



**Waltham Forest
Community Transport
Ltd**

**Annual Report and Financial
Statements**

31 March 2019

Company Registration Number 03073284
(England and Wales)

Charity Registration Number 1048701

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Reference and administrative information

Members of the Management Committee	Mr Robert Belam (Chair) Dr Sabir Bham Mr Richard Mundy (Treasurer) Mr Godfrey Atuahene Junior Mr David Williams Miss Lorna Wisdom
Company Secretary and Director	Helen Tredoux
Registered office	Low Hall Depot Argall Avenue London E10 7AS
Telephone	020 8521 0665
Email	info@ctwf.co.uk
Website	www.communitytransportwf.co.uk
Company registered number	03073284 (England and Wales)
Charity registered number	1048701 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Co-Operative Bank PO Box 101 1 Balloon Street Manchester M60 4EP

Report of the Management Committee Year to 31 March 2019

The Management Committee presents its report with the financial statements of Waltham Forest Community Transport for the year ended 31 March 2019.

This report, which constitutes a directors' report for company legislation purposes, has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements have been prepared in accordance with the principal accounting policies set out on pages 16 to 18 and comply with the requirements of the Charities Act 2011, the Companies Act 2006, the charitable company's Memorandum and Articles of Association, applicable laws, 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

Governance, structure and management

Waltham Forest Community Transport (WFCT) is a charitable company, limited by guarantee, Company Registration No. 03073284 (England and Wales) and is registered with the Charity Commission, Charity Registration No. 1048701. The charitable company was incorporated on June 22, 1995 and registered as a charity on August 16, 1995. The charitable company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £5.

Recruitment and appointment of members of the Management Committee

The directors of the company are also charity trustees for the purposes of charity law and are known as members of the Management Committee under the company's articles. The members of the Management Committee (MC) are elected to serve for a period of three years, after which they must be re-elected at the next Annual General Meeting.

The MC needs to reflect the diverse needs of our user groups and their members, our passengers. We actively seek to enhance the pool of potential committee members who are representative of all areas of the community. Where gaps are identified, we target specific areas for recruitment.

The MC reviews annually the existing skills of its members and seeks to gain outside support from advisors and volunteers on specific issues (e.g. marketing). Training is offered to all MC members (see below).

Governance, structure and management (continued)

Member induction and training

A member induction meeting is arranged for all new MC members immediately following the AGM. This is usually led by the Company Secretary and Director of the charity. The initial induction enables members to familiarise themselves with:

- ◆ the charitable company's governing documents;
- ◆ the latest financial accounts;
- ◆ the obligations of members;
- ◆ procedures for meetings;
- ◆ the charity's staffing framework.

New members are encouraged to take up additional training opportunities throughout their term of office. Information regarding training opportunities is provided to members. An annual financial training session is provided to MC members.

The following members were in office at 31 March 2019 and served throughout the year:

Board member

Mr Robert Belam (Chair)
Dr Sabir Bham
Mr Godfrey Atuahene Junior
Mr Richard Mundy (Treasurer)
Mr David Williams
Miss Lorna Wisdom

Key management personnel

Helen Tredoux	- Director and Company Secretary
Alison Louis	- Fleet Supervisor

Remuneration for these personnel, and all staff, is set by comparison with similar voluntary organisations. Despite financial pressures and the general 'austerity' climate, we have managed to provide all staff with pay increases at or above inflation. Community Transport Waltham Forest is one of the few transport organisations which is an accredited London Living Wage employer. The Management Committee reviews salaries and hourly pay rates annually.

Risk Management

The Management Committee uses its annual business planning process to ensure that it is aware of the risks to which we are exposed. Where possible we have systems and procedures in place to mitigate the risks facing the charity. We maintain a Risk Register, which is reviewed by the Management Committee annually.

Governance, structure and management (continued)

Risk Management (continued)

Examples of Risk Management include:

Human Resources

There is a risk of losing key staff, work overload and reduced capability to respond to our members' needs. We have appropriate back-up plans. Procedures are in place to ensure compliance with standards for the employment and management of staff, as well as the health and safety of staff, clients and visitors. To help ensure our compliance we have contracted Croner Consultancy to advise and support on HR matters.

