

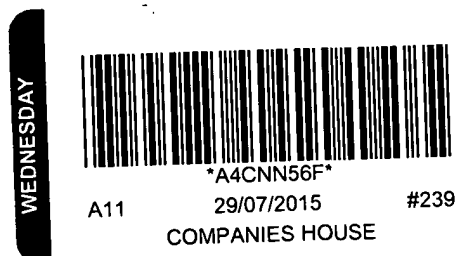
COMMUNITY TRANSPORT

(A Registered Charity and Company Limited by Guarantee)

**DIRECTORS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

Registered number 2118677

31 MARCH 2015



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Directors' report

Reference and administrative information

Constitution

Community Transport is a company limited by guarantee and a registered charity governed by its memorandum and articles of association: Charity Number 247331; Company Number 2118677.

Community Transport has a 100% shareholding in a trading company, Community Minibuses Limited (CML), Company Number 0412537. Details of its financial performance are included in these consolidated financial statements.

Directors and trustees

The directors of the charitable company ("the charity") are its trustees for the purposes of charity law and throughout this report are collectively referred to as the directors. None of the directors had a beneficial interest in any contract to which the company was a party during the year.

The directors during the period from 1 April 2014 to the date of this report were as follows:

*BJ Yeomans (Chair)
*S R Paul
*B G D Ashford
J Berry (resigned 24 May 2015)
T Stephenson

Directors marked * are also Directors of CML; B Yeomans chairs the Board of CML.

Company secretary

B G D Ashford (CML only)

Chief Executive

J Beaumont

Registered office

St John's Business Centre
Calder Street
West Vale
Halifax
West Yorkshire
HX4 8AQ

Auditor

KPMG LLP
1 The Embankment
Neville Street
Leeds LS1 4DW

Directors' report (continued)

Bankers

Unity Trust Bank plc
Nine Brindley Place
Birmingham B1 2HB

Santander
Bridle Road
Bootle
Merseyside L30 4GB

Lawyers

Bond Dickinson LLP
1 Whitehall Riverside
Leeds LS1 4NB

The directors submit their annual report and audited financial statements for the year ended 31 March 2015. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

The company is limited by guarantee and each of the members as at 31 March 2015 has undertaken to contribute an amount not exceeding £1 (one pound) towards the assets of the company in the event of the same being wound up and the assets being insufficient to cover the company's debts and liabilities.

Name of the company

Community Transport is a Company Limited by Guarantee, registered in England & Wales, no. 2118677, and a Registered Charity, no. 247331. The Directors opted at the time of incorporation to register the name "Community Transport" and not "Community Transport Limited".

Community Transport has a 100% shareholding in a trading company, Community Minibuses Limited (CML), company number 04125371 (CML was transferred from the now defunct Community Minibus Agency along with its assets and charitable activities on 1st April 2005). CML operated in Greater Manchester & the West Midlands in 2014/15.

The Charity also uses a number of trading names:

- "CT Passenger" (passenger transport)
- "CT Home" (domestic furniture re-use/ recycling) – registered trade mark
- "CT Office" (office furniture re-use/ recycling) – registered trade mark
- "CT Furniture" (office furniture re-use/recycling at the Birmingham site)
- "CT Training" (training services)
- "Community Furniture Service" in Newcastle
- "Promobility" (scooter hire) in Oldham

Directors' report (continued)

Structure, governance and management

Revised Memorandum and Articles for the Company were formally adopted at an EGM on 13 July 2010. In line with the arrangements of Community Transport's Memorandum & Articles, overall responsibility for the Company's activities is vested in the Board of Directors, whose members also serve as the Charity's Trustees. The Board is limited to 11 members who may serve up to 3 consecutive terms of 3 years each followed by a break of at least 1 year.

The Board is responsible for recruiting and identifying new directors, as suited to supporting the interests of beneficiaries by virtue of skills, experience and commitment to the objectives of the Charity. The Board is committed to constantly monitoring the numbers of Directors. Induction training is provided by the Chair, the Chief Executive and other staff members. Directors are encouraged to pool their skills and experience so as to champion different aspects of the Charity's strategic interests and participate in sector-specific training and conference events, as well as training on the roles of directors.

The **Finance and Resources Committee** has been subsumed within the wider Board of Trustees which is charged with oversight of the management of finance, capital assets and non-charitable trading vested in the trading subsidiary.

In terms of operations, overall responsibility is invested in a Chief Executive, who is delegated with business development and implementation of strategy. The CEO works through an Executive Management Group, which includes 3 strategic Managers for Operations, Business Development and HR.

