

**Community Transport for Town and County
Company Limited by Guarantee
Financial Statements
31 March 2018**

BROOKS MAYFIELD LIMITED

Chartered accountant & statutory auditor
12 Bridgford Road
West Bridgford
Nottingham
England
NG2 6AB

Community Transport for Town and County

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2018

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Community Transport for Town and County
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Directors' Report)
Year ended 31 March 2018

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2018.

Objectives and activities

The objects of the Charity as set out in its governing document are to maintain, on a non-profit making basis, a community transport service for the benefit of the inhabitants of Derbyshire and its surrounding counties and in particular the advancement of education and the relief of poverty, sickness, isolation and distress through the provision of such transport services.

An explanation of the Charity's main objective for the year

Volunteers

Neither CT4TC nor any other charity could survive without the invaluable assistance of volunteers. CT4TC has been able to maintain a volunteer base and we would like to place on record our appreciation for all the hard work of our volunteers. Typically about 20 volunteers assist with the community car scheme, passenger assistance, minibuss driving and office duties. All Directors, apart from the Chief Executive, are also volunteers.

Fleet of Vehicles

In the year ended 31 March 2018 CT4TC operated 45 vehicles. Currently 24 vehicles are based at Chesterfield, 17 at Ripley, 1 at Wirksworth and 3 at Retford.

Fund raising activities

The Board wishes to acknowledge all those who gave donations or otherwise supported CT4TC during the year.

Community Transport for Town and County

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

Objectives and activities *(continued)*

Summary of the main activities of the Charity in relation to its objectives

The Charity's main activities can be summarised as follows:

The provision of door-to-door transport for older people and those with disabilities, who cannot easily use conventional public transport. The provision of services to villages and isolated settlements which have no or minimal public transport. The provision of transport for community activities, either regular or for one-off journeys.

Employment of staff

The Board wishes to thank all members of staff for their contribution to CT4TC's work and continued success. As at 31 March 2018 CT4TC employed 65 people (9 full time and 56 part time). In addition CT4TC, from time to time, utilises the services of 64 people as paid drivers, passenger assistants and clerical support on a casual basis.

Very good communication links have been established with all staff, including the formation of a Staff Council (consisting of representatives of employees, management and trustees). The Board reviews the salaries of all staff, including the Chief Executive, every year.

CT4TC is an equal opportunities employer. The Charity's policy is to ensure that no employee or job applicant receives less favourable treatment on the grounds of race, colour, creed, nationality, ethnic origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, age or disability. The Charity's selection criteria and procedures are regularly reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees are given equal opportunity to progress within the organisation.

CT4TC does not trade with any parties related to the trustees or key staff members.

Public benefit

The report takes account of the requirement for Trustees to report annually on public benefit and the Trustees have had regard to the Charity Commission's guidance on public benefit.

Achievements and performance

Summary of the main achievements during the year

It was with regret that the Board of Trustees noted that Clowne and District Community Transport went into Administration on 1st October 2017. CT4TC successfully tendered for 3 contracts previously operated by Clowne CT. Additionally it was pleasing to be able to offer services to community groups previously served by Clowne CT, thereby preserving social impact.

As previously reported CT4TC commenced operating Derbyshire Connect in the eastern side of the county from 1st October 2017. Passenger numbers have been encouraging and are continuing to increase.

The section 22 route operated in Harworth and Bircotes continues to operate successfully and has attracted funding from Harworth Town Council and Nottinghamshire County Council following the ending of the Big Lottery grant.

Community Transport for Town and County

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

Financial review

Reserves Policy

At the end of September 2017 all grant funding from Derbyshire County Council ceased. As this had been a significant proportion of the charity's revenue income, the Board of Trustees reviewed the prospects for the charity. The conclusion reached was that CT4TC should seek to become part of a larger organisation to ensure ongoing viability. Consequently reserves were reduced as an appropriate partner was sought.

As at 31st March 2018 the level of unrestricted funds uncommitted was £18,527 (2017: £135,817) and restricted fund £0 (2017: £0). The Board of Trustees recognise that this was an insufficient level of reserves. However, in view of the successful merger outlined in the section on Plans for Future Periods, a satisfactory resolution has been achieved.

Financial Position

Compared to the previous financial year total resources expended decreased by 3.91%, whilst total incoming resources decreased by 5.88%. As a result there was a net expense in the year ended 31st March 2018 of £117,290 (2017: £90,984). This was an unsatisfactory financial result. However, in view of the successful merger with the HCT Group on 3rd April 2018, the position has been stabilised.