Premises

We operate from a very busy transport site owned by the London Borough of Waltham Forest (LBWF). The need to avoid accidents by/with people or vehicles is paramount. Work is progressing to improve lines of communication concerning site issues. WFCT has a staff member attending health and safety meetings affecting the charity's premises, storage and parking. The results of these meetings are reported to members.

Drivers and Training

Our business depends on providing safe journeys 100% of the time. Our drivers' competence and attitude is a key element. Our Fleet Supervisor undertakes annual risk assessments for the drivers we employ, and we receive professional support and advice through the national Community Transport Association (CTA). We have adopted the nationally recognised MiDAS system of driver training to ensure consistency in driver standards. This system is used by WFCT and for drivers from our member groups which use our vehicles on a self-drive basis. Staff have DBS checks where appropriate.

Vehicles

We have an ageing fleet, leading to the possibility of increased maintenance costs and reduced reliability. We employ an external examiner to check all vehicles regularly. All recommended maintenance and repairs are carried out. We acquire newer minibuses by (a) purchasing when funds are available and (b) leasing a greater proportion of the fleet. There is limited progress towards the availability of more environmentally friendly minibuses but we monitor the market and intend moving to hybrid and/or electric vehicles as soon as that becomes practicable.

Organisational Structure

Members of WFCT are organisations and groups in Waltham Forest, Newham and Enfield, most of which are charities and voluntary bodies. WFCT has a management committee of elected representatives and non-voting advisors. The elected members are the trustees of the charity and directors of the company and are responsible for setting our strategic direction, ensuring compliance with our governance and management of finances.

Governance, structure and management (continued)

Organisational Structure (continued)

The Director is responsible to the Management Committee and is also Company Secretary. Operational responsibility is delegated to the Director. The work of the charity, including service provision, staff supervision and liaison with the national body, is undertaken by the Director, along with the Fleet Supervisor and key staff.

Members meet staff and receive verbal and appropriate written reports at regular meetings. All meetings are minuted.

Related parties

WFCT is a member of the Community Transport Association (CTA), and we are guided by its national policies. WFCT actively uses the advice and information services of the CTA. Our Director represents us at the London CTA meetings. This is valuable in identifying relevant policy and legal developments and potential funding sources.

We also work with many other local organisations and local authorities.

Our aims and objectives

Our charity's purposes are set out in the objects contained in the company's memorandum of association:

"To relieve poverty, youth, age, sickness or disability by the provision of transport to individuals in need of such relief or to charitable bodies established for the benefit of such individuals."

How our activities deliver public benefit

The main area of WFCT's charitable activity is the provision of minibus and associated transport services to registered member groups. These are eligible groups who wish to use WFCT's services on an occasional basis or regularly to meet their group travel needs.

Who used and benefited from our services

WFCT provides transport and training to local organisations in Waltham Forest, Newham and Enfield. In 2018/19 we had 115 active member organisations spanning a wide range of voluntary, community and statutory organisations. The breakdown of membership at end March 2019 showed 10% Adult and Social Care organisations, 19% Arts and Culture, 8% Elderly, 1% Environment, 7% Faith, 17% Care Homes including Housing Associations, 8% Public Services, 14% Schools and Colleges, 4% Sports and 12% Youth Organisations.

Community Hires

We offer a choice of minibuses from standard to accessible, enabling our members to select a vehicle best suited to the mobility needs of their members.

During 2018/19 this included transport for 7 clubs in Enfield, funded by Enfield Council.

In 2018/19 we achieved 6,755 community hires. The estimated figure for total passengers is 224,300 across all services, including shuttle services for events at the London Stadium.

Who used and benefited from our services (continued)

Community Drivers

WFCT provides drivers to those organisations unable to provide their own.

Committed Services

Committed services, where members have ongoing committed bookings, included day services for voluntary sector organisations and Adult and Social Care services. A total of 2,748 trips were undertaken, with 12,531 passenger journeys.

Door to Store Service

WFCT operates a grant funded Door to Store shopping service for elderly and disabled people in Waltham Forest. The service is funded by LBWF Adult and Social Care and forms an important part of enabling the elderly to retain their independence longer, by providing accessible transport to local supermarkets for shopping. The service runs 2.5 days a week offering 3 trips a day to various supermarkets, with specific days allocated to specific areas in Waltham Forest. During 2018/19 a total of 1,882 trips took place with 2,097 passengers using the service for outward and return journeys.