Policy on management of risks

The Board takes the issue of risk as one of the utmost importance, and accepts its prime role in setting operational and organisational policies, auditing for compliance and ensuring reviews of policies and procedures on a regular basis.

The following are some of the major risks to which the Charity is exposed and the dates on which they have been reviewed:

- Corporate financial risks (more detailed forward planning ensures a more comprehensive picture of existing and potential contract income exists, however the risk remains that contract income may cease before the contract end date due to the budgetary cuts of some funders)
- Health & Safety (additional representatives have been sought to maximise awareness and mitigate risk, and further training has been carried out)
- Safeguarding of children & vulnerable adults (continuously monitored)
- Vehicle management (audits are carried out at all sites to ensure that best practice is upheld and shared. Maintenance services were re-tendered in 2014 towards forging strong and positive relationships with business partners).
- HR policies (continuous policy review based on latest Employment Legislation).

The control of Health & Safety risks is managed by the HR Manager and operations Director, subject to consultation with Health and Safety representatives at each site.

The directors believe that all major risks are being mitigated, regularly reviewing the risk register and despite an extremely challenging climate for voluntary organisations as a result of public sector spending cuts.

Directors' report (continued)

Statement of public benefit

The Directors have referred to the Charity Commission guidance on public benefit and the objects of the Company are charitable in the social welfare field as defined in paragraph 3(a) of the Memorandum and Articles of Association. The public benefit requirement is met through three main types of service:-

- (a) **Furniture re-use and recycling:** collecting donated furniture and re-supplying items at affordable cost to individuals and families in need;
- (b) **Passenger transport:** operating minibuses for use at affordable rates by the beneficiaries of voluntary and community groups and for individuals with access and mobility needs; and
- (c) **Training and work experience:** providing transport-related work experience and training to assist people into work and address the skills needs of other not-for-profit organisations.

Strategic Plan

The Charity's activities are governed by a Strategic Plan, reviewed annually. This defines the mission, vision, values and objectives set by the Board for the organisation.

Our mission is to bring people and opportunities together helping to transform lives and build better communities. We believe that by providing transport, recycling/ re-use and training services we play a crucial role in addressing social inequality and empowering individuals and communities to solve problems and realise untapped potential. Through the provision of accessible transport, people are connected with vital services and are able to participate in their community. The provision of training services seeks to professionalise the accessible transport industry to assist voluntary and community organisations to support people in a safe and professional way.

Our vision is of a sustainable and enterprising organisation working with local communities to meet needs and create opportunities.

Our **passenger transport services** support mobility, access and choice for individuals whose needs are not met by private or public transport. These services are fundamental to making communities more socially inclusive. We provide safe and cost effective transport services that are essential to the work of voluntary and community sector (VCS) organisations.

Our **re-use and recycling services** are focused on the redistribution of high quality used furniture and the recycling of waste; we are committed to meeting housing needs, reducing waste and realising environmental benefits.

Our **training services** equip paid, volunteer and work placement staff to provide safe services that meet the needs of service users and the requirements of our partners.

The Charity set the following overriding **objectives**:

To respond to changing needs and market opportunities with appropriate services that meet users' aspirations and partner objectives for modern public service provision

To generate sustainable income, based on value and quality so as to secure the wherewithal for long term investment in our staff and in our vehicles, equipment and buildings

Directors' report (continued)

Strategic Plan (continued)

To raise our profile and market our services effectively so as to underpin growth and investment in the Charity and maximise the social and environmental impacts delivered

To place training and personal development at the heart of the Charity's activities so as to underpin quality of service, offer new opportunities to staff, volunteers and trainees and promote the Charity's role in social and economic regeneration

To work to transform the organisational culture of Community Transport to one where all those involved feel empowered and valued as individuals, are consulted and can communicate at all levels, are motivated to achieve high performance and care for customers and service quality

Achievements and performance 2014/15

Despite the impact of reduced grant aid and the end of some contracted services – both for the Charity and in turn its VCS customers, the Charity has maintained its activities in most areas. The Charity's service teams have had to work hard to retain patronage and partnerships in a difficult environment. Cost savings and efficiencies have been gained by reviewing major cost areas by aligning resources to services delivered. A decision was taken to close the Dudley site and relocate passenger services to the Sandwell site in summer 2014 as an efficiency measure.

The Charity's operations continue to benefit from grant aid support from a number of local authorities for core costs. This support is essential for maintaining services at reasonable cost to support the transport needs of other voluntary and community organisations (A full list of funding agencies and grants received is included in this report).

On 31 March 2015, Community Transport owned and/or operated 16 furniture vans and 57 passenger vehicles (2013/14 17 and 75 respectively).

