

# REGISTRAR OF COMPANIES

## HCT Group

### Annual Report and Financial Statements

31 March 2017

Company Limited by Guarantee  
01747483 (England and Wales)

Charity Registration Number 1091318

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

<b>Trustees</b>	P Brennan C Hewitt A Levitt Sir V Cable (Chair) E Siegel R Sewell A Ross J Winter
<b>Chief Executive Officer</b>	D Powell OBE
<b>Secretary</b>	J Smart
<b>Registered office</b>	1 <sup>st</sup> Floor 141 Curtain Road London EC2A 3BX
<b>Company registration number</b>	01747483 (England and Wales)
<b>Charity registration number</b>	1091318
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Canada Place Canary Wharf London E14 5AH
<b>Solicitors</b>	Bates Wells & Braithwaite LLP 10 Queen Street Place London EC4R 1BE

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

Profits are then reinvested into high-social impact transport services or projects in the communities we serve, and into providing training opportunities for people who are long-term unemployed – making a real difference to people's lives.

HCT Group exists for an explicit social purpose. Our mission is:

To enhance people's lives, provide opportunities and bring people and communities together through transport and training.

Each year, we seek new and better ways of delivering on our social mission. In 2016/17, we have taken our innovative Social Impact Bond for Travel Training from the drawing board and into practice, seeking to improve the independence of disabled young people through travel training. Our first Impact Bond-funded programme is now active, with further authorities coming on board. We believe that this approach is high impact, entirely scalable and financially sustainable for ourselves, our social investors and our commissioners.

We have also seen a major potential change in our operating environment. In the very last moments before the dissolution of Parliament in advance of the June election, The Bus Services Act passed into law. This provides commissioning authorities with a whole host of new options to make their public transport genuinely meet the needs of their communities, unlock innovation and create social change. These options range from full partnerships that co-ordinate services and ticketing to franchising to improve passenger services.

HCT Group has played a significant role in supporting the Act, sharing our positive experience of franchising in Jersey with legislators, commissioners and other stakeholders. As a consequence, we enter this new era well placed to work with authorities as they consider which options will best enable them to meet their community's needs.

We are increasingly convinced that a public bus service run for public benefit, not private profit, can make a significant difference to people's lives. To test this hypothesis, we have conducted what we believe to be the largest study on the social impact of a mainstream bus service undertaken anywhere, ever, looking at the difference our mainstream bus service in Jersey is making. These results, presented in a Jersey-specific social impact report, will help us as we continue to campaign for positive change.

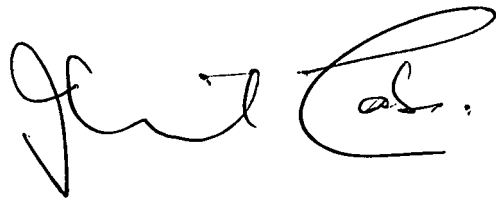
I would like to thank the Board of Directors, the management team and staff across the organisation for their work over the last year and the success that they have achieved.

I would also like to thank our partners in commissioning authorities and the other stakeholders with whom we work for supporting the delivery of our services and the development of our ideas, all seeking to improve people's lives. HCT Group is an organisation built around its values – and these values are shared by many of the other organisations with which we work.

At the same time as we publish this report, we also publish our Social Impact report. Our impact explores in depth the difference we have been making in our communities over the past year. To build the truest possible picture of HCT Group, I would urge all readers of these accounts to also review the companion document.

Sir Vince Cable

HCT Group Chair

A handwritten signature in black ink, appearing to read 'Vince Cable', written in a cursive style.

At HCT Group, we believe that the best way to be a sustainable social enterprise is to be an *effective* enterprise. Our commercial success enables our community impact. As a consequence, it is imperative that we can maintain a strong business performance.

HCT Group has seen strong growth in 2016/17, with turnover increasing from £44.19m in 2015/16 to £49.90m, representing 12.9% growth over the past year. Our growth has been driven by the start of several new Transport for London (TfL) red bus routes – Routes 26, W11, W16, 397 and W19, the start of our SEN transport contract for the London Borough of Wandsworth and a contract to provide specialist SEN transport for the London Borough of Hammersmith and Fulham.

HCT Group has also seen growth in profit, recording a surplus of £457k (excluding the impact of the Social Access merger) in 2016/17 as compared to £214k in 2015/16. Positively, this increase means that profits have grown significantly faster than turnover.

The profit figures, though positive, mask a much stronger business performance at operational level across the Group. Like many other businesses for whom fuel is a primary input, our profitability has been seriously affected by the decline in the value of the pound and subsequent increase in the cost of diesel.

A defining characteristic of 2016/17 has been a very strong performance in business development, with a series of contract wins that point to significant, profitable growth in 2017/18. Most notably, has been the award of three TfL red bus routes – Routes 397, W11 and W16, whose full year impact will be felt in 2017/18.

We have also successfully retained six TfL red bus routes which were up for retender – Routes 309, 385, 394, 388, W12 and W13. Each contract from TfL runs for up to 7 years, providing a strong platform for future growth.

Once again, we have increased bus patronage in Jersey – and have done so every year that we have operated on the island. In 2016/17 we have also produced our first ever Jersey-specific social impact report, setting out the difference that our services are making. Our work in Jersey is gaining widespread recognition, winning the Improvement to Bus Services Award at the National Transport Awards; in the words of the transport commissioner for the States of Jersey, "there are Jersey tomatoes, Jersey cows and now Jersey buses."

We have also made significant progress in our ambitions for our Bristol operation, set to bear fruit in 2017/18. We have been awarded a contract by Bristol City Council to operate four mainstream bus routes in under-served areas of the city.

Our community transport operation in Bristol has also secured a grant to maintain our high impact services – an impact that can only increase as Social Access - Bristol's other major Community Transport operator - joined HCT Group in March 2017.

HCT Group exists to have a positive social impact – helping to break down the barriers to access for the most vulnerable in our society. In 2016/17 our high-social impact services have made a real contribution to our communities.

**Individual transport:** The most vulnerable in our society are the most likely to be affected by poor access. In 2015, people with mobility difficulties made 38% fewer trips than people with no mobility difficulties<sup>1</sup>. HCT Group provides a range of individual transport services to help older and disabled people to get out and about. In 2016/17 these services provided a total of 232,841 passenger trips. The services directly seek to reduce social isolation – and more than 7 out of 10 (71%) these service users said that they felt less lonely as a consequence.

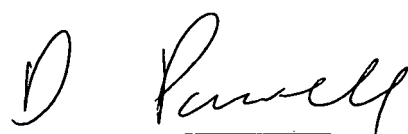
**Group Transport:** HCT Group support a wonderfully diverse range of community groups by providing Group Transport – the subsidised, accessible minibuses we have operated since our inception in 1982. The social impact of community groups is extraordinary and each has a story to tell. By providing transport we are a part of that story, acting as a critical enabler for the social impact of others. In 2016/17, these services provided a total of 101,018 passenger trips. Over four out of five (82%) of our Group Transport users said that their ability to get out and about had improved as a consequence.

**Learning Centre:** Our Learning Centre's primary goal is to support people who are unemployed in building the skills and confidence to move into sustainable employment, creating a step change in their life chances. Working with some of the hardest to reach groups in education, in 2016/17, 98% of the Learning Centre's learners completed their courses, with 96% attaining a qualification – leading to 132 known job outcomes.

Taking our commercial performance alongside our social impact, I am tremendously proud of what HCT Group has achieved in 2016/17 – and I look forward to 2017/18 with confidence and optimism.

Dai Powell OBE

Chief Executive

A handwritten signature in black ink, appearing to read 'D Powell', is written over a horizontal line.

<sup>1</sup> Department for Transport (2016) National travel survey: 2015, ONS

The trustees, who are directors of the charity, present their report together with the consolidated financial statements for the year ended 31 March 2017. This trustees' report has been prepared in accordance with the Charities Act 2011 and is also the report of the directors for purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies as set out later in this document and comply with the charity'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).

### **Principal aims and objectives**

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

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

- a) to provide community transport services for people who are in need of such services because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public transport; and
- b) the relief of unemployment for public benefit through the provision of training programmes.

The objects of HCT Group are carried out by the holding company and its nine active direct subsidiary companies.

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

HCT Group is a registered charity and is incorporated as a company limited by guarantee and governed by its Memorandum and Articles of Association. It is managed by its Board of Trustees who are the trustees and directors of the charity. New trustees and directors are selected and appointed for a fixed term of office by the Board.

