130)

**15 Pension commitments** (continued)

Total expenditure recognised in the Statement of Financial Activities

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Current service cost	<b>43</b>	62
Interest cost	<b>75</b>	114
Expected return on scheme assets	<b>(97)</b>	(130)
<b>Total expenditure recognised in SOFA</b>	<b>21</b>	46

Net loss recognised in the Statement of Total Recognised Gains and Losses (STRGL)

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Opening deficit transferred in	—	(84)
Actuarial return on plan assets	<b>(622)</b>	166
Experience gains and losses arising on the scheme liabilities	<b>838</b>	(223)
<b>Total amount recognised in STRGL</b>	<b>216</b>	(141)

The cumulative amount of actuarial gains recognised in the Statement of Total Recognised Gains and Losses is £159,000 (2013: losses of £57,000).

a) The London Borough of Waltham Forest Pension Scheme (continued)

Reconciliation of opening and closing balances of the present value of the charity's share of scheme liabilities

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Scheme liabilities at 1 April 2013	<b>1,747</b>	—
Scheme liabilities transferred in	—	1,331
Current service cost	<b>43</b>	62
Interest cost	<b>75</b>	114
Contributions by scheme participants	<b>11</b>	22
Actuarial (gains) losses	<b>(838)</b>	223
Benefits/Transfers paid	<b>(3)</b>	(5)
<b>Scheme liabilities at 31 March 2014</b>	<b>1,035</b>	1,747

Contributions

The total contributions made by the employer in the year have been £96,000. The level of contribution will be reviewed as a result of the triennial valuation of the scheme as at 31 March 2013.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 March 2014 is £35,000.

**15 Pension commitments** (continued)

Reconciliation of opening and closing balances of the fair value of the charity's share of the scheme assets:

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Fair value of scheme assets at 1 April 2013	<b>1,617</b>	—
Fair value of scheme assets transferred in	—	1,247
Expected return on scheme assets	<b>97</b>	130
Actuarial (losses) gains	<b>(622)</b>	166
Contributions by employer	<b>96</b>	57
Contributions by scheme participants	<b>11</b>	22
Benefits/Transfers paid	<b>(3)</b>	(5)
<b>Fair value of scheme assets at 31 March 2014</b>	<b>1,196</b>	1,617

The actual return on the scheme assets for the year ended 31 March 2014 was a loss of £525,000.

a) The London Borough of Waltham Forest Pension Scheme (continued)

	<b>2014</b>	<b>2014</b>	2013	2013
	<b>%</b>	<b>£</b>	<b>%</b>	<b>£</b>
Difference between the expected and actual return on scheme assets:				
. Amount		<b>(622,000)</b>		166,000
. Percentage of scheme assets	<b>52.0</b>		10.3	
Experience gains and losses on scheme liabilities:				
. Amount		<b>838,000</b>		(223,000)
. Percentage of the present value of the scheme liabilities	<b>81.0</b>		12.8	
Total amount recognised in statement of total recognised gains and losses:				
. Amount		<b>216,000</b>		(57,000)
. Percentage of the present value of the scheme liabilities	<b>20.9</b>		3.3	

b) Avon Pension Fund

The Avon pension fund is a defined benefit scheme.

Contributions payable by Bristol Community Transport are determined on the basis of triennial valuations carried out by a qualified actuary using the projected unit method. The employer contributions for the year were £27,000 (2013 – £28,000).

The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

**15 Pension commitments** (continued)

b) Avon Pension Fund (continued)	
Latest actuarial valuation	31 March 2013
Actuarial method	Ongoing
Investment returns per annum	4.8%
Average inflation per annum (CPI)	2.6%
Salary increases per annum – long term	4.1%
Salary increases per annum – short term	1.0%
Market value of assets at date of last valuation	£3,146m
Proportion of members' accrued benefits covered by the actuarial value of the assets	78%

The information above is provided as for the Avon Pension Fund as a whole. As at 1 July 2012 the relevant employees were transferred to a separate section of the Avon Pension Fund. At 1 July 2012 the proportion of members' accrued benefits covered by the actuarial value of the assets was 100%.