The Charity is organised as 3 business divisions, operating in 4 geographical areas: the northeast (Newcastle, Gateshead & N. Tyneside); the North West (Manchester, Oldham & Salford), the Black Country (Dudley, Sandwell & Wolverhampton); and West Midlands South (Birmingham and Coventry.)

Major achievements include:

CT Home

- Continued partnership with BOSS office furniture suppliers in the Black Country has allowed movement into new markets throughout the Midlands.
- Support for work placements has grown with the Salford, Wolverhampton and Sandwell sites providing a base from which those with barriers to working and learning are supported to reengage with employment and training opportunities.
- Growth of online sales markets, focussing on up-cycling of pre-owned furniture and household items, with a greater presence on social media, promoting sales and services.
- Development of an upcycling and furniture restoration service, which both provides skills development for placements and provides products for the online market.
- Continued delivery of Social Fund packages partnering Newcastle, Sandwell and Wolverhampton Councils.

Directors' report (continued)

Achievements and performance 2014/15 (continued)

CT Passenger

- Continuing success in delivering the Connect dial-a-ride service in South Staffordshire
- Securing a new contract to deliver renal patient transport in Coventry and Warwickshire with the West Midlands Ambulance Service.
- Investment in newer, more efficient vehicles in the Midlands.
- Further development of a volunteering programme in each region.
- Partnering with a range of fleet maintenance providers in order to maximise quality, safety and to reduce maintenance costs in each region.

CT Training

- Continued support for apprenticeships and volunteers
- Greater integration of training provision with other services in each region, including cross marketing of services.
- Development of in-house capacity to deliver health and safety and fleet management training to service teams.
- A review of internal training needs.

Head Office

- Relocation of the head office functions to more flexible and cost effective premises outside Halifax centre;
- Investment in dedicated HR management and business development to support growth and more effective resource planning.

Outputs

<i>PASSENGER SERVICES</i>	
Trips for groups	40,694
Trips for individuals	174,937
Partnership/ contract trips	63,106
Shopmobility bookings (Oldham)	2011
Total passenger trips	280,748
Voluntary & community sector (VCS) groups supported	462
Passenger vehicles operated	59
<i>FURNITURE SERVICES</i>	
Supplies made to people in need	5,027
Tonnage of material diverted from waste	7,369
Furniture vehicles operated	18
<i>TRAINING SERVICES</i>	
Training places delivered	1,384
Organisations benefiting from training	335

Directors' report (continued)
Achievements and performance 2014/15 (continued)

Impacts and outcomes

		Affordable, accessible minibus transport for VCS groups	Mobility & access for individuals	Relief of poverty & environmental protection through furniture re-use & recycling	Training & work experience
West Midlands South	Birmingham	✓	✓ 1)	✓	✓
	Coventry				
	Solihull				
Black Country	Dudley		✓ 2)		
	Sandwell			✓	
	Wolverhampton				
Greater Manchester	Manchester		✓ 3) & 4)		
	Oldham		✓ 5)		
	Salford			✓	
Tyne & Wear	Gateshead		✓ 1) and 6)		
	Newcastle			✓	
	North Tyneside				

Notes to table – the numbers in brackets refer to the following services:

- 1) *Prison Visiting Transport Service* for families to visit prisoners & shopping services for older people
- 2) Volunteer car scheme for access to health and social care & shopping services for older people
- 3) Demand responsive *Local Link* service in North Manchester
- 4) Transport service for renal dialysis patients in Greater Manchester
- 5) *Dial-a-Ride* and shopmobility services for people with complex mobility needs
- 6) Demand responsive trips for people with mobility needs

Employment

Employment policies are set by the Board and implemented through the Chief Executive and Executive Management Group heading each division. The Charity strives to be an equal opportunities employer. The aim of its policy is to ensure that no job applicant or employee receives less favourable treatment on any grounds, and that we develop diversity within our workforce in line with the demographics of the communities we serve.

At March 2015, paid staff numbers stood at 91 employees (32 full-time and 59 part-time), slightly down from the numbers in March 2014. 66 employees have driving as their sole or main duty.

Directors' report (continued)

Volunteering

Much of the work of the Charity is carried out by a pool of volunteer and trainee drivers, assistants, administrators and supporters. Much of the work of the Charity would be impossible without the generous gift of time, effort and commitment which voluntary workers provide.

In March 2015 the Charity had around 100 volunteers, excluding those who give their time on steering groups, Partnership Groups and the Board itself. About 1 in 4 of hours worked for the Charity is unpaid.