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

New trustees are provided with an induction to the charity, which includes an induction pack introducing the organisation and its activities, and outlines the rights and responsibilities of charity trustees. Prior to the first meeting a trustee is introduced to senior staff within the HCT Group, requested to sign the Code of Conduct and to make a declaration concerning conflicts of interest. Trustees are invited to visit the organisation whilst services are in operation, and are encouraged to do so throughout their term of office.



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

Following a governance review it was decided that the Regional Advisory Committees could be replaced with a different arrangement to more effectively engage with communities. In order to keep the social mission at the forefront of our business decisions, we have a rolling programme of direct stakeholder outreach in each of our operating regions. We meet regularly with local community leaders, elected officials and heads of community groups to understand local priorities.

We also conduct direct outreach with service users to better understand their needs – through surveys, focus groups and open user or passenger meetings. These enable us to remain accountable to passengers or service users, take feedback, listen to concerns and explore new ideas.

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

In addition there is a Social Impact Advisory Committee, which meets twice a year to review our social impact.

The Chief Executive Officer is Dai Powell OBE. He has been supported during the year by the Chief Financial Officer, John Smart and the Chief Operations Officer, Jane Desmond. These three post holders are known as the Chief Officers and they form the core of the senior management team, together with the heads of department and project managers.

The Board of Trustees make strategic decisions and the day-to-day operations of the charity are managed by the Chief Officers of HCT Group, delegated to other staff members, as appropriate.

**Trustees**

The trustees in office during the year were as follows:

	From/To
Sir V Cable	From 22/09/16
P Brennan	
C Hewitt	
E Siegel	
R Sewell	From 01/11/16
A Levitt	
J Moseley	To 22/09/16
A Ross	
A Whitehead	To 22/09/16
J Winter	

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

**Key management personnel**

The key management personnel have been classified as the three Chief Officers who served during the year. They are ably supported by the Senior Management Team which comprises of the three Regional Directors and heads of service from Community Transport, Business Development, Communications, Engineering, Training and Education, Finance, HR and Innovation.

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

### **Key management personnel** (continued)

The remuneration of the Chief Officers is determined by the Governance Committee giving due regard to current market rates and delivery of the business plan.

### **Objectives and activities**

The primary objectives of HCT Group are to provide community transport services to those who are in need of such services because of age, sickness, disability (mental or physical) or poverty, or because of a lack of availability of adequate and safe public transport, and also the relief of unemployment for public benefit through the provision of training programmes.

HCT Group pursues its primary objectives by securing income on a continuing basis that allows it to provide services which fulfil the criteria set down in its Memorandum and Articles of Association, as stated in the previous paragraph. Income is secured from three primary sources; commercial contracts (via its trading subsidiaries), grant funding, and under service level agreements with local authorities and other government agencies. The commercial contracts are with public sector bodies under which HCT Group aims to deliver a service that offers best value, in terms of quality and price, to both service users and its contractors.

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

The activities of the Group are set out in the Strategic Report.

### **Statement of trustees' responsibilities**

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the group for that period.

In preparing these financial statements, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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

- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Each of the trustees confirms that:

- ♦ so far as the trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- ♦ the trustee has taken all the steps that he/she ought to have taken as a trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

**Employees**

HCT Group is committed to equal opportunities in its employment practices and encourages the employment of people with disabilities.

Signed on behalf of the board of trustees:



R SEWELL

Trustee

Approved by the board on: 26/06/17

### **Statement of public benefit**

When setting the objectives and planning the work of the charity for the year the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The HCT Group Social Impact Report gives full details of the work that we do, including statistics of benefits provided to the communities. Rather than re-iterate the text of the Social Impact Report here, readers are asked to refer to that document.

### **Achievements and performance**

The charity and group's achievements and performance for the year are set out in the Chair's report and the Chief Executive's report.

### **Financial review**

In the year to 31 March 2017, there was net income of £756,680 (2016 – £389,175) before net actuarial losses on final salary pension schemes. After the actuarial loss on the defined benefit pension schemes of £26,000 (2016 – gain of £48,000) the total net movement of funds was a surplus of £730,680 (2016 – surplus of £437,175). This includes income of £299,955 in respect of the merger with Social Access Limited. The results are set out in the consolidated statement of financial activities and the notes thereto.

### **Reserves**

The charity has four reserves funds.

The restricted funds represent monies received by the charity which are subject to restrictions on their use, but which have not yet been expended.

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

The general fund represents the free working capital of the charity which enables it to plan and operate its services.

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

### **Reserves policy**

At 31 March 2017 the balance of the charity's reserves was £4.6m (2016 – £3.9m). None of these reserves were held for restricted purposes (2016 – £nil).

The balance on the charity's pension reserve as at 31 March 2017 was a deficit of £259,000 (2016 – deficit of £186,000). The charity maintains a designated fund representing all the general funds that have been invested in tangible fixed assets and therefore are not readily available for working capital purposes. The balance on the designated fund at 31 March 2017 was £2.2m (2016 – £1.6m).

## **Financial review** (continued)

### ***Reserves policy*** (continued)

After deducting the funds mentioned above, the balance on the charity's general reserves as at 31 March 2017 was £2.6m (2016 - £2.4m). The charity temporarily financed the development of its Walthamstow site through its general reserves. Confirmed funds in excess of £1m will be drawn down in the next financial period specifically in relation to this project. Adjusting for this temporary timing issue, the charity's general fund balance would be in excess of £3.2m as at 31 March 2017.

The charity is reliant on a number of income streams and is also subject to fluctuations in the cost of its activities. The charity needs to maintain a level of reserve so that it can continue its operations in the event that an unforeseen shortfall in voluntary income or increase in costs creates an imbalance of funding.

The trustees have taken a risk based approach in calculating the amount that is required to be held in reserves.

In assessing the amount of reserves required to be held the risk of a shortfall in income or an increase in cost is estimated and a sum held to cover the potential shortfall for each element of the charity's income and expenditure. The risk weightings range from 3% to 10% depending on the nature of the activities.

Based on these calculations, the trustees estimate that a total of £3.8m (2016 - £2.7m) is required representing approximately 3 weeks of budgeted spend for the year 2017/18. The charity's reserves are therefore broadly in line with the requirement identified by the trustees.

The trustees will continue to build the reserves in order to accommodate expansion of the charity, by improving the profitability of commercial contracts which it operates through its subsidiaries and retaining those profits in the charity.

### **Plans for the future**

The group's business plan identifies the need to grow in order to deliver increased social impact. The conclusion of the fund-raising in the prior year gave the group the financial footing to achieve that growth.

### **Risk management**

The trustees have made an assessment of the risks to which the charity and its subsidiaries are exposed, particularly with respect to finance, staff, premises and governance. The major risks to which the charity is exposed have been identified and the trustees are satisfied that systems are in place to mitigate those risks.

### **Risk management (continued)**

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

<b>Risk</b>	<b>Procedures to mitigate risk</b>
The group is unable to meet its budget due to cost increases or reduction in income.	We have invested in management capacity and capability to ensure both delivery and financial monitoring are robust.
Substantial loss of contracted or commissioned income and failure to win tenders for existing or new work, resulting in failure to continue to deliver key impact services in regions.	We have strengthened our Business Development Unit bidding team and continue to develop closer working relationships with existing procurers to add value to existing contracts. We prioritise new contracts in existing areas to reduce reliance on one source of contractual income in a region. The Business Development Strategy identifies clear priorities for future development.
Failure to develop and maintain a sufficiently skilled management workforce to discharge core functions across the group.	Succession planning and management development programme is part of our HR Strategy, which is being rolled out over the next 3 years.
The high standards of safety expected by our passengers is not achieved.	We carry out regular health and safety checks on our vehicles and premises, the results of which are considered regularly by the Board of Trustees. We also ensure that all our staff are trained to the highest relevant standard.

### **Financial instruments**

The charity's principal financial instruments include bank overdrafts, loans and bonds of various forms, the main purpose of which is to raise finance for the charity's operations. In addition, the charity has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

### **Liquidity risk**

The charity manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the charity has sufficient liquid resources to meet the needs of its operations.

**Risk management** (continued)

***Credit risk***

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

Signed on behalf of the board of trustees:

A handwritten signature in black ink, appearing to read 'R Sewell', with a stylized flourish at the end.