The employer has contributed at a rate of 17.6% of pensionable salaries for the period from 1 July 2012 to date. Members have paid contributions in line with the rates outlined in Scheme documentation.

The financial assumptions used to calculate Scheme liabilities under FRS 17 are as follows:

	<b>At 31 March 2014 % pa</b>	At 31 March 2013 % pa
Inflation	<b>2.4</b>	2.4
Discount rate	<b>4.4</b>	4.2
Rate of increase in salaries	<b>3.9</b>	3.9
Rate of increase for pensions in payment	<b>2.4</b>	2.4

The mortality assumptions used were as follows:

	<b>2014 years</b>	<b>2013 years</b>
Longevity at age 65 for current pensioners		
. Men	<b>23.3</b>	22.9
. Women	<b>25.8</b>	25.9
Longevity at age 65 for future pensioners		
. Men	<b>25.7</b>	25.2
. Women	<b>28.7</b>	28.2

The assets in the scheme and the expected rate of return.

**15 Pension commitments** (continued)

b) Avon Pension Fund (continued)

	Long-term rate of return, expected at 31 March 2014 %	Value at 31 March 2014 £'000	Long-term rate of return, expected at 31 March 2013 %	Value at 31 March 2013 £'000
Property	6.2	51	5.7	48
Equities	7.0	374	7.0	402
Government bonds	3.4	74	2.8	74
Other bonds	4.3	54	3.9	60
Cash	0.5	15	0.5	12
Other	7.0	95	7.0	48
Total market value of assets		<u>663</u>		<u>644</u>
Present value of Scheme liabilities		<u>(691)</u>		<u>(725)</u>
Deficit in the Scheme		<u>(28)</u>		<u>(81)</u>

Total expenditure recognised in the Statement of Financial Activities:

	2014 £'000	2013 £'000
Current service cost	43	33
Interest cost	31	22
Expected return on scheme assets	(37)	(23)
<b>Total expenditure recognised in SOFA</b>	<u>37</u>	<u>32</u>

Net loss recognised in the Statement of Total Recognised Gains and Losses (STRGL)

	2014 £'000	2013 £'000
Opening deficit transferred in	—	(88)
Actual return less expected return on pension scheme assets	(31)	61
Experience gains and losses arising on the scheme liabilities	94	(51)
<b>Total amount recognised in STRGL</b>	<u>63</u>	<u>(78)</u>

The cumulative amount of actuarial gains recognised in the Statement of Total Recognised Gains and Losses is £73,000 (2013: £77,000 loss).

Reconciliation of opening and closing balances of the present value of the CT Plus Community Interest Company's share of scheme liabilities.

**15 Pension commitments** (continued)

b) Avon Pension Fund (continued)

	<b>2014</b> <b>£'000</b>	2013 £'000
Scheme liabilities at 1 April 2013	<b>725</b>	—
Scheme liabilities transferred in	—	610
Current service cost	<b>43</b>	33
Interest cost	<b>31</b>	22
Contributions by scheme participants	<b>9</b>	9
Actuarial (gains) losses	<b>(94)</b>	51
Benefits / Transfers paid	<b>(23)</b>	—
<b>Scheme liabilities at 31 March 2014</b>	<b>691</b>	725

Contributions

The total contributions made by the employer for the year to 31 March 2014 have been £27,000 (2013: £28,000). The level of contribution will be reviewed as a result of the triennial valuation of the scheme as at 31 March 2014.

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 March 2014 is £18,000.

Reconciliation of opening and closing balances of the fair value of the charity's share of the scheme assets.

	<b>2014</b> <b>£'000</b>	2014 £'000
Fair value of scheme assets at 1 April 2013	<b>644</b>	—
Fair value of scheme assets transferred in	—	523
Expected return on scheme assets	<b>37</b>	23
Actuarial (losses) gains	<b>(31)</b>	61
Contributions by employer	<b>27</b>	28
Contributions by scheme participants	<b>9</b>	9
Benefits / transfers paid	<b>(23)</b>	—
<b>Fair value of scheme assets at 31 March 2014</b>	<b>663</b>	644

**15 Pension commitments** (continued)

c) Avon Pension Fund (continued)

The actual return on the scheme assets in the year ended 31 March 2014 was £6,000.