Financial review

Although trading improved in the year, the operating environment has continued to be difficult. The Charity had net incoming resources for the year of £52k (2013/14: outgoing £16k).

In the year net outgoing resources have been affected as a result of:

- A reduction in operational staff for passenger contracts
- A reduction in core staff financed through grant aid
- Spending on redundancy to finance re-organisation of £28k
- Difficulties in identifying sources of capital investment to offset depreciating vehicle assets causing higher maintenance costs

Total incoming resources for the year were £3.0m (2013/14: £3.1m) which represents a decrease of 5%. Of particular note are:

- Voluntary income, essentially grants from local authority sources, fell from £0.6m in 2013/14 to £0.5m in 2014/15. The largest factor in this fall was the end of local authority grants in Wolverhampton.
- Earned income decreased by £0.1m to £2.4m (£2.5m in 2013/14).

The cost of charitable activities decreased from £3.14m to £2.90m.

The Charity meets its day to day working capital requirements through its bank current accounts which had funds at 31 March 2015 of £700k. The Charity's services achieved a negative movement in the year in unrestricted funds of £45k. Current economic conditions create an element of uncertainty over demand for services. However, the Charity's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Charity expects to have a sufficient level of financial resources available for at least the next 12 months and therefore the Directors believe that the Charity is well placed to manage its business risks successfully despite the economic uncertainty. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to prepare the financial statements on a going concern basis.

Directors' report (continued)

Reserves policy

Total reserves held at 31 March 2015 increased by £52k to £1,164k with restricted funds up from £289k in 2013/14 to £386k in 2014/15.

The Board of Community Transport aims to develop a prudent level of reserves, some of which are designated for specific purposes. The table below summarises the current status of unrestricted reserves:

	2015 £'000	2014 £'000
Total unrestricted reserves	778	823
Less: designated funds	(175)	(175)
Less: unrestricted fixed assets	(176)	(233)
Free reserves	427	415

The Charity seeks to keep a surplus in interest-earning accounts for working capital purposes and then transfers cash as required to the current account to meet obligations.

Free reserves

Free reserves provide liquidity that reduces to a minimum the need for short or long term borrowing and the levels of interest or debt associated, thus serving as a protection in the face of unexpected trading variations or cost increases. A target of £500,000 in free reserves has been set to allow for 2 to 3 months' operating expenditure. The Charity's intention is to generate annual surpluses in the medium term to reach this target.

It should be noted that the protection of free reserves covers the 10 principal metropolitan districts in which the Charity operates. It would be therefore reasonable to take 10% as an average apportionment to any one district.

Designated funds

The Charity maintains a "Capital Fund" available to underpin capital investment, either in the form of capital purchases, bank loans or operating leases; in particular, this fund is designed to reduce maintenance expenditure on older vehicles and to move, as opportunities arise, to modern, well-equipped freehold rather than leasehold operating sites. The level of this fund has been set at £175,000 as of 31 March 2015. It is expected that this will be expended as follows:

Passenger vehicles	£115k
Re-use & recycling vehicles	£60k
Property, ICT & furniture shop start-ups	£Nil

Directors' report (continued)

Principal funding sources

The following bodies are thanked for awards of grant aid in 2014/15 which has played a crucial part in maintaining and developing services.

Dept for Transport	Bus Service Operators Grant
Birmingham	Centro.
Dudley	Dudley Metropolitan Borough Council
Manchester	Lloyds TSB Foundation for England and Wales
Newcastle	Ballinger Trust
Oldham	Oldham Metropolitan Borough Council,
Salford	Salford City Council
Sandwell	Sandwell Metropolitan Borough Council
Wolverhampton	Wolverhampton City Council

Future plans

The Board will continue to review the Charity's structures and services so as to position the Charity to meet its charitable objectives in an ever more challenging environment. The following priorities will be addressed during 2015/16:

- Strategic policy and decision-making
- A new business strategy based on social enterprise principles with performance measures for social, environmental and financial performance
- Teamwork, making best use of the skills, commitment and potential of our staff, volunteers and partners
- Investment in business development resources and marketing
- Efficient utilisation of human, vehicle and other resources
- Further review of largest supplier contracts to create efficiencies, drive down costs and improve quality
- Investing wisely and consistently in capital assets, especially quality accessible minibuses
- Communication of objectives and social impacts within the organisation and to funders, partners and service users
- Focus on growth of sales across furniture division through identifying new markets, developing greater retail experience and knowledge
- Review of passenger pricing structure and methodology
- Creation of social impact accounting system
- Dedicated focus on business development in contracting with local and health authorities

Directors' report (continued)

Future plans (continued)

- Focus on growth of sales of passenger services through greater collaboration and targeted business development

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.


