

**Hackney
Community
Transport**

Annual Report and Accounts

31 March 2004



Company Limited by Guarantee
1747483 (England and Wales)

Charity Registration Number 1091318

Trustees	E Cato J Davis L Fargharly R Krishna A Levitt P Newton M Walker A Whitehead
Secretary	E Battson
Registered office	Ash Grove Bus Depot Mare Street London E8 4RH
Registered number	1747483 (England and Wales)
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG
Bankers	Barclays Bank plc 99 Hatton Garden London EC1N 8DN
Solicitors	Herbert Smith Exchange House, Primrose St London EC2A 2ED

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Trustees' report 31 March 2004

The trustees, who are directors of the charitable company, present their report together with the consolidated accounts for the year ended 31 March 2004. This trustees' report has been prepared in accordance with Part VI of the Charities Act 1993 and is also the report of the directors for purposes of the Companies Act 1985.

The accounts have been prepared in accordance with the accounting policies set out on pages 12 to 14 and comply with the charitable company's memorandum and articles of association, applicable laws, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (issued in October 2000).

Principal aims and objectives

Hackney Community Transport, the charity, is a non-profit making community transport organisation with a strong commitment to equal opportunities operating transport and other related services. It has two subsidiary companies, Islington Community Transport, a charity, and CT Plus Limited, a trading company.

The primary objectives of the charity are to provide a community transport service for the inhabitants of the London Borough of Hackney and its neighbourhood 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 to provide driver training programmes with the aim of reducing unemployment.

Islington Community Transport is a non-profit making community transport organisation with a strong commitment to equal opportunities operating transport and other related services. The primary objective of the charity is to provide relief to the residents of Islington and its environs, who have need because of age, mental or physical disability and poverty, by means of a community transport service; and to assist the charitable work of organisations engaged in promoting such provision of services.

CT Plus Limited's primary objective is to carry on any business as a general commercial company.

Organisation

Hackney Community Transport, the charity, is limited by guarantee and governed by its Memorandum and Articles. It is managed by its Management Committee, a body of between 5 and 21 individuals drawn principally from the membership groups of the community transport scheme. The Management Committee are the trustees and directors of the charitable company. At every Annual General Meeting one third of this committee must retire from office; new committee members are elected at the AGM.

The Chief Executive Officer is Dai Powell. He is supported by the Deputy Chief Executive Officer, Jude Winter, the Chief Finance Officer, Elaine Battson and the Chief Operations Officer, Jon McColl. These four postholders are known as the Chief Officers and they form the core of the senior management team, together with the heads of department and project managers.

Organisation (continued)

CT Plus Limited is a wholly owned subsidiary of Hackney Community Transport with an issued share capital of £1. Its directors are John Davis, Andrew Whitehead, Adam Levitt (Chair, Treasurer and Legal Adviser of Hackney Community Transport respectively) and the four Chief Officers of the charity set out in the previous paragraph.

Islington Community Transport is a wholly controlled company limited by guarantee. The Management Committee of Hackney Community Transport are also the trustees/directors of Islington Community Transport.

Review of activities

Hackney Community Transport continued to expand in the year - the most significant element of this being in May 2003 when the third mainstream bus route, the 394, commenced operation. The group also began preparations for the start of a new contract in the neighbouring London Borough of Waltham Forest - see "Future Plans" below.

The charity, Hackney Community Transport, continued to operate its core activities, namely the provision of transport services to community groups at low cost and the operating of services for individuals who are unable to use or have difficulty in using public transport. Its funded Training programmes also continued to be successful in the year. Islington Community Transport provides similar transport services.

As set out in note 21, the bus routes originally intended for operation by CT Plus Limited are currently operated by Hackney Community Transport and the assets, liabilities and expenses incurred by CT Plus in relation to bus routes have been underwritten by Hackney Community Transport.

Towards the end of 2002 CT Plus Limited undertook leases of vehicles in anticipation of the transfer of bus operations from Hackney Community Transport. This transfer was implemented from 1 April 2004.

Results for the year

The group made a surplus of £127,711 for the year ended 31 March 2004 (2003 - £151,989). The results are set out in the statement of financial activities on page 8 and the notes thereto.

Future plans

In 2004/05 it is anticipated that the bus operations currently under contract with Hackney Community Transport, the charity, will be transferred to CT Plus Limited. The contracts are deemed by the Trustees to be within the charitable objects, however, due to the expansion of activities beyond the boundaries of Hackney and its neighbourhood the Trustees believe that they should be operated by CT Plus Limited.

In the latter part of 2003/04 CT Plus Limited was awarded the contract to operate the home-to-school transport of the London Borough of Waltham Forest, which will commence in May 2004. Consequently in 2004/05 the group will be operating from two depots.