MOAT Services (Dial a Ride)

We continued providing a number of Dial a Ride routes in 2018/19, with some sub-contracted to Tower Hamlets Community Transport.

Excursions Club

WFCT operates a small excursions club programme offering seasonal outings to individuals at risk of suffering from isolation and loneliness. During 2018/19 we ran 15 trips with a total of 482 passengers on outings to places of interest.

Waltham Forest Community Driving School

WFCT has been a local provider of MiDAS (minibus awareness training) for more than 8 years. The training register is managed nationally through CTA UK and is aimed at anyone driving a minibus. WFCT offers this service locally and has a register of more than 280 drivers. We have strengthened our training offer and the Community Driving School has increased the variety of training related to minibus travel and operations. Courses now include Standard and Accessible MiDAS, D1 Entitlement, Passenger Assistance Training and 5 Steps to Safety Training. During 2018/19 we trained 106 individuals.

The training schemes are monitored to ensure that WFCT continues to provide training to meet the needs of our members.

Monitoring

We use our annual customer satisfaction survey to measure the quality of our service and use opportunities such as special consultations to ensure that we continue to review our services to best meet our member organisations' needs.

Principal Funding Sources

74% of income came from committed services for our members. 25% from community groups' occasional hires and 1% from our Community Driving School.

Report of the Management Committee Year to 31 March 2019

Principal Funding Sources (continued)

In 2016 Morrisons Foundation granted £15,000 for the Excursion Clubs in Waltham Forest and Newham, the final part of which was delivered this year. The Hobson Charity granted £3,000 for our Excursions Club - the final part was spent in the year.

Walthamstow & Chingford Almshouses kindly donated £11,360 for driver training.

We wish to thank all those who gave grants and donations. Their support has increased significantly the numbers of people benefiting.

NEST Pension Scheme

We introduced our auto enrolment pension scheme in 2017 with NEST as our provider. Contributions to the scheme from commencement have been 3% employer and 5% employee contribution.

Plans for future periods

The Charity is mindful that the outcome of the current Department of Transport review of Section 19 and Section 22 permits may impact on our charitable activity. In order to ensure that should any changes occur these will have a limited impact, a transitional plan is in place. We are currently awaiting the outcome of a Judicial Review in Autumn 2019.

We were awarded a grant of £90,000 in November 2018 from Power to Change. This will provide funding towards purchase of a dedicated minibus for work in Newham as well as support the salary of an Outreach worker for 12 months to develop small grass roots services in Newham. Service start up is planned for May 2019. £6,886 was spent in the year as a deposit for the vehicle. The remaining grant will be spent in 2019/20

With the implementation of the ULEZ in April 2019, WFCT qualifies under the sunset period to 2023 for welfare vehicles. Within our fleet we currently have 13 vehicles fully compliant with the requirement and we will be investigating options for replacing the non-compliant vehicles to meet the 2023 deadline.

We have well defined networks and ongoing exploration of collaborative working opportunities, using both contracting and grant making opportunities, to ensure that our services best meet the needs of our members. There is an ongoing programme of dialogue and planning with our members with new opportunities already part of funding plans for the new financial year.

WFCT will continue to develop opportunities for the Community Driving School through new partnership and collaborative working agreements.

Report of the Management Committee Year to 31 March 2019

Financial review

Financial Results

The statement of financial activities discloses a surplus in net incoming resources of £131,792 (2018: £17,288). Reserves at 31 March 2019 stood as follows: restricted funds - £79,150 (2018: £7,620); unrestricted general funds - £149,257 (2018: £88,995); and designated funds - £145,000 (2018: £145,000).

Reserves Policy

WFCT maintains a cautious reserves policy, with the goal of being able to remain in business, providing community services to our members, even when experiencing a significant reduction in contract income.

Restricted funds arise from income granted to Community Transport that can be used only for the purposes specified in the grant. Our Treasurer regularly monitors the costs allocated against grants and reviews progress against the budget for each grant.