Disclosures

The directors who held office at the date of approval of this directors' report confirm that, so far as each is aware, there is no further relevant audit information of which the charitable company's auditor is unaware; and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore KPMG LLP will continue in office.

By order of the Board



Barry Yeomans
Director

St Johns Business Centre
Calder Street
West Vale
Halifax
HX4 8AQ

22 July 2015

Statement of Directors' responsibilities in respect of the Directors' report and financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they are required to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of expenditure over income for that period. In preparing each of the group and charitable company financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the group and charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Community Transport (A company limited by guarantee)

We have audited the financial statements of Community Transport for the year ended 31 March 2015 set out on pages 15 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 12, the directors 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 charitable company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Community Transport Limited (A company limited by guarantee) (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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 charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

Malcolm C Harding

Malcolm Harding (Senior Statutory Auditor)

For and on behalf of KPMG LLP Statutory Auditor

Chartered Accountants

1 The Embankment

Neville Street

Leeds

West Yorkshire

LS1 4DW

27 July 2015

Consolidated Statement of Financial Activities

Including an Income and Expenditure Account

	<i>Notes</i>	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	-	528,023	528,023	580,337
Investment income		725	-	725	534
Incoming resources from charitable activities	2	2,403,299	33,652	2,436,951	2,556,409
Total incoming resources		2,404,024	561,675	2,965,699	3,137,280
Resources expended					
Charitable activities	3	2,437,403	464,846	2,902,249	3,140,060
Governance Costs	7	11,374	-	11,374	13,355
Total resources expended		2,448,777	464,846	2,913,623	3,153,415
Net income/(expenditure) for the year		(44,753)	96,829	52,076	(16,135)
Total funds brought forward	15	822,908	289,154	1,112,062	1,128,197
Total funds carried forward	15	778,155	385,983	1,164,138	1,112,062

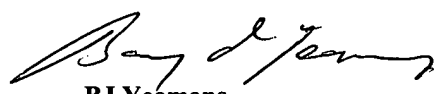
The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Balance sheet
at 31 March 2015

	Notes	Group		Company	
		2015	2014	2015	2014
		£	£	£	£
Fixed assets					
Tangible assets	8	612,799	635,308	612,799	635,308
Investments	9	-	-	1	1
Current assets					
Stocks	10	1,243	1,587	1,243	1,587
Debtors	11	344,268	406,192	401,438	447,207
Cash at bank		699,698	633,382	635,926	585,807
		<u>1,045,209</u>	<u>1,041,161</u>	<u>1,038,607</u>	<u>1,034,601</u>
Creditors: amounts falling due within one year	12	<u>(409,559)</u>	<u>(463,582)</u>	<u>(407,958)</u>	<u>(462,023)</u>
Net current assets		635,650	577,579	630,649	572,578
Creditors: amounts falling due after more than one year	13	<u>(84,311)</u>	<u>(100,825)</u>	<u>(84,311)</u>	<u>(100,825)</u>
Net assets		<u>1,164,138</u>	<u>1,112,062</u>	<u>1,159,138</u>	<u>1,107,062</u>
Unrestricted funds					
Revenue funds	15	598,155	642,908	598,155	642,908
Designated funds	15	175,000	175,000	175,000	175,000
Retained in subsidiary	15	5,000	5,000	-	-
		<u>778,155</u>	<u>822,908</u>	<u>773,155</u>	<u>817,908</u>
Restricted funds	15	<u>385,983</u>	<u>289,154</u>	<u>385,983</u>	<u>289,154</u>
		<u>1,164,138</u>	<u>1,112,062</u>	<u>1,159,138</u>	<u>1,107,062</u>

These accounts were approved by the board of directors on 22 July 2015 and were signed on its behalf by:


BJ Yeomans
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The financial statements have been prepared on the historical cost convention, and on a going concern basis, and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), applicable accounting standards and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are as follows:

a) Basis of preparation

These group financial statements consolidate the results of the company and its wholly-owned subsidiary, Community Minibuses Limited. The acquisition method of accounting has been adopted for consolidation purposes.

Going concern

The group meets its day to day working capital requirements through its bank current accounts which had funds at 31 March 2015 of £699,698. The group's services achieved a negative movement in unrestricted funds of £44,753. The current economic conditions have created an element of uncertainty over demand for the group's services. However the group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group is expected to have a sufficient level of financial resources available for at least the next 12 months and therefore the directors believe that the group is well placed to manage its business risks successfully despite the economic uncertainty. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to prepare the financial statements on a going concern basis.