Future plans (continued)

It is the intention of the Trustees that CT Plus Limited tender for further contracts both with respect to mainstream bus routes and Local Authority work, and it is anticipated that it will be successful in this as the group now has a proven track record and has demonstrated that it can deliver both in terms of quality and price.

The Trustees have agreed that some of the unrestricted surplus generated in this year will fund one of the Plus Bus routes due to end in 2004/05 (because of the cessation of external funding), therefore continuing a valuable community resource in line with the organisation's charitable objectives.

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.

As a result of this the trustees agreed actions that will minimise the risk to the charity; for example it was identified that due to the expansion of the organisation the premises at the Ash Grove depot have the potential to become over-crowded. New or additional premises are actively being sought, and measures to alleviate any potential problems arising at the depot are being explored.

Reserves policy

At 31 March 2004 the balance on the general reserve was £279,984 (2003 – £86,978). It is the intention of the charity to have between one and three months' staff costs in its general fund. As at March 2004 one month's gross pay equates to £292,219, therefore the balance at the year end represents less than the £292,219 to £876,657 desired.

However, the increase in the general reserve of £193,006 during the year to 31 March 2004 reflects the measures taken by management to ensure that the charity builds its reserves in line with its policy. It is anticipated that these positive results will continue into 2004/2005.

Reserves

The charity has three 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.

A designated fund has been set aside by the trustees. This represents the net book value of fixed assets, which principally comprises of vehicle fleet. This total is net of finance leases and excludes those assets funded from restricted funds. At 31 March 2004 this fund totalled £11,004 (2003 – £37,865).

The general fund represents the working capital of the charity which enables it to plan and operate its services. At 31 March 2004 the surplus on the general fund amounted to £279,984 (2003 – £86,978) and the trustees are actively working to increase this fund.

Reserves (continued)

At 31 March 2004 CT Plus Limited had incurred costs of approximately £0.5 million arising from servicing of leases and related expenses relating to bus routes operated by Hackney Community Transport but intended ultimately to be transferred to the company. A charge of £460,000 has been made from CT Plus Limited to Hackney Community Transport with respect to this.

Shares

The organisation is a company limited by guarantee, having no issued share capital.

Trustees

The trustees in office during the year were as follows:

	Appointed / Resigned
A Barnett	Deceased 1 December 2003
S Bennett	Resigned 10 June 2004
E Cato	
J Davis	
E Dayes	Resigned 10 June 2004
J Diamond	Resigned 10 June 2004
E Eugene	Resigned 10 June 2004
J Gamor	Resigned 10 June 2004
L Fargharly	
R Krishna	Appointed 19 July 2004
A Levitt	
M Lewis	Resigned 10 June 2004
P Newton	
C Turner	Resigned 10 June 2004
M Walker	
A Whitehead	

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

Trustees' responsibilities

Company law requires the trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the profit and loss of the group for that period. In preparing those financial statements, the trustees are required to:-

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Trustees' report 31 March 2004

Trustees' responsibilities (continued)

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Employment policy

Hackney Community Transport is committed to equal opportunities in its employment practices and encourages the employment of people with disabilities.

Auditors

The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board of directors:



Trustee

Approved by the board on: 15/11/04

Independent auditors' report to the members of Hackney Community Transport

We have audited the accounts on pages 8 to 28 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 12 to 14.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 independent auditors

As described on pages 4 and 5, the trustees, who are the directors of Hackney Community Transport, are responsible for the preparation of the trustees' report and accounts in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the trustees' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Independent auditors' report 31 March 2004

Opinion

In our opinion the accounts give a true and fair view of the group's and the charitable company's state of affairs as at 31 March 2004 and of the incoming resources and application of resources, including income and expenditure, of the group in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Buzzacott

Chartered Accountants and Registered Auditors

12 New Fetter Lane

London

EC4A 1AG

27 January 2005

Consolidated statement of financial activities Year to 31 March 2004

	Notes	Unrestricted funds £	Restricted funds £	Total 2004 funds £	Total 2003 funds £
Income and expenditure					
Incoming resources					
Donations, legacies and similar incoming resources:					
. Grants receivable	1	—	954,850	954,850	1,192,236
Incoming resources from activities in furtherance of the charity's objects:					
. Operating income	2	5,238,568	—	5,238,568	2,455,964
Interest receivable		742	—	742	153
Other income:					
. Profit on sale of fixed assets		2,061	90,660	92,721	—
. Management charges		130,000	—	130,000	30,000
. Miscellaneous income		54,635	—	54,635	20,031
Total incoming resources		5,426,006	1,045,510	6,471,516	3,698,384
Resources expended					
Cost of activities in furtherance of the charity's objectives:					
. Cost of services	3	4,807,165	927,531	5,734,696	3,232,097
. Support costs	4	91,448	53,192	144,640	48,342
. Management and administration	5	361,387	103,082	464,469	265,956
Total resources expended		5,260,000	1,083,805	6,343,805	3,546,395
Net incoming resources	7	166,006	(38,295)	127,711	151,989
ICT Fund Balances at 1 April 2003	22	139	133,606	133,745	—
Fund balances at 1 April 2003		124,843	318,316	443,159	291,170
Fund balances at 31 March 2004		290,988	413,627	704,615	443,159

There were no other recognised gains or losses other than the net incoming resources for the above two financial years.