Trustee

**R SEWELL**

Approved by the board on: **26/06/17**

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

We have audited the financial statements of HCT Group for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

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

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

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

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



**Opinion on financial statements**

In our opinion the financial statements:

- ◆ give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

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

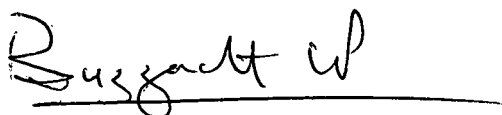
In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Trustees' report including the Strategic Report.

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

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the Trustees' report including the Strategic Report.

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

- ◆ the information given in the trustees report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.



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

30 June 2017

Buzzacott LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

## Consolidated statement of financial activities Year to 31 March 2017

	Notes	Total 2017 funds £	Total 2016 funds £
<b>Income from:</b>			
Donations	1	571,134	527,030
Charitable activities			
. Income from transport services	2	49,333,798	43,667,200
<b>Total income</b>		<b>49,904,932</b>	<b>44,194,230</b>
<b>Expenditure on:</b>			
Charitable activities			
. Community transport	3	2,638,682	2,949,738
. Public sector contracts	3	45,391,770	39,789,168
. Training programmes	3	1,086,691	1,238,867
Other			
. Loss on disposal of tangible fixed assets		31,109	1,918
<b>Total expenditure</b>		<b>49,148,252</b>	<b>43,979,691</b>
<b>Net gains on investments</b>	23	—	174,636
<b>Net income for the year</b>	6	<b>756,680</b>	<b>389,175</b>
<b>Other recognised (losses) gains:</b>			
Actuarial (losses) gains on pension schemes	16	(26,000)	48,000
<b>Net movement in funds</b>		<b>730,680</b>	<b>437,175</b>
<b>Total funds brought forward at 1 April 2016</b>		<b>3,852,801</b>	<b>3,415,626</b>
<b>Total funds carried forward at 31 March 2017</b>		<b>4,583,481</b>	<b>3,852,801</b>

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

Included within income from donations is £299,955 (2016 - £nil) in respect of the net assets acquired upon merger with Social Access Limited (see note 22).

Included within income from donations are restricted grants totalling £15,072 (2016 - £260,928) which were fully expended during the year (see note 18). All other income is unrestricted.

**Group and charity balance sheets 31 March 2017**

	Notes	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
<b>Fixed assets</b>					
Tangible fixed assets	7	12,705,940	12,423,666	5,384,596	4,192,092
Investment property	8	—	260,000	—	260,000
		<u>12,705,940</u>	<u>12,683,666</u>	<u>5,384,596</u>	<u>4,452,092</u>
<b>Current assets</b>					
Stock		604,626	500,704	469	—
Debtors	9	6,466,409	4,010,058	7,689,128	4,156,647
Cash at bank and in hand		1,170,773	2,591,195	445,514	351,379
Total current assets		<u>8,241,808</u>	<u>7,101,957</u>	<u>8,135,111</u>	<u>4,508,026</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	10	(6,170,547)	(5,401,856)	(5,543,736)	(2,910,847)
<b>Net current assets</b>		<u>2,071,261</u>	<u>1,700,101</u>	<u>2,591,375</u>	<u>1,597,179</u>
<b>Total asset less current liabilities</b>		<u>14,777,201</u>	<u>14,383,767</u>	<u>7,975,971</u>	<u>6,049,271</u>
Creditors: amounts falling due after more than one year	11	(9,759,582)	(10,163,512)	(6,156,027)	(5,855,728)
Provisions for liabilities	15	(175,138)	(181,454)	—	—
<b>Net assets excluding pension liabilities</b>		<u>4,842,481</u>	<u>4,038,801</u>	<u>1,819,944</u>	<u>193,543</u>
Net pension liabilities	16	(259,000)	(186,000)	—	—
<b>Net assets including pension liabilities</b>		<u>4,583,481</u>	<u>3,852,801</u>	<u>1,819,944</u>	<u>193,543</u>
<b>The funds of the group:</b>					
Restricted funds	18	—	—	—	—
Unrestricted funds:					
Designated fund	19	2,242,441	1,642,281	—	—
General fund		2,600,040	2,396,520	1,819,944	193,543
Pension reserve	16	(259,000)	(186,000)	—	—
<b>Total group funds</b>		<u>4,583,481</u>	<u>3,852,801</u>	<u>1,819,944</u>	<u>193,543</u>

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



Trustee **R SEWELL**

Approved by the board on: **26/06/17**

# Consolidated Statement of cash flows Year to 31 March 2017

	Notes	2017 £	2016 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	A	889,128	2,108,069
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		—	367
Proceeds from the disposal of tangible fixed assets		480,314	1,441,500
Proceeds from sale of investment property		260,000	—
Purchase of tangible fixed assets		(2,342,732)	(3,430,018)
<b>Net cash used in investing activities</b>		<b>(1,602,418)</b>	<b>(1,988,151)</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(996,942)	(3,722,173)
Cash inflows from new borrowing		—	3,675,000
<b>Net cash used in financing activities</b>		<b>(996,942)</b>	<b>(47,173)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(1,710,232)</b>	<b>72,745</b>
<b>Cash received on merger</b>		<b>289,810</b>	<b>—</b>
<b>Cash and cash equivalents at 1 April 2016</b>	B	<b>2,591,195</b>	<b>2,518,450</b>
<b>Cash and cash equivalents at 31 March 2017</b>	B	<b>1,170,773</b>	<b>2,591,195</b>

## Notes to the statement of cash flows for the year to 31 March 2017.

### A Reconciliation of net income to net cash flow provided by operating activities

	2017 £	2016 £
<b>Net income (as per the statement of financial activities)</b>	<b>756,680</b>	<b>389,175</b>
<b>Adjustments for:</b>		
Depreciation charge	1,785,509	1,690,976
Social Access Limited merger	(299,955)	—
Unrealised gain on investment property	—	(174,636)
Pension charge	69,000	45,000
Net interest from pension scheme	8,000	4,000
Deficit on disposal of tangible fixed assets	31,109	29,997
Interest receivable	—	(367)
Interest payable	593,012	1,066,238
(Increase) decrease in stocks	(103,922)	72,229
Increase in debtors	(2,456,351)	(431,775)
(Decrease) increase in provisions	(6,316)	(180,688)
(Decrease) increase in creditors	512,362	(402,080)
<b>Net cash provided by operating activities</b>	<b>889,128</b>	<b>2,108,069</b>

### B Analysis of cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,170,773	2,591,195
<b>Total cash and cash equivalents</b>	<b>1,170,773</b>	<b>2,591,195</b>

## **Principal accounting policies Year to 31 March 2017**

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 accounts have been prepared for the year to 31 March 2017.

The accounts 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 accounts.

The accounts have been prepared in accordance with 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) (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 accounts are presented in sterling and are rounded to the nearest pound.

### **Critical accounting estimates and areas of judgement**

Preparation of the accounts requires the trustees and management to make significant judgements and estimates.

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

- ◆ the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge;
- ◆ the provision against doubtful and bad debts in respect to income from charitable activities;
- ◆ the allocation of overheads and governance costs between charitable expenditure categories;
- ◆ estimates in respect to accrued expenditure;
- ◆ estimates applied in calculating the self-insurance provision; and
- ◆ actuarial assumptions used in calculating the defined benefit pension liability.

## **Principal accounting policies Year to 31 March 2017**

### **Assessment of going concern**

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

The trustees 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. With regard to the next accounting period, the year ending 31 March 2018, the most significant areas that affect the level of reserves held by the charity is the performance on transport services contracts (see the risk management section of the trustees' report for more information).

### **Basis of consolidation**

The consolidated statement of financial activities and group balance sheet consolidate the financial statements of HCT Group and its subsidiaries, Transport Co-ordination Centre Hackney Limited, CT Plus Community Interest Company, CT Plus (Yorkshire) Community Interest Company, Knowsley Community Transport, Lambeth and Southwark Community Transport, Leeds Alternative Travel Limited, Bristol Community Transport, CT Plus Guernsey Limited, Social Access Limited and CT Plus Jersey Limited made up at the balance sheet date as HCT group either owns the entire share capital of the subsidiary or assumes control of the entity.

### **Income recognition**

Income is recognised in the period in which the charity is entitled to the income, the amount of income can be measured reliably and it is probable that the income will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it, for example contractual income, or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as income from charitable activities where these amount to a contract for services, but as donations where the money is given or with greater freedom of use, for example monies for core funding.

No separate statement of financial activities has been presented for HCT Group alone, as permitted by s408 of the Companies Act 2006 and paragraph 24.36 of SORP 2015.

