

**Charity Registration No. 515736**

**Company Registration No. 01766436 (England and Wales)**

**LIVERPOOL COMMUNITY TRANSPORT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Council Of Management</b>	Mr M Hughes Mr P Dodd Mr P Morgan Mr R Curd Mr J Gallwey
<b>Secretary</b>	Mr P Morgan
<b>Charity number</b>	515736
<b>Company number</b>	01766436
<b>Registered office</b>	14 Grundy Street Liverpool L5 9SG
<b>Auditor</b>	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL
<b>Bankers</b>	National Westminster Bank plc City Office 2-8 Church Street Liverpool L1 3BG

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# LIVERPOOL COMMUNITY TRANSPORT LIMITED

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# **LIVERPOOL COMMUNITY TRANSPORT LIMITED**

## **COUNCIL'S REPORT (INCLUDING DIRECTORS' REPORT)**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The Council of Management present their annual report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

#### **Objectives and activities**

The charitable company's principal activities continued to be the provision of subsidised transport and the repair and maintenance of vehicles owned by community groups who would not be able to access mainstream transport because of the cost involved.

#### **Public benefit**

The Council of Management have paid due regard to guidance issued by the Charity Commission in deciding what activities the charitable company should undertake. The Trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

#### **Achievements and performance**

This financial year has seen extraordinary challenges posed by the Covid-19 pandemic. Our usually steady community transport provision ceased to operate for a number of months due to the imposed national and regional lockdowns which has had a significant impact on our daily operations and business as a whole.

Throughout the pandemic we have continued to operate our City Council SEN transport contracts, which at times were scaled down significantly but ensured that key workers children and those identified as a priority could access safe home to school transport during this time. Our priority throughout has been to protect the health and wellbeing of our staff, volunteers and young people transported through implementing adaptations and proportionate safety measures across the organisation to reduce risk during the Covid-19 pandemic. As ever, the management committee feel we are in a strong position to advance in our contracted work with Liverpool City Council in the forthcoming contract tender framework. The management committee are also keen to explore the possibility of expanding our contract work within neighbouring boroughs should the opportunity arise in the next tendering process.

Through the furtherance and development of assistance to Liverpool SEN schools and our already established MOT testing station we are committed to continue subsidising community transport at the same level as in previous years. In order to be successful in this, our aim is to build upon current MOT's, maintenance and repair work carried out to pre-covid levels. Throughout this time our company values and objectives have remained the same with regards to community transport and the services we provide. Our well-established MOT, maintenance & repair services continue to play a key role in our provision and has reinforced the assistance we provide to local communities, ensuring they have access to a safe, reliable, accessible & affordable transport provision citywide.

As in previous years we have aimed to work in line with the organisations development plan which outlines our long-term aim to modernise our fleet of vehicles. Due to the Covid-19 pandemic, and the uncertainties we faced, the management committee took the decision to temporarily postpone the further purchase of vehicles. This temporary measure will be reviewed in the coming months when the current situation starts to return to a more stable point. Our staffing levels are also at an all-time high with 5 full-time staff and 54 part-time staff members which we have managed to retain during Covid-19 due to the welcomed Liverpool City Council Covid CPU supplier relief payments received.

Liverpool City Council licencing have continued to utilise our garage and training facilities in order to carry out various personal licence courses, taxi compliance inspections, licencing training programs and taxi enforcement operations in conjunction with Merseyside Police and neighbouring Councils. Although during this time the number of inspections and courses carried out and number of attendees were reduced in line with local and national lockdowns and our covid risk assessments.

# **LIVERPOOL COMMUNITY TRANSPORT LIMITED**

## **COUNCIL'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2021**

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During this time, our training room facility was utilised by Liverpool City Council licencing whilst carrying out their various training programmes and courses although there was reduced demand by other outside agencies due to the covid-19 pandemic. The management committee will be happy to welcome further training room bookings for courses such as, passenger assistant training, safeguarding training and basic first aid training once the covid-19 restrictions are reduced. Previously, these bookings have generated a small but welcome income used to subsidise our community transport provision and the management committee look forward to building upon this in the future.

We are proud of the work experience and support we have given our long-term volunteer placements although sadly, due to the Covid-19 pandemic our longest serving volunteer decided to retire from his position. He has given a great deal to the organisation during his time with us and will be missed. We have continued working with our remaining long-term volunteer placement with an aim to promote social inclusion in a safe and friendly workplace. During his time with us he has integrated well and is a valued member of the team, contributing significantly to the company's day to day operations. The management committee feel our volunteer work placements have been a great success with both individuals and ourselves benefitting from the scheme.

### **Financial review**

The deficit for the year was £34,521 (2020: £28,009). At the year end the charity had net assets of £196,350 (2020 : £230,870). There were no restricted funds at the period end.