A separate statement of financial activities and income and expenditure accounts are not presented for the charity itself following the exemptions afforded by Section 408 of the Companies Act and Paragraph 397 of the Charities SORP 2005.

b) Incoming resources

Grants and donations for general or specific revenue purposes are included in incoming resources. Income is accounted for when the charity becomes entitled to it, when there is reasonable assurance of receipt and when the monetary value can be reliably measured.

Capital grants received are accounted for immediately as restricted funds. The restricted fund is reduced by a transfer of amounts equivalent to the depreciation charge over the expected useful life of the assets.

Vehicles, which have been donated to the company, have been included in voluntary income and fixed assets at market value when received by the charity.

Donated furniture; the policy of the Directors is not to put any value on donated goods and subsequently the stock value is nil. A charge is made on sale which also covers the cost of transport and warehousing.

Income received from activities undertaken to further the objects of the charity is included in the period in which the service was provided or the company was entitled to receipt.

Interest is included when receivable by the charity.

c) Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services are supplied. Overhead and other costs not directly attributed to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or vehicle and equipment used, as appropriate.

Notes (continued)

Accounting policies (continued)

d) Pension costs

The company operates a funded pension scheme (see note 18). Employer contributions are charged to the Statement of Financial Activities as incurred.

e) Operating leases

Rental payments due under operating lease agreements are charged to the Statement of Financial Activities in the period to which they relate on a straight line basis.

f) Taxation

Community Transport is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

g) Fixed assets and depreciation

Items which cost £500 or more are capitalised at original cost or, if donated, at their value to the charity at the date of gift, less accumulated depreciation. Depreciation is provided at equal annual instalments at rates estimated to reduce the assets to their residual values by the end of their useful lives. The rates adopted are as follows:

Freehold buildings	-	2% straight line basis
Leasehold premises	-	Over the period of the lease
Motor vehicles	-	20% straight line basis
Fixtures, fittings and equipment	-	10% - 25% straight line basis

No account is taken of any unrealised excess in the current market value of fixed assets compared with their net book amounts.

h) Stocks

Stocks are included at the lower of cost or net realisable value.

2 Incoming resources

Voluntary income	2015	2014
	£	£
Revenue Grants	350,264	531,822
Capital Grants	141,497	-
Donations	36,262	48,515
	<u>528,023</u>	<u>580,337</u>

Incoming resources from charitable activities	Passenger services	Furniture services	Other services	Total	Total
	£	£	£	2015	2014
				£	£
Revenue Grants	33,652	-	-	33,652	57,371
Service income	1,196,994	1,116,271	90,034	2,403,299	2,499,038
	<u>1,230,646</u>	<u>1,116,271</u>	<u>90,034</u>	<u>2,436,951</u>	<u>2,556,409</u>

Notes (continued)

3 Resources expended from charitable activities

	Passenger Services	Furniture services	Other Services	Total 2015	Total 2014
	£	£	£	£	£
Personnel costs	824,792	483,038	101,220	1,409,050	1,656,196
Vehicle costs	534,236	106,206	-	640,442	795,206
Other	265,018	563,275	24,464	852,757	688,658
	<u>1,624,046</u>	<u>1,152,519</u>	<u>125,684</u>	<u>2,902,249</u>	<u>3,140,060</u>

4 Net outgoing resources

This is stated after charging:	2015	2014
	£	£
Depreciation of tangible fixed assets	145,870	198,806
Surplus on sale of tangible fixed assets	(198)	(10,699)
Auditor's remuneration	10,500	12,000
Operating lease rentals	178,308	214,540
	<u>178,308</u>	<u>214,540</u>

5 Staff costs and numbers

	2015	2014
	£	£
Wages and salaries	1,206,658	1,449,570
Social security costs	77,023	90,959
Other pension costs	33,921	37,313
Redundancy costs	28,186	28,725
	<u>1,345,788</u>	<u>1,606,567</u>

The average number of persons employed during the year, calculated on the basis of full time equivalents, was as follows:

	2015	2014
	Number	Number
Passenger Services	34	49
Furniture Services	13	13
Training Services	3	4
Administration and Support	20	22
	<u>70</u>	<u>88</u>

No employee received emoluments of more than £60,000 (2014: none).

No directors received any remuneration. Reimbursed expenses (relating to travel, accommodation and other costs associated with being a director) of £878 (2014: £1,355) were paid to five directors (2014: five) during the year.