The parent charity HCT Group had total income of £7,263,461 (2016 – £2,117,689) and net expenditure of £1,915,208 for the year ended 31 March 2017 (2016 - £1,058,740).

## Principal accounting policies Year to 31 March 2017

### **Expenditure recognition and the basis of apportioning costs**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Costs incurred up front in connection with long-term contracts are included in prepayments and released over the life of the contract.

Expenditure comprises direct costs and support costs, including any attributable VAT which cannot be recovered. All expenses are allocated or apportioned to the applicable expenditure headings.

Expenditure comprises the following:

- a. The costs of charitable activities comprise expenditure on the charity's primary charitable purposes as described in the trustees' report.

Such costs include:

- ◆ staff costs
- ◆ premises costs, equipment and utilities
- ◆ professional fees.

The majority of costs are directly attributable to specific activities. Certain shared support costs are apportioned to charitable activities.

- b. Indirect costs are apportioned on a basis which reflects the overall activity of head office.
- c. Office costs and property related costs are allocated in the same proportion as directly attributable staff costs.
- d. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

### **Tangible fixed assets**

All assets costing more than £500 and with an expected useful life of more than one year are capitalised.

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates based on the estimated useful life of the assets as follows:

- |   |  |
|---|--|
| ◆ Motor vehicles – buses and large mini-buses | straight line basis over periods between 10 and 17 years |
| ◆ Motor vehicles – other                      | straight line basis over 7 years                         |
| ◆ Fixtures and fittings                       | 25% reducing balance                                     |
| ◆ Plant and equipment                         | 25% reducing balance                                     |

## Principal accounting policies Year to 31 March 2017

### Tangible fixed assets (continued)

- |                          |                                   |
|--------------------------|-----------------------------------|
| ♦ IT equipment           | straight line basis over 3 years  |
| ♦ Portacabins            | straight line basis over 3 years  |
| ♦ Modular buildings      | straight line basis over 20 years |
| ♦ Leasehold improvements | over the length of the lease      |

No depreciation is provided on freehold land.

### Investment property

Assets held for the purposes of generating a financial return are held at open market value based on offers received in writing. Revaluation gains and losses are included within the statement of financial activities.

### Pensions

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

Eligible employees of CT Plus Community Interest Company are offered membership of the London Borough of Waltham Forest Pension Fund or the Avon Pension Fund. The London Borough of Waltham Forest Pension Fund and the Avon Pension Fund are defined benefit schemes and are able to identify CT Plus Community Interest Company's share of assets and liabilities of the schemes. The requirements of FRS 102 in respect of defined benefit pension schemes have been followed.

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

### 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. Deposits for more than three months but less than one year have been disclosed as short term deposits. Cash placed on deposit for more than one year is disclosed as a fixed asset investment.

### 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.



## **Principal accounting policies** Year to 31 March 2017

### **Creditors and provisions** (continued)

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.

Payments received to finance the costs of travel training programs are included in creditors until the respective costs of the program have been incurred. These payments constitute non-recourse debt.

### **Fund accounting**

The reserves of the charity are as follows:

Restricted funds comprise monies set aside for particular projects or purposes in accordance with the instructions of the grantor.

Designated funds represent the net book value of tangible fixed assets held at the balance sheet date which are not readily realisable into liquid funds less the related finance lease obligations and loans.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

### **Social Access Limited**

On 13 March 2017, HCT Group merged with Social Access Limited, a Bristol-based community transport organisation (company no: 6834538, registered charity no: 1128593). Social Access Limited has a wholly-owned subsidiary, Social Access Enterprises Limited (company no: 06802970). The merger will allow the combined operations of Social Access and Bristol Community Transport to provide a more cohesive and cost effective service for the people of Bristol and the surrounding communities.

On this date, HCT Group acquired all the assets, liabilities and activities of Social Access Limited. The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations. Details are given in note 22.

### **Leased assets**

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

Assets held under finance leases are capitalised and depreciated over their useful lives. The corresponding lease obligation is treated in the balance sheet as a liability. The interest element is charged against income over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

## **Principal accounting policies Year to 31 March 2017**

### **Stock**

Stock represents the cost, net of VAT, as at 31 March 2017 of diesel, vehicle parts, oils/ lubricants and other vehicle related consumables.

### **Term deposits**

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

### **Taxation**

The parent charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the parent charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes

The subsidiary companies are not normally liable for corporation tax as they gift aid any taxable profits arising during the year to the parent charity.

## 1 Donations

Group	2017 Total funds £	2016 Total funds £
Community Transport Grants		
. Transport for London – vehicle upgrade grant	—	175,000
. London Borough of Hackney grant - Neighbourhood Renewal Fund	—	100,000
. Big Lottery Fund grant (note 18)	15,072	85,928
. Travel training grant	90,000	—
. Bristol City Council – grant	166,107	166,102
. Transfer of net assets from Social Access Limited*	299,955	—
<b>2017 Total funds</b>	<b>571,134</b>	<b>527,030</b>

\*On 13 March 2017, HCT Group merged with Social Access Limited, a Bristol-based community transport charitable company. Further details of the merger are included in note 22.

## 2 Income from transport services

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

Group	2017 Total funds £	2016 Total funds £
Public Sector Contracts		
. Bus Operations	39,856,222	34,657,433
. Home to School Transport	5,857,593	5,480,686
Community Transport		
. Contracts	421,600	386,028
. Group Transport	1,349,325	1,259,572
. ScootAbility	141,000	152,960
Other	655,081	654,973
Training Programmes	1,052,977	1,075,548
<b>2017 Total funds</b>	<b>49,333,798</b>	<b>43,667,200</b>

### 3 Total expenditure

	Basis of allocation	Community transport £	Public sector contracts £	Training programmes £	Total 2017 £	Total 2016 £
<b>Costs directly allocated to activities</b>						
Provision of transport services						
. Bus operations	Direct	—	34,952,779	—	34,952,779	30,432,419
. Home to school transport	Direct	—	7,043,881	—	7,043,881	5,850,048
. Community Transport Contracts	Direct	258,276	—	—	258,276	239,351
. Group transport	Direct	1,712,957	—	—	1,712,957	2,031,228
. ScootAbility	Direct	112,934	—	—	112,934	74,506
. Community Bus Service	Direct	125,338	—	—	125,338	93,758
. Other	Direct	309,375	—	—	309,375	346,486
Training Programmes						
. Driver training programmes	Direct	—	—	1,010,141	1,010,141	1,138,287
<b>Support costs allocated to activities</b>						
Governance costs (note 4)	Turnover	3,744	79,107	2,392	85,243	78,711
Other staff	Turnover	29,342	831,542	18,749	879,633	980,286
Management	Turnover	30,559	866,017	19,526	916,102	804,313
Premises costs	Turnover	11,514	326,305	7,357	345,176	329,694
Office costs	Turnover	5,747	162,870	3,672	172,289	166,557
Other costs	Turnover	20,651	612,245	13,196	646,092	1,128,792
Legal and professional fees	Turnover	12,101	342,935	7,732	362,768	178,962
Depreciation	Turnover	6,143	174,091	3,925	184,159	104,377
<b>2017 Total funds</b>		<b>2,638,682</b>	<b>45,391,770</b>	<b>1,086,691</b>	<b>49,117,143</b>	<b>43,977,773</b>

### 4 Governance costs

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Statutory auditor's remuneration	52,520	—	52,520	51,250
Other audit and assurance	18,232	—	18,232	18,050
Other governance costs	14,491	—	14,491	9,411
	<b>85,243</b>	<b>—</b>	<b>85,243</b>	<b>78,711</b>

## 5 Staff costs

	2017 £	2016 £
Wages and salaries	25,609,469	23,413,311
Social security	2,154,047	1,898,657
Pension costs	773,844	707,281
Redundancy costs	44,223	—
	<b>28,581,583</b>	<b>26,019,249</b>
Agency staff	1,727,929	457,203
	<b>30,309,512</b>	<b>26,476,452</b>

Redundancy costs above were paid to two members of staff for the period (2016 – none). HCT Group accounts for redundancy payments on an accruals basis.

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2017 Number	2016 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	2	3
£80,001 - £90,000	2	2
£110,001 - £120,000	2	3
£120,001 - £130,000	—	1
£140,001 - £150,000	1	—
	<b>11</b>	<b>13</b>

The total remuneration paid to the key management personnel in the year was £364,186 (2016 - £436,450).