Designated Reserve funds are used to maintain adequate security for known risks. At 31 March 2019 these totalled £145,000 for: Core Costs (allowing for 3 months' core staff, premises, running and other costs); for Redundancy (to enable WFCT to reduce services or wind up because of unexpected losses of funding, to ourselves or our member groups); and Working Capital (to manage cash). The amounts designated are reasonable, although it would be desirable if funds allow to increase the element of Core Costs to 6 months' costs.

Excluding designated funds, general unrestricted reserves total £149,257 at 31 March 2019.

Responsibilities of the members of the Management Committee

The members of the Management Committee (who are also trustees of Waltham Forest Community Transport for the purposes of charity law and directors for the purposes of company law) are responsible for preparing the Report of the Management Committee and the financial statements, in accordance with applicable law and United Kingdom Accounting Practice (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the 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 period. In preparing these financial statements, the members are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable for charities preparing their accounts in accordance with FRS 102;
- ◆ make judgements and estimates that are reasonable and prudent;

Report of the Management Committee Year to 31 March 2019

Responsibilities of the members of the Management Committee (continued)

- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with Companies Act 2006. The members 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.

In so far as the Management Committee is aware:

- ♦ there is no relevant audit information of which the charitable company's auditor is unaware; and
- ♦ the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The members are responsible for the maintenance and integrity of the corporate and financial information included on charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.



Company Secretary

Date: 18.10.2019

Independent auditor's report to the members of Waltham Forest Community Transport Limited

Opinion

We have audited the financial statements of Waltham Forest Community Transport Limited (the 'charitable company') for the year ended 31 March 2019 which comprise the statement of financial activities, the balance sheet, and statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2019 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 charitable company'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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, which is also the directors' report 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 trustees' report, which is also the directors' report for the purposes of company law, 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 trustees' report [including the strategic 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 trustees 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 trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company 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 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 trustees 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Finch (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

Date:

14/11/19

Statement of financial activities Year to 31 March 2019

	Notes	Unrestricted general funds £	Restricted funds £	Designated funds £	Total funds 2019 £	Total funds 2018 £
Income and expenditure						
Income from:						
Grants and donations	3	15,033	86,360	—	101,393	23,341
Investments		—	—	—	—	15
Charitable activities	4	1,100,065	—	—	1,100,065	897,140
Total income		1,115,098	86,360	—	1,201,458	920,496
Expenditure on:						
Charitable activities		1,054,836	14,830	—	1,069,666	903,208
Total expenditure	5	1,054,836	14,830	—	1,069,666	903,208
Net income		60,262	71,530	—	131,792	17,288
Transfers	12	—	—	—	—	—
Net movement in funds	13	60,262	71,530	—	131,792	17,288
Funds brought forward 1 April 2018	10,11	88,995	7,620	145,000	241,615	224,327
Funds carried forward at 31 March 2019		149,257	79,150	145,000	373,407	241,615

The statement of financial activities includes all gains and losses in the year, and therefore a separate statement of total recognised gains and losses has not been prepared.

All of the above amounts are related to continuing activities.

Balance sheet 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	7		15,700		35,457
Current assets					
Debtors and pre-payments	8	201,374		161,252	
Loan to East CT CIC	15	35,250		35,250	
Cash at bank and in hand		185,729		89,955	
		<u>422,353</u>		<u>286,457</u>	
Current liabilities					
Creditors and accrued expenses	9	64,646		80,299	
Net current assets			357,707		206,158
Total net assets			<u>373,407</u>		<u>241,615</u>
The funds of the charity:					
Funds and reserves					
Unrestricted					
. General			149,257		88,995
. Designated	10		145,000		145,000
Restricted funds	11		79,150		7,620
			<u>373,407</u>		<u>241,615</u>

These financial statements were approved by the members of the Management Committee on 18th October 2019 and signed on its behalf by:

Riley

Date: 18/10/19

Company registration number: 03073284

The notes on pages 19 to 23 form part of these accounts.

Statement of cash flows Year to 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	95,774	7,874
Cash flows from investing activities:			
Proceeds from the disposal of tangible fixed assets		—	—
Purchase of tangible fixed assets		—	—
Net cash used in investing activities		—	—
Change in cash and cash equivalents in the year		95,774	7,874
Cash and cash equivalents at 1 April 2018	B	89,955	82,081
Cash and cash equivalents at 31 March 2019	B	185,729	89,955

Notes to the statement of cash flows for the year to 31 March 2019.