The Statement of financial activities shows net outgoing resources for the year of £117,290 (2017: £90,984). The total reserves as at 31st March 2018 stand at £18,527 (2017: £135,817).

Principal Funding Sources

A very large proportion of the Charity's revenue derives from its principal activity, mainly from charging customers for the services provided and some relatively small grants to enable the provision of the services.

On 30th September 2017 all grants from Derbyshire County Council to CT4TC ceased. All contracts from Derbyshire County Council and other local authorities are awarded as a result of competitive tendering. CT4TC was successful in obtaining the Derbyshire Connect contract for the eastern side of the county. This service commenced on 1st October 2017 and replaced the previous grant funded Dial-a-Bus services.

Plans for future periods

Following the successful merger with the HCT Group, the Board of Trustees is reviewing the Charity's strategies. CT4TC now has the backing of the largest community transport organisation in the United Kingdom. Not only does this ensure financial viability, but there is also support on operational, IT and other administration.

The situation concerning the long term future of section 19 permits is still not clear. Additionally both Derbyshire and Nottinghamshire County Councils continue to review their policies relating to community and public transport. CT4TC is positioning itself to play a strong and constructive part in passenger transport services. In particular the Board of Trustees are very conscious that community transport can provide a high social impact for many people in our operating areas.

Community Transport for Town and County

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Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

Structure, governance and management

CT4TC is governed by the Memorandum & Articles of Association and the terms and conditions of its charitable registration. Following the merger with HCT Group, the Memorandum and Articles of Association were amended appropriately.

Methods adopted for the recruitment and appointment of new trustees

The Board is responsible for controlling governance. This means that it works to ensure that CT4TC's income and property is used for the purposes set out in the company's Memorandum & Articles of Association and for no other purpose. Directors have a duty to act reasonably and prudently in all matters relating to the charity and have a responsibility to act in the best interests of CT4TC.

The Board implements an induction, training and mentoring programme for new Directors.

Following the merger in accordance with HCT practice the post of Chief Executive is no longer classed as a Director. However, the Board are pleased to report that Patrick Dawson has continued as Chief Executive. The HCT Group invited all existing Directors to remain as Trustees of CT4TC.

CT4TC regularly seeks to recruit new Directors from diverse backgrounds to bring additional skills to the Board. The term of office for the directors is up to 4 years in the first instance with the possibility of further extensions up to a maximum continuous service of 7 years.

In view of the difficult trading circumstances experienced in the year ending 31st March 2018, the Board concluded that continuity of Directors was essential. Therefore, no Directors were recruited in that year and all Directors agreed to remain in post.

The organisational structure and how decisions are made

CT4TC's Board is responsible for setting strategic direction, monitoring performance and the approval of both the annual accounts and budgets. The Chief Executive is responsible for the day to day operational management and is accountable to the Board.

The major risks to which the charity is exposed and reviews and systems to mitigate risks

The directors examine the major risks that CT4TC faces each financial year when preparing the budgets and up-dating the Charity's strategic plan. Furthermore, CT4TC has developed systems to monitor and control these risks on a regular basis and to mitigate any impact that they may have on the charity in the future.

Chief Executive Officer

The Chief Executive Officer, to whom day to day management of the Charity is delegated to by the Trustees, is Mr. Patrick Dawson.

Principal activity

The principal activity of the charity is to provide passenger transport for individuals or organisations who have a difficulty in accessing conventional public transport.

Community Transport for Town and County

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

Reference and administrative details

Registered charity name	Community Transport for Town and County
Charity registration number	1060048
Company registration number	03282640
Principal office and registered office	HCT Group 1st Floor 141 Curtain Road London England EC2A 3BX

The trustees

Mrs A E Bentley
Mr J G Beswarick
Mr P R Binks
Mr M W Bishop
Mr R Booth
Mr P L Dawson
Mrs W A Galloway
Mr M F Usherwood

Company secretary Mrs A E Bentley

Auditor Brooks Mayfield Limited
Chartered accountant & statutory auditor
12 Bridgford Road
West Bridgford
Nottingham
England
NG2 6AB

Bankers Yorkshire Bank
28 St Peter's Street
Derby
DE1 1SL

Unity Trust Bank plc
Nine Brindleyplace
Birmingham
B1 2HB

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 27 to the financial statements.

