

NEWHAM COMMUNITY TRANSPORT
REPORT OF THE DIRECTORS AND TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

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NEWHAM COMMUNITY TRANSPORT
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FOR THE YEAR ENDED 31 MARCH 2008

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NEWHAM COMMUNITY TRANSPORT

COMPANY INFORMATION

DIRECTORS AND TRUSTEES	Ellen Kemp Eric Gregory Kerry Dickson Benjamin Williams Jay Rashid James Hepworth	(Chair) (Vice-chair) (Treasurer)
COMPANY SECRETARY	Joe Farrell	
REGISTERED OFFICE	Hallsville Road Canning Town London E16 1EE	
COMPANY NUMBER	2569833 (England and Wales) (Company limited by guarantee)	
CHARITY NUMBER	1016533	
OPERATIONS MANAGER	Joe Farrell	
AUDITORS	Nieman Walters Niman Registered Auditors and Chartered Certified Accountants 7 Bourne Court Southend Road Woodford Green Essex IG8 8HD	
BANKERS	National Westminster Bank Plc 386 Barking Road London E13 8JB	

NEWHAM COMMUNITY TRANSPORT
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report with the financial statements for the year ended 31 March 2008.

PRINCIPAL ACTIVITY, AIMS AND ORGANISATION OF THE CHARITY

The charity is constituted as a company limited by guarantee and is therefore governed by a Memorandum and Articles of Association, under which each member undertakes to contribute a sum not exceeding one pound in the event of a deficiency of assets on a winding-up. The company is a registered charity.

The principal activity continues to be to provide or assist in the provision of a passenger transport service in the London Borough of Newham for the use of individuals in specific need who by reason of their age, poverty, sickness, mental or physical disability are unable to use or have difficulty using public transport and for use by charitable organisations or for the charitable purposes of other voluntary organisations.

To achieve these objectives, the company operates a fleet of accessible and non-accessible minibuses for use by local community groups, assessment and training programmes for volunteer drivers.

Newham Community Transport is managed by trustees that are elected by the members of the charity. The trustees meet regularly to manage the affairs of the charity and receive reports from the manager who has responsibility for the daily operation of the Group Transport Service. The Driver Assessor/Trainer has specific responsibility for the training of the volunteer driver force. Other staff members have specific areas of responsibility that include volunteer recruitment and management, administration, bookings and vehicle maintenance.

RESULTS FOR THE YEAR

The Group Transport Service recruited 22 new group members during the year but with a number of resignations the total number of members groups was 171 at the year-end. There were approximately 4,300 bookings during the year involving the carrying of approximately 46,000 passengers.

The total chargeable mileage was approximately 109,000 whilst the average trip length was 25 miles, which indicates that the use of the service is still mainly for local journeys although a number of longer journeys continue to be undertaken.

The Statement of Financial Activities on page 6 shows a deficit for the year of £14,222, which comprises a deficit on the unrestricted fund of £8,449 and a deficit on the restricted capital fund of £5,773. Our reserves at the year end stand at £50,554 in total. The Income and Expenditure for the year are set out in detail on pages 13 and 14.

DEVELOPMENT AND ACTIVITIES THIS YEAR

The volunteer driver recruitment, training and management programme had, for economic reasons, to be scaled down during the year but still continued to recruit 73 new volunteer drivers and they, as well as a number of existing volunteer drivers, have been trained to the nationally recognised MIDAS standard. Newham Community Transport continues to support those volunteer drivers seeking to return to waged employment by providing means to gain experience and improve their self-esteem.

The Trustees wish to acknowledge the support that is given to Newham Community Transport by its volunteers, staff and members.

The Trustees extend their thanks to Newham Council, The Bridge House Estates Trust Fund and The Community Fund for their past and present support in the continued operation and development of Newham Community Transport.

NEWHAM COMMUNITY TRANSPORT

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

FUTURE PROSPECTS

There have been a number of changes that have had an impact on the financial stability of Newham Community Transport, the removal of the local authority revenue support grant, the increase in the rent charge for the premises in Hallsville Road and increased vehicle running costs being the main influences. The outcome of these changes is that charges for the transport service had to be increased substantially at 1st April 2008 which has contributed to the downturn in trade in the period to August 2008.

Financial monitoring to the end of August 2008 shows that both the company's group passenger transport service and volunteer driver training programme traded at a deficit for the period. The Newham Community Transport management team with support from the Community Transport Association are actively investigating new revenue sources that will improve the financial position of the company. The company is in the process of appointing a Business Development Officer to carry the initial investigations through to fruition. It must be noted that any deficit at year end will need to be covered from reserves.