Notes (continued)

6 Trading subsidiary

	2015	2014
	£	£
Turnover	36,984	32,330
Cost of sales	(27,244)	(16,553)
	<hr/>	<hr/>
Gross profit	9,740	15,777
Administration expenses	(4,129)	(12,736)
Donation to Holding company	(5,611)	(3,041)
	<hr/>	<hr/>
Retained in subsidiary	-	-
	<hr/> <hr/>	<hr/> <hr/>

The net assets of Community Minibuses Limited at 31 March 2015 were £5,001 (2014: £5,001).

7 Governance costs

	2015	2014
	£	£
Audit and statutory accounts	10,500	12,000
Directors expenses	874	1,355
	<hr/>	<hr/>
	11,374	13,355
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

8 Fixed assets

	Freehold land and buildings £	Leasehold premises £	Motor vehicles £	Furniture, Fixtures & Fittings £	Total £
Group and company					
Cost					
At beginning of year	637,398	153,352	1,908,747	303,153	3,002,650
Additions	-	14,115	118,497	1,416	134,028
Disposals	-	-	(220,009)	(10,460)	(230,469)
At end of year	637,398	167,467	1,807,235	294,109	2,906,209
Depreciation					
At beginning of year	238,483	127,364	1,724,214	277,281	2,367,342
Charge for year	20,720	18,578	92,486	14,086	145,870
On disposals	-	-	(209,342)	(10,460)	(219,802)
At end of year	259,203	145,942	1,607,358	280,907	2,293,410
Net book value					
At 31 March 2015	378,195	21,525	199,877	13,202	612,799
At 31 March 2014	398,915	25,988	184,533	25,872	635,308

The legal title of the property at Coventry was transferred to the company from Sovereign Road Trust on 1st July 2000. The cost adopted is based on a valuation provided by John Emms Commercial, Chartered Surveyors on 22nd August 2001 on an open market value basis in accordance with guidelines issued by the Royal Institution of Chartered Surveyors.

Freehold land and buildings include the purchases of premises in Bilston with a purchase value of £390,000 and conversion costs of £99,323.

The property at Bilston was valued by John Emms Commercial on 26 July 2010. The valuation on the basis of estimated market value as defined in the RICS Valuation Standards (6th Edition) was £340,000. An impairment of £97,439 was reflected in the year ended 31 March 2011 to reflect this valuation.

9 Investment in subsidiary

The investment comprises a 100% holding in the share capital of Community Minibuses Limited, a company incorporated in England and Wales, which operates services requiring a commercial operating licence. The investment was transferred to Community Transport on 1 April 2005.

10 Stocks

	2015 £	2014 £
Diesel fuel oil purchased in advance	1,243	1,587

Notes (continued)

11 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Client organisation debtors	137,794	250,821	124,354	243,721
VAT recoverable	33,401	7,040	33,730	7,040
Amount due from Subsidiary	-	-	70,281	48,115
Other debtors	5,328	1,328	5,328	1,328
Prepayments and accrued income	167,745	147,003	167,745	147,003
	<u>344,268</u>	<u>406,192</u>	<u>401,438</u>	<u>447,207</u>

12 Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loan (secured)	16,622	16,234	16,622	16,234
Supply creditors	236,737	235,309	236,137	234,750
Other creditors	318	-	318	-
Taxation and social security	21,825	22,673	21,825	22,673
Accruals and deferred income	134,057	189,366	133,056	188,366
	<u>409,559</u>	<u>463,582</u>	<u>407,958</u>	<u>462,023</u>

13 Creditors: amounts falling due after more than one year

	Group & Company	
	2015	2014
	£	£
Bank loan	84,311	100,825
	<u>84,311</u>	<u>100,825</u>

Notes (continued)

13 Creditors: amounts falling due after more than one year (continued)

Analysis of loan payable in instalments

	Group and Company	
	2015	2014
	£	£
Bank loan	100,933	117,059
Included in current liabilities	(16,622)	(16,234)
	84,311	100,825
Instalments not due within five years	13,795	31,899

Loan maturity analysis

	Group and Company	
	£	£
In more than one year but not more than two years	16,622	16,234
In more than two year but not more than five years	70,583	52,692
In more than five years	13,795	31,899

The loan is repayable over 15 years from January 2006 in instalments that are calculated to pay off the capital and interest over that period. The interest rate fluctuates at 2% over bank base rate and at 31 March 2015 it was 2.5%. The loan is secured on a freehold property owned by the company. The purpose of the loan was to assist in the purchase and refurbishment of units 12&13 Barton Park, Bilston.