Community Transport for Town and County

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

Trustees' responsibilities statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Brooks Mayfield Limited have been appointed as auditors and are deemed to be re-appointed under section 144 of the Charities Act 2011.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Community Transport for Town and County

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Directors' Report) *(continued)*

Year ended 31 March 2018

The trustees' annual report (incorporating the directors' report) was approved on 23 November 2018 and signed on behalf of the board of trustees by:

Mr J G Beswarick
Trustee

Mr M F Usherwood
Trustee

Community Transport for Town and County

Company Limited by Guarantee

Independent Auditor's Report to the Members of Community Transport for Town and County

Year ended 31 March 2018

Opinion

We have audited the financial statements of Community Transport for Town and County (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of 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).

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2018 and of its 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 charity 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Community Transport for Town and County

Company Limited by Guarantee

Independent Auditor's Report to the Members of Community Transport for Town and County *(continued)*

Year ended 31 March 2018

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 trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 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 trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Community Transport for Town and County

Company Limited by Guarantee

Independent Auditor's Report to the Members of Community Transport for Town and County *(continued)*

Year ended 31 March 2018

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes 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 trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Community Transport for Town and County

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Independent Auditor's Report to the Members of Community Transport for Town and County *(continued)*

Year ended 31 March 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Brooks Mayfield Limited is eligible to act as an auditor in terms of section 1212 Companies Act 2006.

Brooks Mayfield Limited
Chartered accountant & statutory auditor
12 Bridgford Road
West Bridgford
Nottingham
England
NG2 6AB

23 November 2018

Community Transport for Town and County

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2018

		2018	2017
		Unrestricted funds	Total funds
	Note	£	£
Income and endowments			
Donations and legacies	5	228,511	228,511
Charitable activities	6	1,193,650	1,193,650
Investment income	7	8	8
Total income		<u>1,422,169</u>	<u>1,422,169</u>
Expenditure			
Expenditure on charitable activities	8,9	1,539,459	1,539,459
Total expenditure		<u>1,539,459</u>	<u>1,539,459</u>
Net expenditure and net movement in funds		<u>(117,290)</u>	<u>(117,290)</u>
Reconciliation of funds			
Total funds brought forward		135,817	135,817
Total funds carried forward		<u>18,527</u>	<u>18,527</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 15 to 28 form part of these financial statements.

Community Transport for Town and County

Company Limited by Guarantee

Statement of Financial Position

31 March 2018

	Note	2018 £	£	2017 £
Fixed assets				
Tangible fixed assets	16		20,649	83,076
Current assets				
Debtors	17	154,946		136,549
Cash at bank and in hand		981		1,745
		<u>155,927</u>		<u>138,294</u>
Creditors: amounts falling due within one year	19	<u>148,520</u>		<u>85,553</u>
Net current assets			<u>7,407</u>	<u>52,741</u>
Total assets less current liabilities			28,056	135,817
Creditors: amounts falling due after more than one year	20		<u>9,529</u>	<u>—</u>
Net assets			<u>18,527</u>	<u>135,817</u>
Funds of the charity				
Unrestricted funds			<u>18,527</u>	<u>135,817</u>
Total charity funds	23		<u>18,527</u>	<u>135,817</u>

For the year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011 .

Trustees' responsibilities

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;

The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the board of trustees and authorised for issue on 23 November 2018, and are signed on behalf of the board by:

Mr J G Beswarick
Trustee

Mr M F Usherwood
Trustee

The notes on pages 15 to 28 form part of these financial statements.

Community Transport for Town and County

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net expenditure		(117,290)	(90,984)
<i>Adjustments for:</i>			
Depreciation of tangible fixed assets		42,925	81,056
Other interest receivable and similar income		(8)	(52)
Interest payable and similar charges		2,907	(38)
Gains on disposal of heritage assets		(24,605)	(23,538)
Accrued income		(1,020)	(12,041)
<i>Changes in:</i>			
Trade and other debtors		(18,397)	(12,542)
Trade and other creditors		(169)	(8,486)
Cash generated from operations		(115,657)	(66,625)
Interest paid		(2,907)	38
Interest received		8	52
Net cash used in operating activities		<u>(118,556)</u>	<u>(66,535)</u>
Cash flows from investing activities			
Purchase of tangible assets		–	(8,221)
Proceeds from sale of tangible assets		19,502	–
Proceeds from sale of heritage assets		24,605	23,538
Net cash from investing activities		<u>44,107</u>	<u>15,317</u>
Cash flows from financing activities			
Proceeds from borrowings		30,550	–
Payments of finance lease liabilities		(6,931)	(9,500)
Net cash from/(used in) financing activities		<u>23,619</u>	<u>(9,500)</u>
Net decrease in cash and cash equivalents		(50,830)	(60,718)
Cash and cash equivalents at beginning of year		(38,063)	22,655
Cash and cash equivalents at end of year	18	<u>(88,893)</u>	<u>(38,063)</u>