All of the group's activities in the above two financial years derived from continuing operations, except for the activities of Islington Community Transport which are analysed in detail in note 22 to the accounts.

Group and charity balance sheets 31 March 2004

	Notes	Group		Charity	
		2004 £	2003 £	2004 £	2003 £
Fixed assets					
Tangible fixed assets	8	849,230	717,888	712,814	717,888
Current assets					
Stock		26,674	26,114	26,674	26,114
Debtors	9	824,901	793,218	829,766	793,218
Cash at bank and in hand		98,670	1,187	76,603	1,187
		950,245	820,519	933,043	820,519
Creditors: amounts falling due within one year	10	(696,150)	(654,860)	(690,457)	(654,860)
Net current assets		254,095	165,659	242,586	165,659
Total assets less current liabilities		1,103,325	883,547	955,400	883,547
Creditors: amounts falling due after more than one year	11	(398,710)	(440,388)	(398,710)	(440,388)
Net assets		704,615	443,159	556,690	443,159
Reserves					
Restricted funds	16	413,627	318,316	266,422	318,316
Unrestricted funds:					
· Designated fund	17	11,004	37,865	11,004	37,865
· General fund		279,984	86,978	279,264	86,978
		704,615	443,159	556,690	443,159

Signed on behalf of the board of trustees by:

JH Davis

Trustee

Approved by the board on: 15/11/04

Consolidated cash flow statement Year to 31 March 2004

	Notes	2004 £	2003 £
Cash inflow/(outflow) from operating activities	A	378,803	(89,699)
Returns on investments and servicing of finance	C	(32,929)	(7,995)
Capital expenditure and financing investments	C	(136,344)	(122,460)
Financing	C	(52,059)	45,074
Introduction of cash with ICT 01/04/03		27,580	-
Increase in cash	B	185,051	175,080

Notes to the cash flow statement for the year to 31 March 2004.

A Adjustment of net incoming resources before transfers to net cash inflow from operating activities

	2004 £	2003 £
Net incoming resources before transfers	127,711	151,989
Depreciation charge	199,233	98,972
Profit on disposal	(92,721)	-
Interest receivable	(742)	(153)
Interest payable	33,671	8,148
Increase in debtors	(1,433)	(502,471)
Increase in stock	(560)	(26,114)
Increase in creditors	113,644	179,930
Net cash (outflow)/inflow from operating activities	378,803	(89,699)

B Reconciliation of cash flow to movement in net debt

	£
Increase in cash in the year	185,051
Cash outflow from repayments of debt and lease financing	52,059
Change in net debt resulting from cash flows	237,110
Net finance leases	(24,984)
Movement in net debt in the year	212,126
Net debt at 1 April 2003	(572,595)
Net debt at 31 March 2004	360,469

Consolidated cash flow statement Year to 31 March 2004

C Gross cash flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	742	153
Interest element of finance lease rental payments	(29,715)	(5,825)
Interest element of loan payments	(3,956)	(2,323)
	(32,929)	(7,995)
Capital expenditure and financial investment		
Receipts from disposals of tangible fixed assets	210,809	—
Payments to acquire tangible fixed assets	(347,153)	(122,460)
	(136,344)	(122,460)
Financing		
Lease Rental Advance	-	10,640
Loans Received	-	52,019
Capital element of finance lease rental payments	(40,500)	(14,377)
Capital element of loan payments	(11,559)	(3,208)
	(52,059)	45,074

D Analysis of changes in net debt

	At 1 April 2003 £	Cash flows £	Other changes £	At 31 March 2004 £
Cash at bank	1,187	97,483	-	98,670
Overdraft	(88,668)	87,568	-	(1,100)
Finance leases due within one year	(36,886)	40,500	(50,143)	(46,529)
Loan – due within one year	(7,840)	11,559	(16,519)	(12,800)
Finance leases – due after one year	(399,417)	-	25,159	(374,258)
Loans - due after one year	(40,971)	-	16,519	(24,452)
Total	(572,595)	237,110	(24,984)	(360,469)

Major non cash transactions

During the year the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £24,984.

On 1 April the assets and liabilities of Islington Community Transport were brought into the group as set out in note 22.