14 Analysis of net assets between funds

	Tangible fixed assets	Net current assets	Long term Creditors	Total
	£	£	£	£
Group:				
Restricted funds	385,983	-	-	385,983
Unrestricted funds				
Revenue funds (includes retained in subsidiary)	226,816	460,650	(84,311)	603,155
Designated funds	-	175,000	-	175,000
Total funds	612,799	635,650	(84,311)	1,164,138

Notes (continued)

15 Movement in funds

	At 1 April 2014	Incoming Resources	Outgoing Resources	Transfers	At 31 March 2015
	£	£	£	£	£
Restricted funds					
Capital grants *	284,987	141,497	(40,501)	-	385,983
Revenue Grants:					
Centro – Prison Visiting Transport service	-	33,652	(33,652)	-	-
Dudley CC – Adult, Community and Housing Services	-	56,733	(56,733)	-	-
Oldham MBC	-	50,000	(50,000)	-	-
Salford CC – Community Services	-	23,608	(23,608)	-	-
Lloyds TSB Foundation for England and Wales	4,167	-	(4,167)	-	-
Sandwell MBC – Adult and Community Services *	-	204,763	(204,763)	-	-
Wolverhampton CC – Regeneration and Environment	-	15,160	(15,160)	-	-
Revenue funds – Other	-	36,262	(36,262)	-	-
	<u>289,154</u>	<u>561,675</u>	<u>(464,846)</u>	<u>-</u>	<u>385,983</u>
Unrestricted funds:					
Designated capital fund	175,000	-	-	-	175,000
Revenue funds	642,908	2,404,024	(2,448,777)	-	598,155
Retained in subsidiary	5,000	-	-	-	5,000
	<u>822,908</u>	<u>2,404,024</u>	<u>(2,448,777)</u>	<u>-</u>	<u>778,155</u>
Total Funds	<u><u>1,112,062</u></u>	<u><u>2,965,699</u></u>	<u><u>(2,913,623)</u></u>	<u><u>-</u></u>	<u><u>1,164,138</u></u>

- * £91,497 of the Sandwell MBC grant for 2014/15 is shown as a capital grant. This element of the grant was used to purchase a number of motor vehicles in the year. Capital grants also include £50,000 received during the year from Ballinger Trust towards the purchase of a motor vehicle which was not spent at 31 March 2015.

Notes (continued)

15 Movement in funds (continued)

Restricted Funds

Capital Grants – made up as follows

	Number of assets	Balance at March 2015 £	Balance at March 2014 £
Vehicles	5	107,011	46,744
Coventry Building	1	73,500	75,600
Wolverhampton Building	1	151,971	155,072
Fixtures & Fittings	2	3,501	7,571
		<u>335,983</u>	<u>284,987</u>

16 Capital commitments

	2015 £	2014 £
Capital expenditure contracted for but not provided for in the financial statements	<u>£Nil</u>	<u>£Nil</u>

17 Operating lease commitments

The company has the following annual operating lease commitments relating to land and buildings :

	2015 £	2014 £
Under leases expiring:		
Within one year	-	12,580
Between two and five years	107,588	99,000
	<u>107,588</u>	<u>111,580</u>

18 Pension scheme

Community Transport participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. The Plan is a multi-employer pension plan.

Community Transport paid contributions at the rate of 6% during the year. Participating members are not required to contribute but can contribute AVC's. Total contributions for the year amounted to £33,921 (2014: £37,313).

As at the balance sheet date there were 37 active members of the Plan employed by Community Transport.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Plan is a multi-employer scheme, where the total assets are aggregated for investment purposes, and benefits are paid out of the Plan's total assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS 17 represents the employer contribution payable of £33,921 (2013: £37,313).

At 31 March 2015 the company had outstanding pension contributions of £nil (2014: £nil).

Notes (continued)

18 Pension scheme (continued)

The Director commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Director the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified Actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780m and the Plan's Technical Provisions (i.e. past service liabilities) were 928m. The valuation therefore revealed a shortfall of assets compared with a value of liabilities of £148m, equivalent to a funding level of 77%. Based upon the preliminary valuation, no additional contributions will be payable by Community Transport.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and The Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to the employment with all the currently participating employers). The leaving employer's debt therefore includes a share if any 'orphan' liabilities in respect of previously participating employers. The amount of debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Potential employer debt treated as a contingent liability

Community Transport has been notified by The Pensions Trust of the estimated employer debt of £176,571 (2014: £175,108) on withdrawal from the Plan based on the financial position of the Plan as at 31 March 2015.

19 Company profit and loss account

The charity has taken advantage of paragraph 397 of SORP 2005 and has not included its own income and expenditure account in these financial statements. The parent company has a total gross income of £2,934,326 (2014: £3,173,011) and a net surplus for the year of £15,394 (2014: deficit of £16,135).