The notes on pages 15 to 28 form part of these financial statements.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2018

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is HCT Group 1st Floor, 141 Curtain Road, London, England, EC2A 3BX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Capital grants

The board of trustees consider that in order to comply with the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective October 2005), gifts of tangible fixed assets or grants of a capital nature given for specific purposes and fully utilised in the furtherance of the objects of the charity should be credited to the relevant fixed asset fund after the sums have been properly expended on the restricted purpose. The related asset is shown in the balance sheet at the full cost of acquisition or subsequent revaluation. As the assets are depreciated, a transfer is made from the fixed asset fund to unrestricted revenue reserves to reflect the diminution in the asset.

If the assets are subject to restrictions by the grant making organisation on their use or disposal, then these restrictions are noted in the fixed asset section of these accounts. The fixed asset fund created is treated as a restricted asset fund.

If the related assets are not subject to restrictions by the grant making organisation on their use or disposal, the fixed asset fund is treated as a designated fund.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

Going concern

The Company incurred a net loss of £117,290 during the year ended 31 March 2018 and the Company has positive net assets of £18,527. Therefore working capital remains under severe pressure. However, following the merger on 3rd April 2018 with the HCT Group, CT4TC has strong financial backing. Potential legislative changes to the way in which contract services are registered could impact on CT4TC's ability to secure certain contracts in the future. There is still significant uncertainty on whether these changes will be implemented or not. CT4TC as part of the HCT Group, will be in a better position to respond to such challenges.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Impairment of non-current assets. The company assesses the impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- 1) Significant underperformance relative to historical or projected future operating results;
- 2) Significant changes in the use of the acquired assets or the business strategy, and
- 3) Significant negative industry or economic trends.

The following are the company's key sources of estimation uncertainty:

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projects disposal values.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the purposes of the charity.

Designated funds are unrestricted funds earmarked by the trustees for specific purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included.

Gifts donated for resale are included as incoming resources within activities for generating funds when they are sold.

Grants, including grants for the purchase of fixed assets, are recognised in full in the statement of financial activities in the year in which they are receivable.

Income from bank deposits and investments is included on an accruals basis.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates.

Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fund raising purposes.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 50% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property -	-	Straight line over the life of the lease
Fixtures and Fittings	-	33% straight line
Motor Vehicles -	-	Straight line over lower of 7 years or term of associated grant.
Plant, Machinery and Equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

Redundancy policy

A liability is recognised for termination benefits at the point where the charity is committed to making the payments in return for employee redundancy.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

4. Limited by guarantee

Community Transport for Town & County is a company limited by guarantee and accordingly does not have a share capital. There are 9 members of the company at the year end (2017:9 members) Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donations	37,622	—	37,622
Grants			
Derbyshire County Council grant	142,534	—	142,534
Other local authority grants	13,511	—	13,511
Community Car Scheme	26,737	—	26,737
Other Grants	8,300	—	8,300
Big Lottery Fund	(193)	—	(193)
	<u>228,511</u>	<u>—</u>	<u>228,511</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations	42,681	—	42,681
Grants			
Derbyshire County Council grant	142,308	—	142,308
Other local authority grants	5,465	—	5,465
Community Car Scheme	50,535	—	50,535
Other Grants	—	—	—
Big Lottery Fund	—	118,182	118,182
	<u>240,989</u>	<u>118,182</u>	<u>359,171</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Primary purpose trading	1,191,035	1,191,035	1,149,832	1,149,832
Other trading activity	2,615	2,615	2,000	2,000
	<u>1,193,650</u>	<u>1,193,650</u>	<u>1,151,832</u>	<u>1,151,832</u>

Included within income from charitable activities is £506,725 (2017: £663,217) received from local authorities.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