Principal accounting policies Year to 31 March 2004

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) have been followed in these accounts.

Basis of consolidation

The consolidated statement of financial activities and group balance sheet consolidate the accounts of Hackney Community Transport and its subsidiaries made up at the balance sheet date.

Incoming resources

Incoming resources are recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it, for example contractual income, or where the donor or funder has specified that the income is to be expended in a future accounting period.

Grants from government and other agencies have been included as income from activities in furtherance of the charity's objectives 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 Hackney Community Transport alone, as permitted by s230 of the Companies Act 1985 and paragraph 304 of SORP 2000.

Hackney Community Transport had net incoming resources of £113,531 for the year ended 31 March 2004 (2003 - £151,989).

Principal accounting policies Year to 31 March 2004

Resources expended and the basis of apportioning costs

Expenditure is included in the statement of financial activities when incurred and includes any attributable VAT which cannot be recovered.

Resources expended comprise the following:

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

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity.

Indirect costs are apportioned on a basis which reflects the overall activity of head office. The allocation between cost of services, support costs and management and administration was 70 : 20 : 10 in the year ended 31 March 2004 and 70 : 20 : 10 in the year ended 31 March 2003.

- b. Support costs represent indirect charitable expenditure. In order to carry out the primary purposes of the charity it is necessary to provide support in the form of personnel development, financial procedures, provision of office services and equipment and a suitable working environment.
- c. Management and administration comprises the costs incurred by finance, human resources and directorate departments which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Fixed assets

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 | straight line basis over 7 years |
| ◆ Fixtures and fitting | 25% reducing balance |
| ◆ Plant and Equipment | 25% reducing balance |
| ◆ IT Equipment | straight line basis over 3 years |

Pensions

The charity's contributions to the pension schemes for its employees, all of which are defined contribution schemes, are charged to the income and expenditure account in the period in which they fall due.

Principal accounting policies Year to 31 March 2004

Reserves

The reserves of the charity are as follows:

Restricted funds

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

Designated fund

The capital fund represents the total amount (at cost less depreciation, unamortised restricted grants, and amounts due under finance leases) invested in fixed assets.

General fund

Represents amounts which have been accumulated to provide the working capital for the charity to enable it to carry out its activities.

Leased assets

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

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

Stock

Stock represents the cost, net of VAT, as at 31 March 2004 of diesel, vehicle parts, oils/lubricants and other vehicle related consumables.

Notes to the accounts Year to 31 March 2004

1 Grants Receivable

Grants Receivable are income of the charities Hackney Community Transport and Islington Community Transport.

	2004 £	2003 £
London Borough of Hackney	100,000	129,111
London Borough of Islington	91,824	—
European Social Fund	53,850	184,194
Learning and Skills Council - London East	227,900	185,287
Community Fund (Hackney Community Transport)	79,090	77,305
Community Fund (Islington Community Transport)	60,537	—
Haggerston SRB Partnership	12,500	12,500
Islington Community Transport	—	201,090
Hackney Wick SRB Partnership	80,023	80,000
Hackney Works ILM Programme	—	84,154
New Deal	—	14,920
Urban Futures (formerly North London TEC)	—	2,452
Department of Health	—	20,001
Hackney Action Team	—	3,939
Woodberry Down and Stamford Hill SRB Partnership	42,436	41,200
Finsbury Park SRB Partnership	15,000	15,000
Bridge House Estate Trust Fund (Hackney Community Transport)	35,000	25,000
Bridge House Estate Trust Fund (Islington Community Transport)	30,700	—
Connexions	—	15,325
Working Links	14,160	—
Neighbourhood Renewal Fund	55,000	—
The Learning Trust	30,000	—
Other grants	26,830	100,758
	954,850	1,192,236

The project funded by the London Borough of Hackney, operated by Hackney Community Transport was for a project that provided a community transport service; a range of wheelchair accessible minibuses for use by voluntary and community groups, and a volunteer-run door-to-door service for individuals with disabilities.

Notes to the accounts Year to 31 March 2004

2 Operating income

The analysis of operating revenue, all of which is derived from the UK and relates to Hackney Community Transport, the charity, is as follows:

	2004 £	2003 £
Bus Operations	4,840,587	1,997,497
Contracts	278,314	330,640
Consultancy	—	35,000
Group Transport	40,507	48,844
Door-to-Door	2,323	6,351
Training	76,714	34,115
Other	123	3,517
	5,238,568	2,455,964