The trustees received no remuneration for their services during the year (2016 – none). One trustee (2016 – 3) was reimbursed for travel expenses of £147 during the year (2016 – £925).

Charity and charity trustees' indemnity insurance has been purchased to protect the charity from the neglect or defaults of its trustees, employees and agents and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity for the year totalled £2,035 (2016 – £2,026) and provides cover of up to a maximum of £2,000,000 (2016 – £2,000,000).

The average number of employees during the year was 1,170 (2016 – 941):

	2017 £	2016 £
Operations	1,077	837
Engineering (infrastructure)	38	17
Transport unit	7	6
Management and finance	38	70
Training	10	11
	<b>1,170</b>	<b>941</b>

## 6 Net income

This is stated after charging:

Group	2017 £	2016 £
Depreciation	1,785,509	1,690,976
Loss on disposal of tangible fixed assets	31,109	1,918
Auditor's remuneration		
· Audit fees	52,520	51,250
· Other services	13,232	10,300
Other auditor's remuneration	5,000	7,750
Bank deposit interest	—	3,665
Interest payable in respect of finance leases	376,662	324,315
Interest payable in respect of loans	216,350	340,363

## 7 Fixed assets

Group	Leasehold improve- ments £	IT and office equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Freehold land and buildings £	Total £
Opening cost	338,662	790,904	189,951	1,098,192	16,558,969	648,690	3,308,073	22,933,441
Additions	42,009	35,486	13,476	140,768	752,121	19,811	1,339,061	2,342,732
Acquired on merger	—	11,561	—	—	816,502	—	—	828,063
Disposals	(54,709)	(11,785)	—	—	(926,821)	—	(254,355)	(1,247,670)
<b>Closing cost</b>	<b>325,962</b>	<b>826,166</b>	<b>203,427</b>	<b>1,238,960</b>	<b>17,200,771</b>	<b>668,501</b>	<b>4,392,779</b>	<b>24,856,566</b>
Opening depreciation	192,310	681,472	141,340	559,073	8,631,689	303,891	—	10,509,775
Depreciation on disposals	(54,708)	(3,536)	—	—	(785,378)	—	—	(843,622)
Acquired on merger	—	10,551	—	—	688,414	—	—	698,965
Charge for the year	47,120	62,268	12,271	162,296	1,416,318	37,801	47,435	1,785,509
<b>Closing depreciation</b>	<b>184,722</b>	<b>750,755</b>	<b>153,611</b>	<b>721,369</b>	<b>9,951,043</b>	<b>341,692</b>	<b>47,435</b>	<b>12,150,627</b>
<b>Net book value 2017</b>	<b>141,240</b>	<b>75,411</b>	<b>49,816</b>	<b>517,591</b>	<b>7,249,728</b>	<b>326,809</b>	<b>4,345,344</b>	<b>12,705,940</b>
<b>Net book value 2016</b>	<b>146,352</b>	<b>109,432</b>	<b>48,611</b>	<b>539,119</b>	<b>7,927,280</b>	<b>344,799</b>	<b>3,308,073</b>	<b>12,423,666</b>

**7 Fixed assets (continued)**

Charity	Leasehold improve- ments £	IT and office equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Modular buildings £	Freehold land and buildings £	Total £
Opening cost	182,632	523,600	113,281	126,607	988,188	564,467	3,308,072	5,806,847
Additions	—	43,786	15,197	7,749	244,266	—	1,339,062	1,650,060
Acquired on merger	—	10,551	—	—	816,502	—	—	827,053
Disposals	—	(8,249)	—	—	—	—	(254,355)	(262,604)
<b>Closing cost</b>	<b>182,632</b>	<b>569,688</b>	<b>128,478</b>	<b>134,356</b>	<b>2,048,956</b>	<b>564,467</b>	<b>4,392,779</b>	<b>8,021,356</b>
Opening depreciation	94,890	444,772	107,542	94,567	577,199	295,785	—	1,614,755
Acquired on merger	—	10,551	—	—	688,414	—	—	698,965
Charge for the year	29,646	51,602	1,738	10,965	153,431	28,223	47,435	323,040
<b>Closing depreciation</b>	<b>124,536</b>	<b>506,925</b>	<b>109,280</b>	<b>105,532</b>	<b>1,419,044</b>	<b>324,008</b>	<b>47,435</b>	<b>2,636,760</b>
<b>Net book value 2017</b>	<b>58,096</b>	<b>62,763</b>	<b>19,198</b>	<b>28,824</b>	<b>629,912</b>	<b>240,459</b>	<b>4,345,344</b>	<b>5,384,596</b>
<b>Net book value 2016</b>	<b>87,742</b>	<b>78,828</b>	<b>5,739</b>	<b>32,040</b>	<b>410,238</b>	<b>268,682</b>	<b>3,308,072</b>	<b>4,192,092</b>

**Finance Leases**

The net book value of tangible fixed assets of the group includes an amount of £3,830,836 (2016 - £4,436,727) in respect of assets held under finance leases on which the depreciation charge for the year was £605,891 (2016 - £616,261).

**Borrowings**

HSBC Bank plc has a floating charge over all current and future assets of HCT Group, CT Plus Community Interest Company, CT Plus (Yorkshire) Community Interest Company, CT Plus Guernsey Limited and CT Plus Jersey Limited with respect to its overdraft and borrowing facilities.

Triodos Bank N.V. has a 1<sup>st</sup> legal charge over the freehold property at Chingford Road, Walthamstow, London.

Esmee Fairbairn Foundation, Bridge House Estates, Big Issue Invest Social Enterprise Investment Fund II LP, Big Issue Invest Limited, Social and Sustainable Capital LLP, The Phone Co-op Limited and FSE Social Impact Accelerator have a floating charge over all current and future assets of HCT Group, CT Plus Community Interest Company, CT Plus (Yorkshire) Community Interest Company, CT Plus Guernsey Limited and CT Plus Jersey Limited.

## 8 Investment property

	2017 £
Group and charity	
As at 1 April 2016	260,000
Sale of investment property	(260,000)
Total value as at 31 March 2017	—

The transmission mast was reclassified as an investment property due to being held for sale and was revalued in 2015/16 at £260,000. The valuation for this was based on the offers received when the asset was held for sale. During the year, the mast was sold for proceeds of £260,000.

## 9 Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	3,098,051	1,844,288	267,916	222,278
Amount due from LAT Community Interest Company	—	—	33,823	504
Amount due from TCCH	—	—	34,483	4,893
Amount due from CT Plus Community Interest Company	—	—	3,789,322	2,288,637
Amount due from CT Plus Jersey Limited	—	—	1,081,370	500,000
Amount due from Lambeth and Southwark Community Transport	—	—	—	25,285
Amount due from LaSCoT Limited	—	—	165,108	124,517
Amount due from Islington Community Transport	—	—	2,655	2,664
Amount due from West Hull Community Transport	—	—	104,854	104,854
Amount due from Bristol Community Transport	—	—	28,806	(927)
Amount due from CT Plus Guernsey Limited	—	—	802,532	—
Amount due from CT Plus Yorkshire Limited	—	—	54,824	—
Prepayments	1,510,064	494,029	713,666	682,197
Other debtors	1,858,294	1,671,741	609,769	201,745
	<b>6,466,409</b>	<b>4,010,058</b>	<b>7,689,128</b>	<b>4,156,647</b>



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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	1,601,064	1,840,957	730,719	901,474
Amount due to CT Plus Yorkshire Limited	—	—	947,682	101,914
Amount due to TCCH	—	—	20,425	—
Amount due to C T Plus Community Interest Company	—	—	457,922	—
Amount due to Lambeth and Southwark Community Transport	—	—	758,154	300,000
Amount due to LAT	—	—	100,000	—
Amount due to BCT	—	—	141,401	137,922
Amount due to BCT Community Interest Company	—	—	64,813	64,813
Amount due to CT Plus Jersey Limited	—	—	1,034,046	1,044,674
Amount due to CT Plus Guernsey	—	—	525,063	157,272
Amount due to Lambeth and Southwark Community Transport	—	—	—	300,000
Taxation and social security	813,053	733,428	102,735	89,999
Other creditors	2,027,124	1,182,187	55,625	(181,447)
Obligations under finance leases (note 13)	659,756	835,654	63,886	—
Accruals	925,392	767,411	397,107	252,034
Travel training finance payments	100,000	—	100,000	—
Loans (note 12)	44,158	42,219	44,158	42,219
	<b>6,170,547</b>	<b>5,401,856</b>	<b>5,543,736</b>	<b>2,910,874</b>

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

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Obligations under finance leases (note 13)	3,831,738	4,307,783	228,181	—
Loans (note 12)	5,927,844	5,855,729	5,927,846	5,855,728
	<b>9,759,582</b>	<b>10,163,512</b>	<b>6,156,027</b>	<b>5,855,728</b>

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

## 12 Loan commitments

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Within one year	<b>44,158</b>	42,219	<b>44,158</b>	1,023,175
Between two and five years	<b>5,099,040</b>	5,439,184	<b>5,099,040</b>	180,874
Over five years	<b>828,807</b>	416,545	<b>828,807</b>	3,132,186
	<b>5,972,005</b>	5,897,948	<b>5,972,005</b>	4,336,235

£5,250,000 of the loans are secured (see note 7) and either have a fixed rate of interest (4.75%) or have a rate of interest that varies depending on the turnover of the business. £1,113,060 of the loans are secured by a fixed charge on the property at Walthamstow. Interest rates are variable at 2% above base rate with a minimum of 2.5%.