### **Reserves policy**

It is the policy of the charitable company that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The Council of Management considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charitable company's current activities while consideration is given to ways in which additional funds may be raised. The trustees recognise that the level of free reserves need to be increased and are reviewing options to improve the position.

### **Principal risks and uncertainties**

The Council have assessed the major risks to which the charitable company is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. The principal risks are considered to be:

- Loss of SEN school contracts which are subject to regular tender processes
- Fluctuations in fuel prices
- Competition from alternative transport providers

### **Plans for future periods**

As the continuance of community transport is essential for many groups, schools and organisations across the city, the management committee consider it a priority to maintain the subsidy of community transport as a whole during these uncertain economic times. This can be achieved through the furtherance and development of our already established MOT testing bay which continues to be a fundamental plan for the future. The management committee consider this to be integral in the organisations work in challenging exclusion in today's economic climate.

We aim to build upon further support that is also available to groups in terms of our maintenance and repair service. The broadening of this long standing, essential part of our provision would greatly benefit numerous groups, schools & organisations citywide. We plan to continue to market the services we provide across the city through various publicity material, targeting non-members, current members and members of the public with the aim of expanding our customer base.

An additional aim for the future is focusing on increasing the number of SEN school contracts over the forthcoming year. With our City Council school contracts now well established, we will endeavour to secure additional contracts with City Council and in neighbouring boroughs should the opportunity arise.

# **LIVERPOOL COMMUNITY TRANSPORT LIMITED**

## **COUNCIL'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2021**

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The management committee look forward to another productive year and would like to thank the Operational Transport Manager, staff and volunteers for working hard on behalf of the organisation. Their commitment and dedication to Liverpool Community Transport throughout the Covid-19 pandemic and the extraordinary challenges it posed has not gone unnoticed.

### **Structure, governance and management**

The charity is a company limited by guarantee, the charitable company's objects are governed by the Memorandum of Association adopted on 1 November 1983.

The Council of Management, who are also the directors for the purpose of company law, and who served during the year were:

Mr M Hughes  
Mr P Dodd  
Mr P Morgan  
Mr R Curd  
Mr J Gallwey

The charity adheres to recruit new trustees to ensure the board has the range of skills and experience necessary to comply with its collective responsibility. Trustees receive ongoing training during their tenure as required.

None of the Council of Management has any beneficial interest in the company. All of the Council of Management are members of the company and guarantee to contribute £1 in the event of a winding up.

The charitable company is controlled by the members of the Council of Management. The number of members must not be more than 15. The members of the Council are appointed at the Annual General Meeting. The Council may appoint additional members to the Council during the year but these shall only retain the office if re-appointed at the next Annual General Meeting.

The Council delegates the day to day running of the charitable company to the General Manager, Mr T Crofton. All key operational decisions are made with the approval of the charity Trustees.

The Trustees have responsibility for setting the pay and remuneration of the charity's key personnel and this is done on an annual basis, including a formal cost of living review. Salaries are benchmarked with other similar organisations.

Under the Memorandum and Articles of Association, the charitable company has the power to make investments which the Council see fit.

### **Auditor**

In accordance with the company's articles, a resolution proposing that DSG be reappointed as auditor of the company will be put at a General Meeting.

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## COUNCIL'S REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2021*

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### **Disclosure of information to auditor**

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

The Council's report was approved by the Board of Council Of Management.



Mr M Hughes  
**Trustee**

21 December 2021

# **LIVERPOOL COMMUNITY TRANSPORT LIMITED**

## **STATEMENT OF COUNCIL'S RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The Council of Management, who are also the directors of Liverpool Community Transport Limited for the purpose of company law, are responsible for preparing the Council's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Council of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Council of Management are required to:

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

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



# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE COUNCIL OF MANAGEMENT OF LIVERPOOL COMMUNITY TRANSPORT LIMITED

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#### Opinion

We have audited the financial statements of Liverpool Community Transport Limited (the 'charitable company') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council of Management with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council of Management are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE COUNCIL OF MANAGEMENT OF LIVERPOOL COMMUNITY TRANSPORT LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the Council of Management were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Council's report and from the requirement to prepare a strategic report.

#### **Responsibilities of Council of Management**

As explained more fully in the statement of Council's responsibilities, the Council of Management, who are also the directors of the charitable company for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Council of Management are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Management either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE COUNCIL OF MANAGEMENT OF LIVERPOOL COMMUNITY TRANSPORT LIMITED

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Based on our discussions with the charitable company's management and the Trustees, we identified that the following laws and regulations are significant to the charitable company:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards and Charity Law.

- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the Group and parent charitable company and therefore may have a material effect on the financial statements include compliance with the charitable objectives, public benefit, fundraising regulations, safeguarding and health and safety legislation.