3 Cost of services

	Unrestricted funds £	Restricted funds £	2004 Total funds £	2003 Total funds £
Provision of transport services				
. Bus operations	4,494,502	—	4,494,502	1,979,252
. Group transport	—	119,245	119,245	290,442
. Door-to-Door	—	13,844	13,844	32,366
. Contracts	312,663	—	312,663	259,563
. Finsbury Park Plusbus	—	—	—	2,519
. Stamford Hill/ North Hackney Plusbus	—	90,192	90,192	58,325
. Hackney Plusbus	—	69,617	69,617	32,369
. Islington Community Transport	—	141,395	141,395	96,014
. Individual transport	—	—	—	39,602
. Other costs	—	—	—	2,080
	4,807,165	434,293	5,241,458	2,792,532
Training programmes				
. Driver training programmes	—	471,585	471,585	313,127
. Travel training	—	21,653	21,653	34,435
. Hackney Works ILM Programme	—	—	—	92,003
. Other costs	—	—	—	—
	—	493,238	493,238	439,565
Total	4,807,165	927,531	5,734,696	3,232,097

Notes to the accounts Year to 31 March 2004

4 Support costs

	Unrestricted funds £	Restricted funds £	2004 Total funds £	2003 Total funds £
Staff costs	4,004	32,943	36,947	2,484
Premises costs	28,191	4,611	32,802	31,170
Office costs	10,496	9,063	19,559	7,122
Other costs	48,757	6,575	55,332	7,566
	91,448	53,192	144,640	48,342

5 Management and administration

	Unrestricted funds £	Restricted funds £	2004 Total funds £	2003 Total funds £
Staff costs	315,998	90,752	406,750	227,605
Premises costs	13,604	2,329	15,933	14,196
Office costs	4,651	4,415	9,066	4,950
Other costs	27,134	5,586	32,720	19,205
	361,387	103,082	464,469	265,956

6 Staff costs

	2004 £	2003 £
Wages and salaries	3,302,930	1,896,691
Social security	314,348	158,730
Pension costs	72,585	59,615
	3,689,863	2,115,036

The number of employees who earned £50,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2004 Number	2003 Number
£50,000 - £60,000	1	1
£60,000 - £70,000	1	—
	2	1

The trustees receive no remuneration for their services. No expenses have been reimbursed to trustees.

6 Staff costs (continued)

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 £997.50 and provides cover of up to a maximum of £250,000.

The average number of employees during the year was 198 (2003 – 154):

	2004 £	2003 £
Operations	144.5	94
Engineering (Infrastructure)	9.5	7
Transport Unit	3	3
Management and Finance	9	8
Training	9	7
Community Transport Volunteers	23	35
	198	154

7 Net incoming resources

This is stated after charging/(crediting):

	2004 £	2003 £
Depreciation	199,233	98,972
Profit on sale of fixed assets	(92,721)	—
Auditors' remuneration		
· Current year	18,675	9,032
· Underprovision in prior year	(1,074)	909
Bank deposit interest	(1,323)	(153)
Interest payable in respect of finance leases	29,715	5,825
Interest payable in respect of loans	3,956	2,323

Notes to the accounts Year to 31 March 2004

8 Fixed assets

Group	IT Equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2003	109,784	58,588	26,479	1,133,975	1,328,826
Assets of Islington Community Transport at 1 April 2003	—	—	—	229,576	229,576
Revised total at 1 April 2003	109,784	58,588	26,479	1,363,551	1,558,402
Additions	27,371	10,394	6,756	327,616	372,137
Disposals	—	—	—	(326,915)	(326,915)
At 31 March 2004	<u>137,155</u>	<u>68,982</u>	<u>33,235</u>	<u>1,364,252</u>	<u>1,603,624</u>
Depreciation					
At 1 April 2003	38,260	46,772	9,270	516,636	610,938
Assets of Islington Community Transport at 1 April 2003	—	—	—	153,050	153,050
Revised total at 1 April 2003	38,260	46,772	9,270	669,686	763,988
Depreciation on Disposals	—	—	—	(208,827)	(208,827)
Charge for the year	45,788	5,044	5,991	142,410	199,233
At 31 March 2004	<u>84,048</u>	<u>51,816</u>	<u>15,261</u>	<u>603,269</u>	<u>754,394</u>
Net book value					
At 31 March 2004	<u>53,107</u>	<u>17,166</u>	<u>17,974</u>	<u>760,983</u>	<u>849,230</u>
At 31 March 2003	<u>71,524</u>	<u>11,816</u>	<u>17,209</u>	<u>617,339</u>	<u>717,888</u>