7. Investment income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Bank interest receivable	<u>8</u>	<u>8</u>	<u>52</u>	<u>52</u>

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Community Transport	493,399	–	493,399
Community Car Scheme	11,751	–	11,751
Support costs	1,034,309	–	1,034,309
	<u>1,539,459</u>	<u>–</u>	<u>1,539,459</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Community Transport	453,497	106,647	560,144
Community Car Scheme	17,092	–	17,092
Support costs	926,711	98,092	1,024,803
	<u>1,397,300</u>	<u>204,739</u>	<u>1,602,039</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2018 £	Total fund 2017 £
Community Transport	493,399	895,684	1,389,083	1,365,398
Community Car Scheme	11,751	82,178	93,929	177,584
Governance costs	–	56,447	56,447	59,057
	<u>505,150</u>	<u>1,034,309</u>	<u>1,539,459</u>	<u>1,602,039</u>

10. Analysis of support costs

	Community Transport £	Community Car Scheme £	Governance Costs £	Total 2018 £	Total 2017 £
Staff costs	821,052	75,331	–	896,383	888,725
Premises	41,190	3,779	–	44,969	39,023
Communications and IT	9,802	899	–	10,701	10,133
General office	19,029	1,746	–	20,775	25,904
Finance costs	4,611	423	–	5,034	1,961
Governance costs	–	–	56,447	56,447	59,057
	<u>895,684</u>	<u>82,178</u>	<u>56,447</u>	<u>1,034,309</u>	<u>1,024,803</u>

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

10. Analysis of support costs *(continued)*

Support costs have been split on a percentage of income basis.

11. Net expenditure

Net expenditure is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation of tangible fixed assets	42,925	81,056
Gains on disposal of heritage assets	(24,605)	(23,538)
Impairment of trade debtors	90	–
Operating lease rentals	34,535	36,609
	<u>34,535</u>	<u>36,609</u>

12. Auditors remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	5,250	4,750
Fees payable to the charity's auditor and its associates for other services:		
Other non-audit services	580	290
	<u>580</u>	<u>290</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2018	2017
	£	£
Wages and salaries	907,347	899,309
Social security costs	27,171	27,520
Employer contributions to pension plans	11,806	11,343
	<u>946,324</u>	<u>938,172</u>

During the year redundancy payments to 2 members of staff totalling £15,932 were made.

The average head count of employees during the year was 64 (2017: 65). The average number of full-time equivalent employees during the year is analysed as follows:

	2018	2017
	No.	No.
Charitable activity - Drivers, passenger assistants and office staff	58	59
Governance	1	1
	<u>59</u>	<u>60</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

Key Management Personnel

13. Staff costs *(continued)*

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £49,940 (2017:£49,447).

14. Trustee remuneration and expenses

During the year the Chief Executive, Patrick Dawson received total remuneration of £49,940 (2017: £49,447). This included £43,722 gross salary, £4,907 Employers national insurance and £1,311 pension contributions. No amounts remained outstanding at the year end (2017: £nil). 1 trustee (2017: 1) had benefits accruing under a defined contribution scheme.

During the year 3 trustees (2017: 3) claimed travel expenses totalling £1,013 (2017: £1,466). At the 31 March 2018 and 2017 all expenses had been reimbursed.

Non-executive trustees are not remunerated, but are entitled to claim travel expenses.

15. Intangible assets

	Goodwill
	£
Cost	
At 1 April 2017 and 31 March 2018	243,649
Amortisation	
At 1 April 2017 and 31 March 2018	243,649
Carrying amount	
At 31 March 2018	—
At 31 March 2017	—

The net assets of Chesterfield & District Community Transport were acquired for the consideration of £1 on 1 July 2010. The book value of the net assets acquired was £340,348. The trustees subsequently revalued the purchased assets and liabilities to their deemed fair values.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

16. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2017	9,669	20,565	767,503	11,845	809,582
Disposals	—	—	(145,107)	—	(145,107)
At 31 March 2018	<u>9,669</u>	<u>20,565</u>	<u>622,396</u>	<u>11,845</u>	<u>664,475</u>
Depreciation					
At 1 April 2017	9,669	13,566	691,426	11,845	726,506
Charge for the year	—	2,740	40,185	—	42,925
Disposals	—	—	(125,605)	—	(125,605)
At 31 March 2018	<u>9,669</u>	<u>16,306</u>	<u>606,006</u>	<u>11,845</u>	<u>643,826</u>
Carrying amount					
At 31 March 2018	<u>—</u>	<u>4,259</u>	<u>16,390</u>	<u>—</u>	<u>20,649</u>
At 31 March 2017	<u>—</u>	<u>6,999</u>	<u>76,077</u>	<u>—</u>	<u>83,076</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible fixed assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles £
At 31 March 2018	<u>—</u>
At 31 March 2017	<u>15,502</u>