A Reconciliation of net movement in funds to net cash provided by operating activities

	2019 £	2018 £
Net movement in funds (as per the statement of financial activities)	131,792	17,288
Adjustments for:		
Depreciation charge	19,757	19,757
Surplus on disposal of tangible fixed assets	—	—
Decrease (increase) in debtors	(40,122)	(98,233)
Decrease in creditors	(15,653)	39,062
Loan Repayment	—	30,000
Net cash provided by operating activities	95,774	7,874

B Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	185,729	89,955
Total cash and cash equivalents	185,729	89,955

Principal accounting policies 31 March 2019

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 March 2019.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the financial statements, the members of the management committee have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the members of the management committee to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ apportionment of expenditure across each activity.

Assessment of going concern

The members of the management committee have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

Assessment of going concern (continued)

The members of the management committee of the charity have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due. The most significant areas of judgement that affect items in the accounts are detailed above.

Fund accounting

Unrestricted general funds are available for use at the discretion of the members in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the members for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Income recognition

All income is included in the statement of financial activities when the charitable company 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 when the charity becomes unconditionally entitled to the grant.
- ◆ Grant income which is related to performance and specific deliverables, is accounted for as the charity earns the right to consideration by its performance.
- ◆ Donated services and facilities are included at the value to the charitable company where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- ◆ Investment income is included when received.
- ◆ Income from charitable activities is accounted for when earned.

Expenditure

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:

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.

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged on a straight line basis over the period of the lease.

Tangible fixed assets

Capital expenditure on items costing £500 or over is depreciated at rates designed to write off the costs over the estimated useful lives of the assets, calculated on the straight line method, less any residual value. First-year depreciation on assets costing more than £5,000 is calculated pro rata in the year in which they were purchased. Improvements to premises will be written off, on the straight line method, over the life of the lease during which the expenditure is incurred.

Depreciation is provided at the following annual rates on a straight-line basis in order to write off each asset over its estimated useful life:

- | | |
|--------------------|----------------|
| ♦ Office equipment | 25% on cost |
| ♦ Vehicles | 10-20% on cost |

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Notes to the financial statements Year to 31 March 2019

1 Company limited by guarantee

Waltham Forest Community Transport Limited is a company limited by guarantee, and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amounts as may be required, not exceeding £5, to the assets of the charitable company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

2 Taxation

Waltham Forest Community Transport is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

3 Grants and donations

	Unrestricted funds £	Restricted funds £	Designated funds £	2019 £
Department for Transport, Bus Service Operators	13,900	—	—	13,900
Power to Change Walthamstow & Chingford Almshouses	—	75,000	—	75,000
Hobson Charity	—	11,360	—	11,360
Cygnus Trust	—	—	—	—
St James' Big Local	—	—	—	—
Donations	1,133	—	—	1,133
Total funds	15,033	86,360	—	101,393

	Unrestricted funds £	Restricted funds £	Designated funds £	2018 £
Department for Transport, Bus Service Operators	10,563	—	—	10,563
Big Lottery (Big Day Out)	—	—	—	—
Hobson Charity	—	3,000	—	3,000
Cygnus Trust	—	625	—	625
St James' Big Local	—	4,000	—	4,000
Other Donations	5,153	—	—	5,153
Total funds	15,716	7,625	—	23,341

Grant providers have reservation of title to those assets acquired with their capital grants, in the event of the company ceasing to exist.

Notes to the financial statements Year to 31 March 2019

4 Income from charitable activities

	Unrestricted funds	
	2019 £	2018 £
Committed bookings fees and fares	816,258	611,539
Membership fees (net of VAT)	2,879	2,901
Community vehicle use	268,755	260,620
Training to third parties	12,173	22,080
Total funds	1,100,065	897,140