Charity	IT Equipment £	Fixtures and fittings £	Plant and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2003	109,784	58,588	26,479	1,133,975	1,328,826
Additions	27,371	10,394	6,756	203,800	248,321
Disposals	—	—	—	(210,915)	(210,915)
At 31 March 2004	<u>137,155</u>	<u>68,892</u>	<u>33,235</u>	<u>1,126,860</u>	<u>1,366,232</u>
Depreciation					
At 1 April 2003	38,260	46,772	9,270	516,636	610,938
Depreciation on Disposals	—	—	—	(131,494)	(131,494)
Charge for the year	45,788	5,044	5,991	117,151	173,974
At 31 March 2004	<u>84,048</u>	<u>51,816</u>	<u>15,261</u>	<u>502,293</u>	<u>653,418</u>
Net book value					
At 31 March 2004	<u>53,107</u>	<u>17,166</u>	<u>17,974</u>	<u>624,567</u>	<u>712,814</u>
At 31 March 2003	<u>71,524</u>	<u>11,816</u>	<u>17,209</u>	<u>617,339</u>	<u>717,888</u>

8 Fixed assets (continued)

Finance Leases

The net book value of tangible fixed assets of the group includes an amount of £397,012 (2003 - £437,034) in respect of assets held under finance leases on which the depreciation charge for the year was £69,308 (2003 - £15,977).

Included above are vehicles with a net book value of £358,387 (2003 - £419,825) held under finance leases in the name of CT Plus Limited at 31 March 2004 which have been treated as beneficially owned by Hackney Community Transport.

Borrowings

NatWest Bank plc has a fixed and floating charge over all current and future assets of Hackney Community Transport with respect to its overdraft facilities. Hackney Community Transport and CT Plus Limited both have overdraft facilities with the bank.

9 Debtors

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Trade debtors	379,769	513,948	364,634	513,948
Amount due from Transport Co-ordination Centre Hackney Limited (note 19)	130,000	62,152	130,000	62,152
Amount due from Hackney Community Recycling (note 19)	—	13,606	—	13,606
Amount due from Islington Community Transport	—	—	20,000	—
Other debtors	213,665	129,720	213,665	129,720
Deferred expenditure	101,467	73,792	101,467	73,792
	824,901	793,218	829,766	793,218

10 Creditors: amounts falling due within one year

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Trade creditors	193,941	100,757	190,011	100,757
Taxation and social security	92,962	112,280	92,962	112,280
Bank overdraft (secured)	1,100	88,668	1,100	88,668
Other creditors	182,513	84,451	182,513	84,451
Obligations under finance leases (note 12)	46,529	36,886	46,529	36,886
Accruals	124,205	148,148	122,442	148,148
Loans (secured)	12,800	7,840	12,800	7,840
Deferred income (note 15)	42,100	75,830	42,100	75,830
	696,150	654,860	690,457	654,860

Notes to the accounts Year to 31 March 2004

11 Creditors: amounts falling after more than one year

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Obligations under finance leases (note 12)	374,258	399,417	374,258	399,417
Loans	24,452	40,971	24,452	40,971
	398,710	440,388	398,710	440,388

Details of the security for the loan is set out in note 7.

12 Finance lease commitments

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

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Within one year	46,529	36,886	46,529	36,886
Between two and five years	420,787	436,303	420,787	436,303
	467,316	473,189	467,316	473,189

13 Operating lease commitments

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

	Group		Charity	
	2004 £	2003 £	2004 £	2003 £
Within one year	565,846	—	565,846	—
Between two and five years	1,662,844	234,474	1,662,844	234,474
Over five years	321,439	348,846	321,439	348,846
	2,550,129	665,317	2,550,129	665,317

14 Taxation

No provision has been made in these accounts for income or corporation tax because the charitable activities of Hackney Community Transport qualify for exemption under Section 505 of ICTA 1986. CT Plus Limited has not made any taxable profits in the year ended 31 March 2004. Islington Community Transport, as a registered charity, also qualifies for exemption under Section 505 of ICTA 1986.

15 Deferred income

Group and charity	2003 £	Received £	Released £	2004 £
Revenue grants received in advance				
Learning and Skills Council - London East	—	42,100	—	42,100
SRB Wick	12,523	—	(12,523)	—
Bridge House Estate Trust Fund	5,000	—	(5,000)	—
European Social Fund - Advances	58,307	—	(58,307)	—
Total	75,830	42,100	(75,830)	42,100

16 Restricted funds

Group and charity	2003 £	ICT 2003 £	Received £	Released £	2004 £
Community Fund - Hackney					
Community Transport	69,156	—	113,750	76,778	106,128
Woodberry Down Plusbus	38,776	—	—	7,883	30,893
Finsbury Park Plusbus	38,776	—	—	7,883	30,893
City Fringe	28,514	—	—	5,743	22,771
Transport for London	68,598	—	35,010	60,413	43,195
Neighbourhood Renewal Fund - Hackney Community Transport	—	—	55,000	7,857	47,143
London Borough of Hackney	—	—	100,000	100,000	—
Bridge House Estate Trust Fund	—	—	35,000	35,000	—
Learning and Skills Council - London East	—	—	227,900	227,900	—
Hackney Wick SRB Partnership	—	—	80,023	80,023	—
European Social Fund	—	—	53,850	53,850	—
Woodberry Down and Stamford Hill SRB Partnership	—	—	42,436	42,436	—
The Learning Trust	—	—	30,000	30,000	—
Other restricted funds	74,496	—	24,331	113,428	(14,601)
Restricted funds - charity	318,316	—	797,300	849,194	266,422