17. Debtors

	2018 £	2017 £
Trade debtors	115,012	99,942
Prepayments and accrued income	28,661	32,262
Other debtors	11,273	4,345
	<u>154,946</u>	<u>136,549</u>

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2018 £	2017 £
Cash at bank and in hand	981	1,745
Bank overdrafts	(89,874)	(39,808)
	<u>(88,893)</u>	<u>(38,063)</u>

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

19. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	110,895	39,808
Trade creditors	18,336	14,421
Accruals and deferred income	8,938	9,958
Social security and other taxes	8,211	9,184
Obligations under finance leases and hire purchase contracts	–	6,931
Other creditors	2,140	5,251
	<u>148,520</u>	<u>85,553</u>

The loan with Northern Impact Fund Delivery Company Limited is over a 24 months period with 17 months remaining as at 31 March 2018. Interest is charged at a rate of 6.5%.

The overdraft is secured by a debenture from Unity Trust Bank PLC dated 8 October 2014.

At 31 March 2018 the total amount of secured creditors due in less than one year was £87,545 (2017: £46,739).

20. Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	<u>9,529</u>	<u>–</u>

The loan with Northern Impact Fund Delivery Company Limited is over a 24 months period with 17 months remaining as at 31 March 2018. Interest is charged at a rate of 6.5%.

At 31 March 2018 the total amount of secured creditors greater than one year was £nil (2017: £nil).

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2018	2017
	£	£
Not later than 1 year	<u>–</u>	<u>6,931</u>

22. Pensions and other post retirement benefits

Defined Contributions Plans

The amount recognised in income or expenditure as an expense in relation to the defined contribution plans was £11,806 (2017: £11,343). The liability at the year end of £989 (2017: £1,030) is split between unrestricted and restricted funds based on an employee by employee basis.

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

23. Analysis of charitable funds

Unrestricted funds

	At 1 April 2017	Income	Expenditure	At 31 March 2018
	£	£	£	£
General funds	<u>135,817</u>	<u>1,422,169</u>	<u>(1,539,459)</u>	<u>18,527</u>

24. Analysis of net assets between funds

	Unrestricted Funds	Total Funds 2018	Total Funds 2017
	£	£	£
Tangible fixed assets	20,649	20,649	83,076
Current assets	155,927	155,927	138,294
Creditors less than 1 year	(148,520)	(148,520)	(85,553)
Creditors greater than 1 year	(9,529)	(9,529)	—
Net assets	<u>18,527</u>	<u>18,527</u>	<u>135,817</u>

25. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost		
Cash at bank and in hand	981	1,745
Trade debtors	<u>115,012</u>	<u>99,942</u>
	<u>115,993</u>	<u>101,687</u>
Financial liabilities measured at amortised cost		
Bank overdraft	(89,874)	(39,808)
Trade creditors	(18,336)	(14,421)
Other creditors	(11,078)	(12,132)
	<u>(119,288)</u>	<u>(66,361)</u>

26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £	2017 £
Not later than 1 year	63,750	83,527
Later than 1 year and not later than 5 years	<u>122,980</u>	<u>163,838</u>
	<u>186,730</u>	<u>247,365</u>

Community Transport for Town and County

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

27. Events after the end of the period

Since the 3 April 2018 The HCT Group became sole members of the charity.

28. Related parties

Trustee A Bentley's husband J Bentley works as a driver for the charity. During the year he received total remuneration of £46 (2017: £1,972).

29. Parent company

Since the 3 April 2018 The HCT Group became sole members of the charity. 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 whole bus networks, from community transport to education and training. HCT Group have a registered company number of 1747483 and registered charity number of 1091318. The results for the year aren't included in their consolidated accounts and the transfer of ownership happened after the year end.

30. Taxation

The Charities activities fall within the exemptions afforded by the provisions of the Income and Corporation Taxes Act 1988. Accordingly, there is no taxation charge in their accounts.