5 Total resources expended

	Charitable activities					Total funds 2019 £
	Committed Bookings £	Casual Bookings £	Driving School £	East CT £	Governance £	
Costs directly allocated to activities						
. Staff	129,699	42,709	1,918	—	—	174,326
. Vehicles	256,621	86,444	3,881	—	—	346,946
. Audit fee	—	—	—	—	—	—
. Statutory	—	—	—	—	906	906
. Medical	—	—	—	—	525	525
. Marketing	—	3,810	—	—	—	3,810
. Consultancy	3,236	1,066	48	12,000	—	16,350
. Driving School	—	—	3,893	—	—	3,893
. Other direct costs	—	—	—	—	—	—
Support cost allocated to activities						
. Staff	252,912	83,284	3,739	—	—	339,935
. Premises	7,440	2,450	110	—	—	10,000
. Office running costs	23,965	7,892	354	—	2,118	34,329
. Contracted out	118,947	—	—	—	—	118,947
. Other support costs	14,656	4,826	217	—	—	19,699
Total funds	807,476	232,481	14,160	12,000	3,549	1,069,666

	Charitable activities					Total funds 2018 £
	Committed Bookings £	Casual Bookings £	Driving School £	East CT £	Governance £	
Costs directly allocated to activities						
. Staff	115,629	49,312	5,101	—	—	170,042
. Vehicles	196,765	83,914	8,681	—	—	289,360
. Audit fee	—	—	—	—	4,890	4,890
. Statutory	—	—	—	—	372	372
. Medical	—	—	—	—	553	553
. Marketing	—	2,558	—	—	—	2,558
. Consultancy	1,360	580	60	12,262	—	14,262
. Driving School	—	—	6,775	—	—	6,775
Support cost allocated to activities						
. Staff	184,723	78,779	8,150	—	—	271,652
. Premises	6,712	2,863	296	—	—	9,871
. Office running costs	20,131	8,585	888	—	254	29,858
. Contracted out	77,967	—	—	—	—	77,967
. Other support costs	17,033	7,264	751	—	—	25,048
Total funds	620,320	233,855	30,702	12,262	6,069	903,208

Costs are apportioned across charitable activities based on the proportion of income received for that activity during the year.

5 Total resources expended (continued)

Comparative information for expenditure, by fund, is as follows:

Expenditure	Unrestricted funds £	Restricted funds £	Designated funds £	Total funds 2018 £
Charitable activities	896,262	6,946	—	903,208
Total expenditure	896,262	6,946	—	903,208

6 Staff costs and emoluments

	2019 No.	2018 No.
Average number of employees (FTE)	22	19

	2019 £	2018 £
Wages and salaries	470,412	402,681
Social security costs	24,803	25,798
	495,215	428,479
Other staff costs	19,046	13,214
	514,261	441,693

No employee received emoluments of more than £60,000 in the year (2018: Nil).

The aggregate remuneration of key management personnel (Director and Fleet Supervisor) totalled £86,115 (2018: £68,787).

Member remuneration and related party transactions: none (2018: none).

No members received any remuneration during the year (2018: none).

Expenses amounting to £13 (2018: £Nil) were reimbursed to, or paid on behalf of, one members of the Management Committee (2018: none).

Notes to the financial statements Year to 31 March 2019

7 Tangible assets

	Office Equipment £	Vehicles £	Total £
Cost			
At 1 April 2018	29,198	240,611	269,809
Disposals	(29,198)	—	(29,198)
At 31 March 2019	—	240,611	240,611
Depreciation			
At 1 April 2018	29,198	205,154	234,352
Disposals	(29,198)	—	(29,198)
Annual charge	—	19,757	19,757
At 31 March 2019	—	224,911	224,911
Net book value			
At 31 March 2019	—	15,700	15,700
At 31 March 2018	—	35,457	35,457

8 Debtors and prepayments

	2019 £	2018 £
Trade debtors	109,701	88,396
Other debtors	15,290	49,777
Accrued Income	44,523	—
Prepayments	18,728	10,873
VAT recoverable	13,132	12,206
	201,374	161,252

9 Creditors and accrued expenses, amount falling due within one year

	2019 £	2018 £
Trade creditors	40,654	53,615
Accruals	14,626	5,000
Other creditors	236	11,114
Social Security and other taxes	8,740	10,180
Payroll creditor	390	390
	64,646	80,299

10 Restricted funds

	As at 1 April 2018 £	Income £	Expenditure £	As at 31 March 2019 £
Morrisons Foundation	5,620	—	(5,620)	—
Hobson Charity	2,000	—	(2,000)	—
Walthamstow and Chingford Almshouses	—	11,360	(1,324)	10,036
Power to Change	—	75,000	(5,886)	69,114
	7,620	86,360	(14,830)	79,150