ICT

Community Fund - Islington					
Community Transport	—	46,483	125,686	66,041	106,128
London Borough of Islington	—	—	91,824	91,824	—
Neighbourhood Renewal Fund - Islington Community Transport	—	37,859	—	7,571	30,288
Other restricted funds	—	49,264	30,700	69,175	10,789
Restricted funds - charity	318,316	133,606	1,045,510	1,083,805	413,627

The debit balance on other unrestricted funds in HCT the charity, represent spending on funded projects in advance of receiving funds.

Notes to the accounts Year to 31 March 2004

16 Restricted funds (continued)

Community Fund

This is money received from the Community Fund for the purchase of buses.

Woodberry Down Plusbus

This is money received from Woodberry Down and Stamford Hill SRB Partnership for the purchase of a bus.

Finsbury Park Plusbus

This is money received from Finsbury Park SRB Partnership for the purchase of a bus.

City Fringe

This is money received from City Fringe SRB Partnership for the purchase of a coach.

Transport for London

This is money received from Transport for London for the purchase of computer equipment.

Neighbourhood Renewal Fund

This is money received from the Neighbourhood Renewal Fund for the purchase of buses.

Other restricted funds

This is money received from a variety of sources, the application of which has been specified by the grantor.

17 Designated fund

The designated fund represents the net book value of the charitable company's fixed assets, excluding those purchased from restricted funds and net of amounts due under finance leases. The total on this fund at 31 March 2004 was £11,004 (2003 - £37,865).

18 Status

Hackney Community Transport is registered in England, limited by guarantee and has no share capital. The liability of the members is limited to £1. Hackney Community Transport is registered with the Charity Commission for England and Wales.

CT Plus Limited is registered in England. It has Authorised Share Capital of $1,000 \times £1$ shares, of which Hackney Community Transport owns the single allotted, called up and fully paid issued share. Details of transactions undertaken by CT Plus Limited are set out in note 21.

Islington Community Transport is registered in England, limited by guarantee and has no share capital. Islington Community Transport is registered as a charity with the Charity Commission for England and Wales (charity registration number 1085613).

Notes to the accounts Year to 31 March 2004

19 Related party transactions

The charity has the following related undertakings by virtue of a common management committee:

Hackney Community Recycling – A company limited by guarantee which provides education and information to minimise waste and maximise recycling. At the year end date Hackney Community Recycling owed Hackney Community Transport £nil (2003 – £13,606).

Transport Co-ordination Centre Hackney Limited (TCCHL) – A company limited by guarantee which was formed to co-ordinate transport to increase the provision available to elderly users, people with disabilities and those attending leisure and education facilities. During the year, Hackney Community Transport charged Transport Co-ordination Centre Hackney Limited £101,193 (2003 – £163,026) in respect of contract hire. During the year Hackney Community Transport charged Transport Co-ordination Centre Hackney Limited £130,000 (2003 – £30,000) in respect of administration. At the year end date Transport Co-ordination Centre Hackney Limited owed Hackney Community Transport £130,000 (2003 – £300,000) with respect to the administration charge; HCT owing TCCHL £268 with respect to the Inter-company loan account (2003 – TCCHL owed Hackney Community Transport £32,152).

Transport Coordination Centre Hackney Limited has also provided a working capital loan of £150,000 (2003 – £nil) to CT Plus Limited. This is included in other creditors in note 10.

Transactions between the charity and its wholly controlled subsidiaries are not disclosed, as permitted by the exemptions set out in FRS 8.

20 Analysis of net assets between funds

	General fund £	Designated fund £	Restricted funds £	Total £
Fund balances at 31 March 2004				
are represented by:				
Tangible fixed assets	—	431,791	417,439	849,230
Stock	26,674	—	—	26,674
Debtors	773,925	—	50,976	824,901
Cash at bank and in hand	111,358	—	(12,688)	98,670
Creditors: amounts falling due within one year	(607,521)	(46,529)	(42,100)	(696,150)
Creditors: amounts falling after one year	(24,452)	(374,258)	—	(398,710)
	<u>279,984</u>	<u>11,004</u>	<u>413,627</u>	<u>704,615</u>

21 CT Plus Limited

The subsidiary company, CT Plus Limited, entered into various leasing and loan obligations relating to vehicles used to operate bus routes. It is intended that the routes will be transferred to CT Plus Limited in due course but at 31 March 2004 the contracts were between Transport for London and Hackney Community Transport. The trustees of Hackney Community Transport are satisfied that the provision of the routes falls within the charitable objects and have agreed that any obligations undertaken by CT Plus Limited in connection with the routes will be honoured by the charity.