## 13 Finance lease commitments

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Within one year	<b>659,756</b>	835,654	<b>63,886</b>	—
Between two and five years	<b>1,928,444</b>	2,365,910	<b>228,181</b>	—
Over five years	<b>1,903,294</b>	1,941,873	—	—
	<b>4,491,494</b>	5,143,437	<b>292,067</b>	—

#### 14 Operating lease commitments

At 31 March 2017 the group had the following total future commitments under non-cancellable operating leases:

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
<b>Motor vehicles</b>				
Operating lease payments which fall due:				
Within one year	3,551,969	848,756	—	—
Between two and five years	8,848,782	818,374	—	—
After five years	3,851,462	—	—	—
	<b>16,252,213</b>	<b>1,667,130</b>	<b>—</b>	<b>—</b>
<b>Land and buildings</b>				
Operating lease payments which fall due:				
Within one year	240,817	278,257	140,949	144,889
Between two and five years	797,927	1,045,744	684,401	825,350
	<b>1,038,744</b>	<b>1,324,001</b>	<b>825,350</b>	<b>970,239</b>
<b>Equipment</b>				
Operating lease payments which fall due:				
Within one year	20,484	20,484	—	—
Between two and five years	6,828	27,312	—	—
	<b>27,312</b>	<b>47,796</b>	<b>—</b>	<b>—</b>

#### 15 Self-insurance provision

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Provision at the beginning of the year	181,454	362,142	—	—
Utilised during the year	(256,329)	(388,427)	—	—
New provision for 2016/17	250,013	207,739	—	—
Provision carried forward	<b>175,138</b>	<b>181,454</b>	<b>—</b>	<b>—</b>

Self-insurance provisions are made to meet the costs of ongoing claims where a small proportion of the liability falls upon HCT Group. The majority of these claims relate to the current year and are expected to be settled within the next year.

## 16 Pension commitments

	2017 £	2016
Group pension liabilities		
a) The London Borough of Waltham Forest Pension Scheme	(126,000)	(75,000)
b) Avon Pension Fund	(133,000)	(111,000)
	<b>(259,000)</b>	<b>(186,000)</b>

### a) The London Borough of Waltham Forest Pension Scheme

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

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

Contributions payable by CT Plus Community Interest Company are determined on the basis of triennial valuations carried out by a qualified actuary using the projected unit method. The employer contributions for the year were £30,000 (2016: £30,000).

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

Latest actuarial valuation	31 March 2016
Actuarial method	Ongoing
Investment returns per annum	6.5%
Average inflation per annum	2.2%
Salary increases per annum	3.7%
Market value of assets of Whole Scheme at date of last valuation	£716m
Proportion of members' accrued benefits covered by the actuarial value of the assets	70%

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

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

**16 Pension commitments (continued)**

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

The financial assumptions used to calculate Scheme liabilities under FRS 102, Section 28 are as follows:

	At 31 March 2017 % pa	At 31 March 2016 % pa
Inflation	2.3	2.1
Discount rate	2.5	3.7
Rate of increase in salaries	3.0	3.6
Rate of increase for pensions in payment	2.3	2.1

The mortality assumptions used were as follows:

	2017 years	2016 years
Longevity at age 65 for current pensioners		
. Men	22.4	23.2
. Women	25.4	25.6
Longevity at age 65 for future pensioners		
. Men	24.6	25.5
. Women	27.7	28.0

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

	Value at 31 March 2017 £'000	Value at 31 March 2016 £'000
Property	100	67
Equities	853	873
Other bonds	175	201
Cash	(13)	54
Other	138	148
Total market value of assets	1,253	1,343
Present value of Scheme liabilities	(1,379)	(1,418)
Surplus (deficit) in the Scheme	(126)	(75)

**16 Pension commitments** (continued)

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

Total expenditure recognised in the Statement of Financial Activities

	2017 £'000	2016 £'000
Current service cost	43	17
Interest cost	3	49
Expected return on scheme assets	(33)	(47)
<b>Total expenditure recognised in SOFA</b>	<b>13</b>	<b>19</b>

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

	2017 £'000	2016 £'000
Scheme liabilities at 1 April 2016	1,418	1,458
Current service cost	43	47
Interest cost	53	49
Contributions by scheme participants	11	12
Actuarial losses (gains)	(134)	(116)
Benefits/Transfers paid	(12)	(32)
<b>Scheme liabilities at 31 March 2017</b>	<b>1,379</b>	<b>1,418</b>

**Contributions**

The total contributions made by the employer in the year have been £30,000 (2016: £31,000).

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 March 2017 is £25,000.

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

	2017 £'000	2016 £'000
Fair value of scheme assets at 1 April 2016	1,343	1,365
Expected return on scheme assets	50	47
Actuarial (losses) gains	(167)	(79)
Administration expenses	(2)	(1)
Contributions by employer	30	31
Contributions by scheme participants	11	12
Benefits/Transfers paid	(12)	(32)
<b>Fair value of scheme assets at 31 March 2017</b>	<b>1,253</b>	<b>1,343</b>

**16 Pension commitments (continued)**

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

The actual return on the scheme assets for the year ended 31 March 2017 was a loss of £211,000.

	2017 %	2017 £	2016 %	2016 £
Difference between the expected and actual return on scheme assets:				
. Amount		(211,000)		(79,000)
. Percentage of scheme assets	16.8		5.9	
Experience gains and (losses) on scheme liabilities:				
. Amount		481,000		116,000
. Percentage of the present value of the scheme liabilities	34.9		8.2	
Total amount recognised in other gains and losses				
. Amount		(33,000)		37,000
. Percentage of the present value of the scheme liabilities	2.4		2.6	

b) Avon Pension Fund

The Avon pension fund is a defined benefit scheme.

Contributions payable by Bristol Community Transport are determined on the basis of triennial valuations carried out by a qualified actuary using the projected unit method. The employer contributions for the year were £nil (2016 – £nil).

## 16 Pension commitments (continued)

### b) Avon Pension Fund (continued)

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

Latest actuarial valuation	31 March 2016
Actuarial method	Ongoing
Investment returns per annum	4.4%
Average inflation per annum (CPI)	2.2%
Salary increases per annum – long term	3.7%
Market value of assets at date of last valuation	£3,737m
Proportion of members' accrued benefits covered by the actuarial value of the assets	86%

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

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

The financial assumptions used to calculate Scheme liabilities under FRS 102, Section 28 are as follows:

	At 31 March 2017 % pa	At 31 March 2016 % pa
Inflation	2.3	2.0
Discount rate	2.5	3.5
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment	2.0	2.0

The mortality assumptions used were as follows:

	2017 years	2016 years
Longevity at age 65 for current pensioners		
Men	23.5	23.5
Women	26.0	26.0
Longevity at age 65 for future pensioners		
Men	26.0	25.9
Women	28.7	28.9

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



**16 Pension commitments (continued)**

b) Avon Pension Fund (continued)

	Value at 31 March 2017 £'000	Value at 31 March 2016 £'000
Property	67	65
Equities	404	380
Government bonds	93	56
Other bonds	61	87
Cash	9	9
Other	141	107
Total market value of assets	775	704
Present value of Scheme liabilities	(908)	(815)
Deficit in the Scheme	(133)	(111)

Total expenditure recognised in the Statement of Financial Activities:

	2017 £'000	2016 £'000
Current service cost	26	28
Interest cost	27	25
Expected return on scheme assets	(24)	(23)
Total expenditure recognised in SOFA	29	30

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

	2017 £'000	2016 £'000
Scheme liabilities at 1 April 2016	815	811
Current service cost	26	28
Interest cost	27	25
Contributions by scheme participants	5	5
Actuarial losses (gains)	69	(43)
Benefits / Transfers paid	(34)	(11)
Scheme liabilities at 31 March 2017	908	815

**16 Pension commitments (continued)**

b) Avon Pension Fund (continued)

**Contributions**

The total contributions made by the employer for the year to 31 March 2017 have been £nil (2016: £nil).