As reported in previous years, the ageing nature of the vehicle fleet is still a concern and various alternative ways of obtaining newer vehicles are continually being investigated.

The volunteer recruitment, training and management programme continues to be undertaken by existing staff.

These continue to be very difficult times for Newham Community Transport but with the continued support of the members, staff, trustees, volunteers and funders, we shall prevail and continue to provide the service that the population of Newham deserves.

RESERVES AND INVESTMENT POLICY AND RISK REVIEW

It is the policy of the charity to maintain unrestricted funds, including designated funds, at a level which equates to at least two months unrestricted expenditure. This provides sufficient funds to cover management and administration and support costs on an ongoing basis. Unrestricted funds were maintained above this level throughout the year.

The management committee regularly review investment of funds and consider the return to be satisfactory.

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems are in place to mitigate our exposure to the major risks.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors, who are also the charity trustees, to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable and applicable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**NEWHAM COMMUNITY TRANSPORT
DIRECTORS' AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

DIRECTORS AND TRUSTEES DURING THE YEAR

Ellen Kemp - Chair
Eric Gregory - Vice Chair
Kerry Dickson - Treasurer
Ramasamy Veerasingham (resigned 7.11.07)
Benjamin Williams
Jay Rashid
John Fincher (resigned 7.11.07)
James Hepworth

All directors of the company are also trustees of the charity and members of Newham Community Transport Management Committee.

In addition to the above, the following acted as trustees and members of Newham Community Transport Management Committee:

Paul Olumu
Martin Pike (appointed 13.2.08)
Mina Parmar (resigned 7.11.07)


At each Annual General Meeting, one third of the members (the longest serving) are obliged to retire from office. Each member so retiring is eligible for re-election. Trustees are sought through canvassing of member organisations for nominations and by way of direct appeal to the wider community. Newly appointed trustees are provided with relevant training where required.

AUDITORS

The Auditors, Nieman Walters, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 25 November 2008 and signed on its behalf.


.....
E Kemp
DIRECTOR

NEWHAM COMMUNITY TRANSPORT
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEWHAM COMMUNITY TRANSPORT

We have audited the financial statements of Newham Community Transport for the year ended 31 March 2008 on pages six to twelve. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with S.235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements 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 Report of the Directors and Trustees is not consistent with the financial statements, if the company 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 directors remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nieman Walters Niman

Nieman Walters Niman
Registered Auditors and
Chartered Certified Accountants
7 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

Date: 25 November 2008

NEWHAM COMMUNITY TRANSPORT
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2008

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted	Restricted (capital)	Total 2008	Total 2007
INCOMING RESOURCES					
Incoming resources from charitable activities:					
Grants receivable		52,420	-	52,420	52,787
Hire charges		140,555	-	140,555	135,652
Membership fees		4,460	-	4,460	4,780
Driver training fees		3,192	-	3,192	5,375
Rent receivable		21,952	-	21,952	14,000
Sundry income		560	-	560	630
Bank deposit interest		3	-	3	1
Total Incoming Resources		223,142	-	223,142	213,225
RESOURCES EXPENDED					
Charitable activities:					
Costs of activities to further the charity's objects	2	220,538	5,773	226,311	205,586
Management and administration costs	3	8,053	-	8,053	7,753
Governance costs	4	3,000	-	3,000	3,300
Total Resources Expended		231,591	5,773	237,364	216,639
Net Incoming/(Outgoing) Resources		(8,449)	(5,773)	(14,222)	(3,414)
TOTAL FUNDS BROUGHT FORWARD		41,685	23,091	64,776	68,190
TOTAL FUNDS CARRIED FORWARD		33,236	17,318	50,554	64,776

There were no recognised gains or losses other than those recognised in the Income and Expenditure Account.

The notes form part of these financial statements

NEWHAM COMMUNITY TRANSPORT

BALANCE SHEET

AS AT 31 MARCH 2008

		2008	2007
	Notes		
FIXED ASSETS			
Tangible assets:			
Motor vehicles	8	18,553	24,739
Fixtures, fittings & equipment	8	<u>1,259</u>	<u>1,680</u>
		19,812	26,419
CURRENT ASSETS			
Debtors	9	66,249	63,878
Cash at bank and in hand		<u>5,146</u>	<u>1,389</u>
		71,395	65,267
CREDITORS: Amounts falling due within one year	10	<u>(40,653)</u>	<u>(26,910)</u>
NET CURRENT ASSETS		<u>30,742</u>	<u>38,357</u>
NET ASSETS		<u>50,554</u>	<u>64,776</u>
FUNDS			
Unrestricted funds:			
General funds	11	6,204	5,420
Designated funds	11	<u>27,032</u>	<u>36,265</u>
		33,236	41,685
Restricted funds	12	<u>17,318</u>	<u>23,091</u>
Total funds		<u>50,554</u>	<u>64,776</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small charitable companies and the Financial Reporting Standard for Smaller Entities (effective January 2007).