Accordingly, the expenses, assets and liabilities of CT Plus Limited up to and as at 31 March 2004 have been accounted for by Hackney Community Transport as if entered into by the charity itself, after adjusting for transactions between the two entities. This treatment will be amended when the contracts are novated.

The accounts of CT Plus Limited to 31 March 2004 include the following:

	2004 £	2004 £	2003 £	2003 £
Management and administration				
Expenses				
Staff Costs	7,174		—	
Operating lease costs	360,524		34,087	
Depreciation	62,067		10,240	
Legal Fees	-		—	
Finance lease interest	28,529		4,950	
Bank and loan interest	6,965		2,752	
Premises Costs	231		—	
Audit Fees	2,500		—	
Other expenditure	5,246		4,298	
		473,236		56,327
Other operating income		460,000		—
Loss on ordinary activities for the year before taxation		(13,236)		(56,327)

Notes to the accounts Year to 31 March 2004

21 CT Plus Limited (continued)

	2004 £	2004 £	2003 £	2003 £
Fixed assets				
Tangible assets		<u>360,274</u>		<u>419,825</u>
Current assets				
Debtors	155,870		26,686	
Cash at bank and in hand	—		245	
	<u>155,870</u>		<u>26,931</u>	
Creditors: amounts falling due within one year	<u>205,989</u>		<u>73,203</u>	
Net current liabilities		<u>(50,119)</u>		<u>(46,272)</u>
Total assets less current Liabilities		<u>310,155</u>		<u>373,553</u>
Creditors: amounts falling due after more than one year		<u>(379,955)</u>		<u>(430,117)</u>
		<u>(69,800)</u>		<u>(56,564)</u>
Capital and reserves				
Equity interests:				
Called up share capital		1		1
Profit and loss account		<u>(69,801)</u>		<u>(56,565)</u>
Shareholders' funds		<u>(69,800)</u>		<u>(56,564)</u>

All of the tangible fixed assets are held on finance leases which are included in these accounts and set out in notes 7, 9, 10 and 11.

Notes to the accounts Year to 31 March 2004

22 Islington Community Transport

On 10 April 2003, the Management Committee of Islington Community Transport passed a Special Resolution which changed its Articles of Association to permit the Management Committee of Hackney Community Transport to control the charity.

From that time, Islington Community Transport has been regarded as a subsidiary charity of Hackney Community Transport and accounted for as such.

The net assets which came under the control of the group at the time of this change have been included in the analysis of funds movements within the statement of financial activities. The transactions of Islington Community Transport have been included in the consolidated statement of financial activities for the year ended 31 March 2004 and its assets and liabilities in the consolidated balance sheet at that date.

The difference between the position at 10 April 2003 and 1 April 2003 is not material and the cost of determining the position at that date would be disproportionately costly in relation to the usefulness of that information. Accordingly the accounts have been prepared using the value of net assets of Islington Community Transport at 1 April 2003 to represent the balance of funds at the time the charity became a member of the group and all of the transactions of Islington Community Transport for the year ended 31 March 2004 have been included in the consolidated statement of financial activities for that year.

	Notes	Unrestricted funds £	Restricted funds £	Total 2004 funds £	Total 2003 funds £
Income and expenditure					
Incoming resources					
Activities for furtherance of the charity's object					
. Grants receivable	1	—	183,061	183,061	269,636
. Bank interest receivable		581	—	581	130
Other Income					
. Profit on sale of fixed assets		—	65,149	65,149	—
Total incoming resources		581	248,210	248,791	269,766
Resources expended					
Cost of activities in furtherance of the charity's objectives:					
. Cost of services	2	—	187,083	187,083	282,842
. Support costs	3	—	31,704	31,704	33,950
. Management and administration	4	—	15,824	15,824	15,875
Total resources expended		—	234,611	234,611	332,667
Net incoming resources		581	13,599	14,180	(62,901)
Fund balances at 1 April 2003		139	133,606	133,745	196,646
Fund balances at 31 March 2004		720	147,205	147,925	133,745

Notes to the accounts Year to 31 March 2004

22 Islington Community Transport (continued)

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible fixed assets	7		136,416		76,526
Current assets					
Debtors	8	15,135		30,250	
Cash at bank and in hand		22,067		27,580	
		37,202		57,830	
Creditors: amounts falling due within one year	9	(25,693)		(611)	
Net current assets			11,509		57,219
Net assets			147,925		133,745
Reserves					
Restricted funds	12		147,205		133,606
Unrestricted funds:					
· General fund			720		139
			147,925		133,745