	2014 %	2014 £	2013 %	2013 £
Difference between the expected and actual return on scheme assets:				
. Amount		<b>(31,000)</b>		61,000
. Percentage of scheme assets	<b>4.7</b>		9.5	
Experience gains and losses on scheme liabilities:				
. Amount		<b>94,000</b>		(51,000)
. Percentage of the present value of the scheme liabilities	<b>13.6</b>		7.0	
Total amount recognised in statement of total recognised gains and losses:				
. Amount		<b>63,000</b>		10,000
. Percentage of the present value of the scheme liabilities	<b>9.1</b>		1.4	

**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, West Hull 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, Transport Co-ordination Centre Hackney Limited, Bristol Community Transport and BCT Community Interest Company 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**

<b>Group and charity</b>	At 1 April 2013 £	Incoming resources £	Resources expended £	At 31 March 2014 £
City Bridge Trust Fund – Haringey CT	17,534	—	(9,139)	<b>8,395</b>
London Borough of Haringey – Neighbourhood Renewal Fund	—	80,000	(80,000)	—
	<b>17,534</b>	<b>80,000</b>	<b>(89,139)</b>	<b>8,395</b>

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

## 18 Unrestricted funds

	Group		Charity	
	2014 £	2013 £	2014 £	2013 £
Fixed assets fund	<b>663,593</b>	1,543,933	<b>660,920</b>	1,083,600
General fund	<b>2,288,574</b>	1,202,322	<b>455,158</b>	534,103
Pension reserve	<b>133,000</b>	(211,000)	—	—
	<b>3,085,167</b>	2,535,255	<b>1,116,078</b>	1,617,703

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

## 19 Status

HCT Group is registered in England and Wales, 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 01747483).

CT Plus Community Interest Company is registered in England and Wales (Company Registration Number 04137890). 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.

CT Plus (Yorkshire) Community Interest Company is registered in England and Wales (Company Registration Number 05629152). 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 and Wales, 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 24.

Lambeth and Southwark Community Transport (LaSCoT) is registered in England and Wales, 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 25.

LaSCoT Limited is registered in England and Wales (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 26.



**19 Status** (continued)

Transport Co-ordination Centre Hackney Limited is registered in England and Wales, 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 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 that 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 and Wales (Company Registration Number 06556344). 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.

West Hull Community Transport Limited is registered in England and Wales, limited by guarantee and has no share capital (Company Registration Number 07209837). West Hull Community Transport is registered with the Charity Commission for England and Wales (Charity Registration Number 1138430). Details of transactions undertaken by West Hull Community Transport are set out in note 30.

Bristol Community Transport is registered in England and Wales, limited by guarantee and has no share capital (Company Registration Number 04749030). Details of transactions undertaken by Bristol Community Transport are set out in note 31.

BCT Community Interest Company is registered in England and Wales, limited by guarantee and has no share capital (Company Registration Number 06559530). Details of transactions undertaken by BCT Community Interest Company are set out in note 32.

CT Plus Jersey Limited is registered in Jersey limited by guarantee and has no share capital (Company registration number 110804). It is registered as a charity in Jersey. Details of transactions undertaken by CT Plus Jersey Limited are set out in note 33.

CT Plus Guernsey Limited is registered in Guernsey (Company registration number 54761) It has a share capital of £1. Details of transactions undertaken by CT Plus Guernsey Limited are set out in note 34.

**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**

<b>Group</b>	Designated fund £	General fund £	Restricted funds £	<b>Total £</b>
<b>Fund balances at 31 March 2014 are represented by:</b>				
Tangible fixed assets	13,631,837	—	8,395	<b>13,640,232</b>
Stock	—	436,487	—	<b>436,487</b>
Debtors	—	3,470,193	—	<b>3,470,193</b>
Short-term deposits	—	430,000	—	<b>430,000</b>
Cash at bank and in hand	—	2,084,289	—	<b>2,084,289</b>
Creditors: amounts falling due within one year	(4,133,958)	(4,132,395)	—	<b>(8,266,353)</b>
Creditors: amounts falling due after one year	(8,834,286)	—	—	<b>(8,834,286)</b>
Pension liability	—	133,000	—	<b>133,000</b>
	<b>663,593</b>	<b>2,421,574</b>	<b>8,395</b>	<b>3,093,562</b>