These matters were discussed amongst the engagement team at the planning stage and the team remained alert to non-compliance throughout the audit.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and the Trustees as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of Trustee meeting minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Jean Ellis BA FCA CTA (Senior Statutory Auditor)**  
for and on behalf of DSG

21 December 2021

**Chartered Accountants**  
**Statutory Auditor**

Castle Chambers  
43 Castle Street  
Liverpool  
L2 9TL

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

		Unrestricted funds 2021 £	Unrestricted funds 2020 £
	Notes		
<b><u>Income and endowments from:</u></b>			
Donations and legacies	3	-	35
Charitable activities	4	670,592	751,065
Investments	5	22	109
Other income	6	-	750
<b>Total income</b>		<u>670,614</u>	<u>751,959</u>
<b><u>Expenditure on:</u></b>			
Charitable activities	7	<u>705,135</u>	<u>779,968</u>
<b>Net expenditure for the year/ Net movement in funds</b>		(34,521)	(28,009)
Fund balances at 1 April 2020		<u>230,871</u>	<u>258,879</u>
<b>Fund balances at 31 March 2021</b>		<u><u>196,350</u></u>	<u><u>230,870</u></u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		35,785		78,485
<b>Current assets</b>					
Stocks	12	9,350		9,350	
Debtors	13	79,249		44,012	
Cash at bank and in hand		187,393		211,716	
		<u>275,992</u>		<u>265,078</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(83,427)</u>		<u>(80,693)</u>	
Net current assets			192,565		184,385
<b>Total assets less current liabilities</b>			<u>228,350</u>		<u>262,870</u>
<b>Provisions for liabilities</b>			<u>(32,000)</u>		<u>(32,000)</u>
<b>Net assets</b>			<u><u>196,350</u></u>		<u><u>230,870</u></u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds	16	35,785		78,485	
General unrestricted funds		<u>160,565</u>		<u>152,385</u>	
			196,350		230,870
			<u><u>196,350</u></u>		<u><u>230,870</u></u>

The financial statements were approved by the Council Of Management on 21 December 2021



Mr M Hughes  
Trustee

Company Registration No. 01766436

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	18		(20,362)		17,178
<b>Investing activities</b>					
Purchase of tangible fixed assets		(3,983)		(24,991)	
Proceeds on disposal of tangible fixed assets		-		750	
Investment income received		22		109	
<b>Net cash used in investing activities</b>			(3,961)		(24,132)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(24,323)		(6,954)
Cash and cash equivalents at beginning of year			211,716		218,670
<b>Cash and cash equivalents at end of year</b>			187,393		211,716

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

#### **Charity information**

Liverpool Community Transport Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 14 Grundy Street, Liverpool, L5 9SG.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charitable company is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the accounts, the Council of Management have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment the council of Management have considered the impact of potential financial and operational challenges posed by COVID-19 and have concluded that any pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the charitable company. Thus the council continue to adopt the going concern basis of accounting in preparing the accounts.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the Council of Management in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Council of Management for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

#### **1.4 Income**

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Capital grants are credited to restricted funds when receivable and transferred to unrestricted funds when the asset is purchased. Depreciation on the fixed assets purchased with such grants is charged against unrestricted funds. Grants of a revenue nature are credited to income in the period to which they relate. Grants received before the charity is entitled to them are treated as deferred income.

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Expenditure

Expenditure is accounted for on an accruals basis.

Charitable expenditure comprises direct expenditure including direct staff costs attributable to the charitable company's activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources as detailed below.

Governance costs include those costs incurred in the governance of the charitable company's assets and are associated with constitutional and statutory requirements.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	over the term of the lease
Plant and machinery	25% on cost
Fixtures, fittings & equipment	25% on cost
Motor vehicles	10% - 25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### 1.7 Impairment of fixed assets

At each reporting end date, the charitable company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks,



# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

##### 1.10 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charitable company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Basic financial liabilities**

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charitable company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Provisions**

Provisions are recognised when the charitable company has a legal or constructive present obligation as a result of a past event, it is probable that the charitable company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period it arises.