	As at 1 April 2017 £	Income £	Expenditure £	As at 31 March 2018 £
Morrisons Foundation	6,941	—	(1,321)	5,620
Hobson Charity	—	3,000	(1,000)	2,000
Cygnus Trust	—	625	(625)	—
St James' Big Local	—	4,000	(4,000)	—
	6,941	7,625	(6,946)	7,620

Purposes of restricted income funds:

- ◆ Power to Change is for development in Newham.
- ◆ Morrisons Foundation supported the Excursions Club.
- ◆ Walthamstow & Chingford Almshouses donated £11,360 for driver training.
- ◆ Cygnus Trust and St James' Big Local grants of £625 and £4,000 towards Excursions were received and spent during the year
- ◆ Hobson Charity granted £3,000 towards Excursions, of which £1,000 was spent in the year and the remaining £2,000 is expected to be spent in 2018/19.

11 Designated funds

	As at 1 April 2018 £	Transfers £	As at 31 March 2019 £
Core costs	60,000	—	60,000
Redundancy fund	25,000	—	25,000
Working Capital	60,000	—	60,000
	145,000	—	145,000

11 Designated funds (continued)

	As at 1 April 2018 £	Transfers £	As at 31 March 2018 £
Core costs	67,500	(7,500)	60,000
Redundancy fund	25,000	—	25,000
Unfunded depreciation	20,000	(20,000)	—
Working Capital	—	60,000	60,000
Emergency vehicle replacement	62,500	(62,500)	—
	<u>175,000</u>	<u>(30,000)</u>	<u>145,000</u>

Purposes of designated funds:

- ♦ Core costs are to cover 3 months' costs for permanent staff, premises and office and running expenses etc.
- ♦ The redundancy fund is to cover the cost of reducing services or winding up and is based on statutory redundancy levels.
- ♦ Working capital is to provide cash, allowing for delays awaiting payments against our invoices.

12 Net movement in funds

This is stated after charging:

	2019 £	2018 £
Depreciation	19,757	19,757
Auditor's remuneration	4,650	4,890
Operating lease charges		
. Plant and machinery	<u>126,020</u>	<u>97,471</u>

13 Operating lease commitments

At 31 March 2019, the total minimum lease payments under non-cancellable operating leases were:

	2019 £	2018 £
Operating lease commitments:		
Within one year	98,016	31,212
Between one to five years	311,607	70,539
Over five years	—	—
Total	<u>409,623</u>	<u>101,751</u>

14 Related parties

East CT Community Interest Company ('East CT') is a wholly-owned subsidiary of WFCT, set up to undertake commercial trading. It has not yet traded. Robert Belam (WFCT Chair), Helen Tredoux (WFCT Company Secretary) and Richard Mundy (WFCT Treasurer) are directors of East CT. WFCT has loaned £32,500 to East CT to cover start-up costs and working capital. The loan is repayable on demand. East CT has been set up to provide transport solutions in East London with an emphasis on accessible and affordable transport for the widest range of local individuals, groups and organisations. As such the granting of the loan is considered to be within the charitable objects of WFCT. Furthermore, the sole beneficiary of East CT CIC is WFCT.

Owing to the nature of the WFCT operations and the composition of the members of the Management Committee, being drawn from local organisations, it is inevitable that transactions will take place with organisations in which a member may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

14 Comparative information

	Notes	Unrestricted general funds £	Designated funds £	Restricted funds £	Total funds 2018 £
Income and expenditure					
Income from:					
Grants and donations		15,716	—	7,625	23,341
Investments		15	—	—	15
Charitable activities		897,140	—	—	897,140
Disposal of fixed assets		—	—	—	—
Total income		912,871	—	7,625	920,496
Expenditure on:					
Charitable activities		896,262	—	6,946	903,208
Total expenditure		896,262	—	6,946	903,208
Net income (expenditure) before transfers		16,609	—	679	17,288
Transfers		30,000	(30,000)	—	—
Net income (expenditure) and movement in funds		46,609	(30,000)	679	17,288
Funds brought forward 1 April 2017		42,386	175,000	6,941	224,327
Funds carried forward at 31 March 2018		88,995	145,000	7,620	241,615