<b>Charity</b>	Designated fund £	General fund £	Restricted funds £	<b>Total £</b>
<b>Fund balances at 31 March 2014 are represented by:</b>				
Tangible fixed assets	3,066,519	—	8,395	<b>3,074,914</b>
Debtors	3,281,366	1,685,485	—	<b>4,966,851</b>
Short-term deposits	—	430,000	—	<b>430,000</b>
Cash at bank and in hand	—	107,728	—	<b>107,728</b>
Creditors: amounts falling due within one year	(2,924,023)	(1,768,055)	—	<b>(4,692,078)</b>
Creditors: amounts falling due after one year	(2,762,942)	—	—	<b>(2,762,942)</b>
	<b>660,920</b>	<b>455,158</b>	<b>8,395</b>	<b>1,124,473</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 2014, which have been included in the consolidated financial statements.

	2014 £	2013 £
Turnover	<b>22,732,359</b>	21,832,290
Cost of sales	<b>(22,227,925)</b>	(21,398,052)
Operating profit	<b>504,434</b>	434,238
Interest payable	<b>(235,740)</b>	(236,833)
Gift aid	—	—
Net profit for the year	<b>268,694</b>	197,405
Movement in pension fund	<b>279,000</b>	(219,000)
Profit for the year	<b>547,694</b>	(21,595)
Retained profit at 1 April 2013	<b>20,335</b>	41,930
Retained profit at 31 March 2014	<b>568,029</b>	20,335
Called up share capital	<b>1</b>	1
At 31 March 2014	<b>568,030</b>	20,336

## 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 2014, which have been included in the consolidated financial statements.

	2014 £	2013 £
Turnover	<b>3,691,156</b>	3,454,203
Cost of sales	<b>(3,692,719)</b>	(3,445,640)
Operating (loss) profit	<b>(1,563)</b>	8,563
Gift aid	—	(154,617)
Net loss for the year	<b>(1,563)</b>	(146,054)
Retained profit at 1 April 2013	<b>18,616</b>	164,670
Retained profit at 31 March 2014	<b>17,053</b>	18,616
Called up share capital	<b>1</b>	1
At 31 March 2014	<b>17,054</b>	18,617

#### 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 2014, which have been included in the consolidated financial statements.

	2014 £	2013 £
Incoming resources	12	2,539
Resources expended	(30)	(2,431)
Net (outgoing) incoming resources	(18)	108
Fund balances at 1 April 2013	182	74
Fund balances at 31 March 2014	164	182

#### 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 2014, which have been included in the consolidated financial statements.

	2014 £	2013 £
Incoming resources	637,793	816,447
Resources expended	(674,646)	(849,536)
Net outgoing resources	(36,853)	(33,089)
Fund balances at 1 April 2013	42,040	75,129
Fund balances at 31 March 2014	5,187	42,040

#### 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 2014, which have been included in the consolidated financial statements.

	2014 £	2013 £
Turnover	1	45,269
Cost of sales	(38)	(24,471)
Operating (loss) profit	(37)	20,798
Gift aid	—	(31,766)
Net loss for the year	(37)	(10,968)
Retained profit at 1 April 2013	20,798	31,766
Retained profit at 31 March 2014	20,761	20,798

**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 2014, which have been included in the consolidated financial statements.

	2014 £	2013 £
Incoming resources	417,505	418,373
Resources expended	<b>(418,539)</b>	(414,647)
Net (outgoing) incoming resources	<b>(1,034)</b>	3,726
Gift aid	—	(4,836)
Net movement in funds	<b>(1,034)</b>	(1,110)
Fund balances at 1 April 2013	<b>9,221</b>	10,331
Fund balances at 31 March 2014	<b>8,187</b>	9,221

**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 2014 which have been included in the consolidated financial statements.