The best estimate of contributions to be paid by the employer to the scheme for the year beginning after 31 March 2017 is £nil.

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

	2017 £'000	2016 £'000
Fair value of scheme assets at 1 April 2016	704	719
Expected return on scheme assets	24	23
Actuarial gains (losses)	76	(32)
Contributions by employer	—	—
Contributions by scheme participants	5	5
Benefits / transfers paid	134	(11)
<b>Fair value of scheme assets at 31 March 2017</b>	<b>775</b>	<b>704</b>

The actual return on the scheme assets in the year ended 31 March 2017 was £120,000.

	2017 %	2017 £	2016 %	2016 £
Difference between the expected and actual return on scheme assets:				
. Amount		120,000		(32,000)
. Percentage of scheme assets	15.5		4.5	
Experience gains and (losses) on scheme liabilities:				
. Amount		122,000		43,000
. Percentage of the present value of the scheme liabilities	13.4		5.3	
Total amount recognised in other gains and losses:				
. Amount		7,000		11,000
. Percentage of the present value of the scheme liabilities	0.8		1.3	

## 17 Taxation

No provision has been made in these financial statements for income or corporation tax because the charitable activities of HCT Group qualify for exemption under Section 505 of ICTA 1986. Islington Community Transport, West Hull Community Transport, Social Access Limited and Lambeth and Southwark Community Transport, as registered charities, and Leeds Alternative Travel Limited, as an exempt charity, also qualify for exemption under Section 505 of ICTA 1986. The subsidiary companies, CT Plus Community Interest Company, CT Plus (Yorkshire) Community Interest Company, Knowsley Community Transport, Transport Co-ordination Centre Hackney Limited, Social Access Enterprises Limited and Bristol Community Transport donate their taxable profits, if any, to HCT Group each year.

## 18 Restricted funds

Group and charity	At 1 April 2016 £	Income £	Expenditure £	At 31 March 2017 £
Big Lottery Fund	—	15,072	(15,072)	—
	—	15,072	(15,072)	—

*Big Lottery Fund* – A grant was awarded to assist with the start-up cost of a travel training programme.

## 19 Unrestricted funds

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Designated fund	2,242,441	1,642,281	—	—
General fund	2,600,040	2,396,520	1,819,944	193,543
Pension reserve	(259,000)	(186,000)	—	—
	4,583,481	3,852,801	1,819,944	193,543

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

## 20 Status

HCT Group is registered in England and Wales, limited by guarantee and has no share capital. The liability of the members is limited to £1 each. HCT Group is registered with the Charity Commission for England and Wales (Charity Registration Number 1091318 and Company Registration number 01747483).

**20 Status (continued)**

CT Plus Community Interest Company is registered in England and Wales (Company Registration Number 04137890). It has Authorised Share Capital of 1,000 × £1 shares, of which HCT Group owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by CT Plus Community Interest Company are set out in note 24.

CT Plus (Yorkshire) Community Interest Company is registered in England and Wales (Company Registration Number 05629152). It has Authorised Share Capital of 1,000 × £1 shares, of which CT Plus Community Interest Company owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by CT Plus (Yorkshire) Community Interest Company are set out in note 25.

Knowsley Community Transport (KCT) is registered in England and Wales (Company Registration Number 08964168) and is a wholly owned subsidiary of HCT Group. There were no transactions during the year and following the year end, the company has been closed down.

Lambeth and Southwark Community Transport (LaSCoT) is registered in England and Wales, limited by guarantee and has no share capital. The liability of the members is limited to £1. Lambeth and Southwark Community Transport is registered with the Charity Commission for England and Wales (Charity Registration Number 1091621 and Company Registration Number 04352550). Details of transactions undertaken by Lambeth and Southwark Community Transport are set out in note 26.

Transport Co-ordination Centre Hackney Limited is registered in England and Wales, limited by guarantee and has no share capital (Company Registration Number 03689127). Details of transactions undertaken by Transport Co-ordination Centre Hackney Limited are set out in note 27.

Leeds Alternative Travel Limited is an Industrial and Provident Society (Industrial and Provident Society Registration Number IP28657R) with three allotted, called up and fully paid issued shares that are owned by HCT Group, CT Plus Community Interest Company and CT Plus (Yorkshire) Community Interest Company. Details of transactions undertaken by Leeds Alternative Travel Limited are set out in note 28.

Bristol Community Transport is registered in England and Wales, limited by guarantee and has no share capital (Company Registration Number 04749030). Details of transactions undertaken by Bristol Community Transport are set out in note 29.

CT Plus Jersey Limited is registered in Jersey limited by guarantee and has no share capital (Company registration number 110804). It is registered as a charity in Jersey. Details of transactions undertaken by CT Plus Jersey Limited are set out in note 30.

CT Plus Guernsey Limited is registered in Guernsey (Company registration number 54761) It has a share capital of £1. Details of transactions undertaken by CT Plus Guernsey Limited are set out in note 31.

## 21 Related party transactions

Transactions between the charity and its wholly controlled subsidiaries are not disclosed, as permitted by the exemptions set out in Section 33 of FRS 102 (*Related Party Disclosures*).

HCT Group appoints one trustee as a representative of the investors. E Siegel is the Managing Director of Big Issue Invest, which provides loan finance to HCT Group. E Siegel does not take part in any of the trustee meeting discussions surrounding financing decisions and all of the loans have been arranged on an arm's length basis.

HCT Group has representation on the board of SEN Travel Training LLP, but is not considered to have control. SEN Travel Training LLP is a wholly owned subsidiary of Bridges Ventures and A Ross, a trustee, is on the Board of Bridges Ventures. During the year HCT Group received payments of £100k to finance a new travel training scheme. No amounts were owed to or from the LLP at 31 March 2017.

## 22 Social Access Limited

On 13 March 2017, HCT Group merged with Social Access Limited, a Bristol-based community transport organisation (company no: 6834538, registered charity no: 1128593). Social Access Limited has a wholly-owned subsidiary, Social Access Enterprises Limited (company no: 06802970). The merger will allow the combined operations of Social Access and Bristol Community Transport to provide a more cohesive and cost effective service for the people of Bristol and the surrounding communities.

On this date, HCT Group acquired all the assets, liabilities and activities of Social Access Limited. The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations.

The identifiable assets and liabilities transferred comprised:

	£
Tangible fixed assets	129,099
Debtors	42,313
Cash at bank and in hand	289,810
Creditors: amounts falling due within one year	(161,266)
<b>Total income recognised in SOFA</b>	<b>299,955</b>

## 23 Analysis of net assets between funds

Group	Designated fund £	General fund £	Total £
<b>Fund balances at 31 March 2017 are represented by:</b>			
Tangible fixed assets	12,705,940	—	12,705,940
Stock	—	604,626	604,626
Debtors	—	6,466,409	6,466,409
Cash at bank and in hand	—	1,170,773	1,170,773
Creditors: amounts falling due within one year	(703,917)	(5,466,630)	(6,170,547)
Creditors: amounts falling due after one year	(9,759,582)	—	(9,759,582)
Provisions for liabilities	—	(175,138)	(175,138)
Pension liability	—	(259,000)	(259,000)
	<u>2,242,441</u>	<u>2,341,040</u>	<u>4,583,481</u>

The total unrealised gains as at 31 March 2017 constitute a revaluation reserve as defined by the Companies Act 2006. Movements in unrealised gains during the year were as follows:

	2017 £	2016 £
Unrealised gains included above:		
<b>On investment properties</b>	—	174,636
Reconciliation of movements in unrealised gains:		
Unrealised gains at 1 April 2016	174,636	—
Unrealised gains on investment properties arising in the year	—	174,636
Realised on disposal during the year	(174,636)	—
<b>Total unrealised gains at 31 March 2017</b>	<u>—</u>	<u>174,636</u>

Charity	Designated fund £	General fund £	Total £
<b>Fund balances at 31 March 2017 are represented by:</b>			
Tangible fixed assets	5,384,596	—	5,384,596
Stock	469	—	469
Debtors	5,386,700	1,852,428	7,689,128
Cash at bank and in hand	368,174	77,340	445,514
Creditors: amounts falling due within one year	(4,983,912)	(109,824)	(5,543,736)
Creditors: amounts falling due after one year	(6,156,027)	—	(6,156,027)
	<u>—</u>	<u>1,819,944</u>	<u>1,819,944</u>

## 24 CT Plus Community Interest Company

HCT Group holds 100% of the issued share capital of CT Plus Community Interest Company, a company registered in England and Wales.