#### **1.12 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the Council of Management are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

	Total	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	-	35
	==	==

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 4 Charitable activities

	2021 £	2020 £
Sales within charitable activities	9,373	30,904
Services provided under contract	661,219	720,161
	<u>670,592</u>	<u>751,065</u>

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Interest receivable	<u>22</u>	<u>109</u>

### 6 Other income

	Total	Unrestricted funds
	2021 £	2020 £
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>750</u>

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 7 Charitable activities

	2021 £	2020 £
Staff costs	439,954	442,411
Depreciation and impairment	46,684	54,054
Vehicle costs	73,216	118,670
Rent	27,141	29,000
Rates and water usage	7,376	7,320
Heat and light	4,828	5,370
Telephone	5,772	5,237
Repairs	2,866	2,129
Sundry	22,146	32,642
Premises insurance	1,791	1,897
Vehicle insurance	55,044	60,808
Bank charges	1,281	1,416
Legal and professional	3,924	5,349
Computer running costs	2,688	3,328
	<u>694,711</u>	<u>769,631</u>
Share of governance costs (see note 8)	10,424	10,337
	<u>705,135</u>	<u>779,968</u>

### 8 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Audit fees	-	5,450	5,450	-	5,450	5,450
Accountancy	-	4,974	4,974	-	4,887	4,887
	<u>-</u>	<u>10,424</u>	<u>10,424</u>	<u>-</u>	<u>10,337</u>	<u>10,337</u>
Analysed between						
Charitable activities	-	10,424	10,424	-	10,337	10,337
	<u>-</u>	<u>10,424</u>	<u>10,424</u>	<u>-</u>	<u>10,337</u>	<u>10,337</u>

Governance costs includes payments to the auditors of £5,450 (2020: £5,425) for audit fees.

### 9 Council Of Management

None of the Council of Management (or any persons connected with them) received any remuneration during the year, and none of them were reimbursed for travelling expenses (2020: none were reimbursed).

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 10 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Direct charitable	53	55
Support	2	2
Total	55	57

### Employment costs

	2021 £	2020 £
Wages and salaries	425,010	426,039
Social security costs	11,109	12,676
Other pension costs	3,835	3,696
	439,954	442,411

There were no employees whose annual remuneration was more than £60,000.

### 11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2020	15,277	52,929	40,794	514,097	623,097
Additions	-	822	3,161	-	3,983
At 31 March 2021	15,277	53,751	43,955	514,097	627,080
<b>Depreciation and impairment</b>					
At 1 April 2020	15,277	45,791	25,942	457,601	544,611
Depreciation charged in the year	-	3,124	6,684	36,876	46,684
At 31 March 2021	15,277	48,915	32,626	494,477	591,295
<b>Carrying amount</b>					
At 31 March 2021	-	4,836	11,329	19,620	35,785
At 31 March 2020	-	7,138	14,852	56,495	78,485

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 12 Stocks

	2021 £	2020 £
Finished goods and goods for resale	9,350	9,350

### 13 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	26,190	10,196
Other debtors	7,990	8,115
Prepayments and accrued income	45,069	25,701
	<u>79,249</u>	<u>44,012</u>

### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	4,955	5,681
Trade creditors	36,036	37,857
Other creditors	1,723	2,463
Accruals and deferred income	40,713	34,692
	<u>83,427</u>	<u>80,693</u>

#### Provisions for liabilities

	2021 £	2020 £
Dilapidations	32,000	32,000

Movements on provisions:

	Dilapidations £
At 1 April 2020 and 31 March 2021	<u>32,000</u>

The balance represents a provision for dilapidations in respect of the leasehold property occupied by the charitable company.

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 16 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2019 £	Transfers £	Balance at 1 April 2020 £	Transfers £	Balance at 31 March 2021 £
Tangible fixed asset fund	107,548	(29,063)	78,485	(42,700)	35,785
	<u>107,548</u>	<u>(29,063)</u>	<u>78,485</u>	<u>(42,700)</u>	<u>35,785</u>

The tangible fixed asset fund reflects the value of the tangible fixed assets used operationally by the charity.

### 17 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>35,863</u>	<u>35,866</u>

#### Transactions with related parties

During the year the charitable company entered into the following transactions with related parties:

Mr M Hughes, a Trustee of Liverpool Community Transport Limited, is an employee of Playaway. During the year there were sales to Playaway in the sum of £42 (2020: £160). At the year end a balance of £nil (2020: £nil ) was due from Playaway.

Mr P Dodd, a Trustee of Liverpool Community Transport Limited, is also a trustee of Kidswheels. During the year sales of £nil (2020: £158) were made to Kidswheels. At the year end a balance of £nil (2020: £nil) was due from Kidswheels.

# LIVERPOOL COMMUNITY TRANSPORT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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18 Cash generated from operations	2021 £	2020 £
Deficit for the year	(34,521)	(28,009)
Adjustments for:		
Investment income recognised in statement of financial activities	(22)	(109)
Gain on disposal of tangible fixed assets	-	(750)
Depreciation and impairment of tangible fixed assets	46,684	54,054
Movements in working capital:		
(Increase) in debtors	(35,237)	(7,427)
Increase/(decrease) in creditors	2,734	(581)
<b>Cash (absorbed by)/generated from operations</b>	<u>(20,362)</u>	<u>17,178</u>
<b>19 Analysis of changes in net funds</b>		
The charitable company had no debt during the year.		

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