	2014 £	2013 £
Incoming resources	430,721	450,919
Resources expended	<b>(428,793)</b>	(447,368)
Net incoming resources	<b>1,928</b>	3,551
Fund balances at 1 April 2013	<b>107,406</b>	103,855
Fund balances at 31 March 2014	<b>109,334</b>	107,046
Called up share capital	<b>3</b>	3
At 31 March 2014	<b>109,337</b>	107,049

### 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 year ended 31 March 2014, which have been included in the consolidated financial statements as HCT Group has the controlling vote and therefore effectively controls the company.

	2014 £	2013 £
Turnover	—	1,737,966
Cost of sales	<b>422</b>	(1,682,819)
Operating profit	<b>422</b>	55,147
Interest payable	—	(99)
Gift aid	<b>(54,711)</b>	(292,320)
Net loss for the year	<b>(54,289)</b>	(237,272)
Retained profit at 1 April 2013	<b>54,289</b>	291,561
Retained profit at 31 March 2014	—	54,289
Called up share capital	<b>2</b>	2
At 31 March 2013	<b>2</b>	54,291

### 30 West Hull Community Transport

West Hull Community Transport became a joint venture between HCT Group and Goodwin Development Trust on 30 June 2010.

The following is a summary of the financial statements of West Hull Community Transport for the year ended 31 March 2013, which have been included in the consolidated financial statements.

	2014 £	2013 £
Incoming resources	<b>351,471</b>	276,346
Resources expended	<b>(354,248)</b>	(304,900)
Net movement in funds	<b>(2,777)</b>	(28,554)
Fund balances at 1 April 2013	<b>4,278</b>	32,832
Fund balances at 31 March 2014	<b>1,501</b>	4,278

### 31 Bristol Community Transport

Bristol Community Transport is a company limited by guarantee and joined the group on 1 December 2011.

The following is a summary of the financial statements of Bristol Community Transport for the year to 31 March 2014.

	2014 £	2013 £
Incoming resources	488,610	488,334
Resources expended	<b>(516,198)</b>	(514,810)
Net movement on funds	<b>(27,588)</b>	(26,476)
Fund balances at 1 April 2013	<b>520,497</b>	546,973
Fund balances at 31 March 2014	<b>492,909</b>	520,497

### 32 BCT Community Interest Company

BCT Community Interest Company is a company limited by guarantee and wholly controlled by Bristol Community Transport.

BCT Community Interest Company joined the Group on 1 December 2011.

The following is a summary of the financial statements of BCT Community Interest Company for the year to 31 March 2014.

	2014 £	2013 £
Turnover	<b>30</b>	24,329
Cost of sales	<b>(13)</b>	(16,941)
Net profit before Corporation Tax and Gift Aid	<b>17</b>	7,388
Gift Aid	—	(28,698)
Net movement in funds	<b>17</b>	(21,310)
Retained profit at 1 April 2013	<b>7,903</b>	29,213
Retained profit at 31 March 2014	<b>7,920</b>	7,903

### 33 CT Plus Jersey Limited

CT Plus Jersey Limited is registered in Jersey and is limited by guarantee. CT Plus Jersey Limited became a wholly controlled subsidiary of HCT Group on 30 May 2012.

The following is a summary of the financial statements of CT Plus Jersey Limited for the period ended 31 March 2014, which have been included in the consolidated financial statements.

	<b>31 March 2014</b>	Period from 30 May 2012 to 31 March 2013
	£	£
Incoming resources	<b>8,151,065</b>	2,285,442
Resources expended	<b>(7,641,873)</b>	(1,933,393)
Net incoming resources	<b>509,192</b>	352,049
Fund balances at 1 April 2013	<b>352,049</b>	—
Fund balances at 31 March 2013	<b>861,241</b>	352,049

### 34 CT Plus Guernsey Limited

HCT Group holds 100% of the issued share capital of CT Plus Guernsey Limited, a company registered in Guernsey

The following is a summary of the financial statements of CT Plus Guernsey Limited for the period ended 31 March 2014, which have been included in the consolidated financial statements.

	<b>2014</b>	2013
	£	£
Turnover	<b>3,746,980</b>	3,521,315
Cost of sales	<b>(3,630,121)</b>	(3,761,379)
Net profit (loss) for the year	<b>116,859</b>	(240,064)
Retained funds at 01 April 2013	<b>(240,064)</b>	—
Funds at 31 March 2014	<b>(123,205)</b>	(240,064)