The following is a summary of the financial statements of CT Plus Community Interest Company for the year ended 31 March 2017, which have been included in the consolidated financial statements.

	2017 £	2016 £
Turnover	27,895,647	22,353,503
Cost of sales	(27,306,932)	(21,555,183)
Operating profit	588,715	798,320
Interest payable	(118,604)	(123,221)
Gift aid	(1,156,270)	(97,446)
Net profit for the year	(686,159)	577,653
Movement in pension fund	(26,000)	48,000
Profit for the year	(712,159)	625,653
Retained profit at 1 April 2016	925,611	299,958
Retained profit at 31 March 2017	213,452	925,611
Called up share capital	1	1
At 31 March 2017	213,453	925,612

## 25 CT Plus (Yorkshire) Community Interest Company

CT Plus Community Interest Company holds 100% of the issued share capital of CT Plus (Yorkshire) Community Interest Company, a company registered in England and Wales.

The following is a summary of the financial statements of CT Plus (Yorkshire) Community Interest Company for the year ended 31 March 2017, which have been included in the consolidated financial statements.

	2017 £	2016 £
Turnover	3,789,489	3,437,407
Cost of sales	(3,805,643)	(3,391,598)
Operating (loss) profit	(7,154)	45,809
Gift aid	—	(54,824)
Net loss for the year	(7,154)	(9,015)
Retained profit at 1 April 2016	10,809	19,824
Retained profit at 31 March 2017	3,655	10,809
Called up share capital	1	1
At 31 March 2017	3,656	10,810

## 26 Lambeth and Southwark Community Transport

Lambeth and Southwark Community Transport became a wholly controlled subsidiary of HCT Group on 1 April 2006.

The following is a summary of the financial statements of Lambeth and Southwark Community Transport for the year ended 31 March 2017, which have been included in the consolidated financial statements.

	2017 £	2016 £
Income	994,708	953,999
Expenditure	(994,053)	(762,942)
Net income	655	191,057
Fund balances at 1 April 2016	470	(190,587)
Fund balances at 31 March 2017	1,125	470

## 27 Transport Co-ordination Centre Hackney Limited

Transport Co-ordination Centre Limited is a company limited by guarantee and wholly controlled by HCT Group.

The following is a summary of the financial statements of Transport Co-ordination Centre Limited for the year ended 31 March 2017, which have been included in the consolidated financial statements.

	2017 £	2016 £
Income	352,099	373,556
Expenditure	(335,542)	(358,549)
Net income	16,557	15,007
Gift aid	(12,315)	—
Net movement in funds	4,242	15,007
Fund balances at 1 April 2016	20,887	5,880
Fund balances at 31 March 2017	25,129	20,887



## 28 Leeds Alternative Travel Limited

Leeds Alternative Travel Limited is an Industrial and Provident Society wholly controlled by HCT Group.

The following is a summary of the financial statements of Leeds Alternative Travel Limited for the year ended 31 March 2017 which have been included in the consolidated financial statements.

	2017 £	2016 £
Income	375,502	451,447
Expenditure	(314,327)	(560,353)
Net expenditure	61,175	(108,906)
Fund balances at 1 April 2016	(53,014)	55,892
Fund balances at 31 March 2017	8,161	(53,014)
Called up share capital	3	3
At 31 March 2017	8,164	(53,011)

## 29 Bristol Community Transport

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

The following is a summary of the financial statements of Bristol Community Transport for the year to 31 March 2017.

	2017 £	2016 £
Income	470,619	459,385
Expenditure	(494,225)	(562,568)
Net expenditure	(23,600)	(103,183)
Gift aid	—	(103)
Net movement on funds	(23,606)	(103,286)
Fund balances at 1 April 2016	399,940	503,226
Fund balances at 31 March 2017	376,334	399,940

### 30 CT Plus Jersey Limited

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

The following is a summary of the financial statements of CT Plus Jersey Limited for the period ended 31 March 2017, which have been included in the consolidated financial statements.

	2017 £	2016 £
Income	9,469,625	9,262,142
Expenditure	(9,032,476)	(8,234,619)
Operating profit for the year	437,149	1,027,523
Gift aid	(260,362)	(224,804)
Net income	176,787	802,719
Fund balances at 1 April 2016	1,852,364	1,549,645
Transfer to parent charity	—	(500,000)
Fund balances at 31 March 2017	2,029,151	1,852,364

### 31 CT Plus Guernsey Limited

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

The following is a summary of the financial statements of CT Plus Guernsey Limited for the period ended 31 March 2017, which have been included in the consolidated financial statements.

	2017 £	2016 £
Turnover	4,852,759	4,904,552
Cost of sales	(4,884,898)	(4,375,210)
Operating profit for the year	(32,139)	529,342
Gift aid	(375,358)	(121,646)
Net profit for the year	(407,497)	407,696
Retained funds at 1 April 2016	514,023	106,327
Funds at 31 March 2017	106,526	514,023

### 32 Social Investment

The Group has received a number of investments from social investors as set out in note 12. These investments take the form of either fixed rate loan notes or variable rate investments where the coupon is determined by various performance aspects of the group. The latter category of investment is akin more to an equity instrument. Under current accounting standards we are required to categorise these investments as loans.

**32 Social Investment (continued)**

However, if they were classified as equity then the balance sheet would be as set out below.

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
<b>Fixed assets</b>				
Tangible fixed assets	12,705,940	12,423,666	5,384,596	4,192,092
Investment property	—	260,000	—	260,000
	<u>12,705,940</u>	<u>12,683,666</u>	<u>5,384,596</u>	<u>4,452,092</u>
<b>Current assets</b>				
Stock	604,626	500,704	469	—
Debtors	6,466,409	4,010,058	7,689,128	4,156,647
Short-term deposits	—	—	—	—
Cash at bank and in hand	1,170,773	2,591,195	445,514	351,379
	<u>8,241,808</u>	<u>7,101,957</u>	<u>8,135,111</u>	<u>4,508,026</u>
<b>Creditors: amounts falling due within one year</b>	<u>(6,170,547)</u>	<u>(5,401,856)</u>	<u>(5,543,736)</u>	<u>(2,910,847)</u>
<b>Net current assets</b>	<u>2,071,261</u>	<u>1,700,101</u>	<u>2,591,375</u>	<u>1,597,179</u>
<b>Total assets less current assets</b>	<u>14,777,201</u>	<u>14,383,767</u>	<u>7,975,971</u>	<u>6,049,271</u>
<b>Creditors: amounts falling due after more than one year</b>	<u>(6,359,582)</u>	<u>(6,763,512)</u>	<u>(2,756,027)</u>	<u>(2,455,728)</u>
Self-insurance provision	<u>(175,138)</u>	<u>(181,454)</u>	<u>—</u>	<u>—</u>
<b>Net assets excluding pension liabilities</b>	<u>8,242,481</u>	<u>7,438,801</u>	<u>5,219,944</u>	<u>—</u>
Net pension liabilities	<u>(259,000)</u>	<u>(186,000)</u>	<u>—</u>	<u>—</u>
<b>Net assets including pension assets</b>	<u>7,983,481</u>	<u>7,252,801</u>	<u>5,219,944</u>	<u>3,593,543</u>
<b>Reserves</b>				
Social Investment	3,400,000	3,400,000	3,400,000	3,400,000
Restricted funds	—	—	—	—
Unrestricted funds:				
· Designated fund	2,242,441	1,642,281	—	—
· General fund	2,341,040	3,396,520	1,819,994	193,543
· Pension reserve	<u>(259,000)</u>	<u>(186,000)</u>	<u>—</u>	<u>—</u>
<b>Total funds</b>	<u>7,983,481</u>	<u>7,252,801</u>	<u>5,219,944</u>	<u>3,593,543</u>