ON BEHALF OF THE BOARD:



 E Kemp - DIRECTOR



 E Gregory - DIRECTOR

Approved by the Board on 25 November 2008

The notes form part of these financial statements

NEWHAM COMMUNITY TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

1. Accounting Policies

Basis of preparation of accounts

The financial statements are prepared under historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and include the results of the charity's operations which are described in the Directors' and Trustees' Report and all of which are continuing.

The financial statements have been prepared in compliance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005, applicable accounting standards and the Companies Act 1985.

The charity has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost (or value introduced) less depreciation. Depreciation is provided at rates calculated to write off the cost (or value introduced) of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	25% reducing balance basis
Fixtures, fittings & equipment	25% reducing balance basis

Income

Income from grants is credited to the Statement of Financial Activities in the period to which it relates. Unexpended capital grants are carried forward to the period to which they relate. Other income represents the total invoice value of services rendered during the period excluding value added tax where applicable.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company in respect of the year.

Operating lease rentals

Rental paid under operating lease to London Borough of Newham for the rental of premises are charged to the Statement of Financial Activities as incurred.

Categories of funds

Restricted funds are those to be used for specified purposes as laid down by the provider of the funds. Related expenditure is allocated to the fund. The restricted capital fund relates to the fixed assets on which, in the event of their sale, the proceeds would be returnable to the provider of the original purchase funds.

Unrestricted general funds represent income received or generated for the objects of the charity without further specified purpose and are available as general funds. Related expenditure is allocated to the fund. During the year, this fund comprised Group Hire activities.

Unrestricted designated funds are those earmarked by the trustees for particular purposes. These relate to fixed assets not subject to any restriction and are also reserves for vehicle replacement, premises expenditure and Bus Service Operators Grant.

Management and administration costs

Management and administration costs relate to the costs of running the charity such as the costs of meetings, statutory compliance and a proportion of staff and other overhead costs.

NEWHAM COMMUNITY TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

2	Direct charitable expenditure	2008	2007
		£	£
	Vehicle running costs	82,408	73,173
	Depreciation on vehicles	6,186	8,248
	Staff costs	75,630	72,793
	Rent and other premises costs	48,420	35,670
	Depreciation on fixtures, fittings and equipment	421	536
	Other expenses	13,246	15,166
		<u>226,311</u>	<u>205,586</u>
3	Management and administration costs	2008	2007
		£	£
	Staff costs	6,505	6,261
	Rent and other premises costs	688	506
	Other expenses	860	986
		<u>8,053</u>	<u>7,753</u>
4	Governance Costs	2008	2007
		£	£
	Audit fees	3,000	3,300
5	Net deficit for the year	2008	2007
		£	£
	The net deficit for the year is stated after charging:		
	Depreciation of tangible fixed assets		
	-owned by the charity	834	1,111
	-on which, in the event of their sale, proceeds would be returnable to the		
	Provider of the original purchase funds	5,773	7,698
	Operating lease rentals	25,000	25,000
	Audit fees	3,000	3,300
6	Staff costs	2008	2007
		£	£
	Total emoluments paid to staff:		
	Wages and salaries	73,148	70,795
	Social security costs	6,525	5,964
	Pension costs	2,216	2,043
		<u>81,889</u>	<u>78,802</u>

No remuneration was paid to trustees in the year, nor were any expenses reimbursed to them. No employee received emoluments of more than £60,000. The average weekly number of staff employed was as follows:

		2008	2007
Direct charitable work	- Full time	2	2
	- Part time	1	1
Administrative	- Full time	-	-
	- Part time	1	1
		<u>4</u>	<u>4</u>

NEWHAM COMMUNITY TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

7. Interest payable	2008	2007
	£	£
Bank interest	<u>39</u>	<u>330</u>
8. Tangible fixed assets		
a) Motor vehicles		
Cost (or value introduced)		
At 1 April 2007 and		
at 31 March 2008		<u>132,697</u>
Depreciation		
At 1 April 2007		107,958
Charge for the year		6,186
At 31 March 2007		<u>114,144</u>
Net book value		
At 31 March 2008		<u>18,553</u>
At 31 March 2007		<u>24,739</u>
b) Fixture, fittings and equipment		
Cost (or value introduced)		
At 1 April 2007 and		
at 31 March 2008		<u>18,357</u>
Depreciation		
At 1 April 2007		16,677
Charge for the year		421
At 31 March 2008		<u>17,098</u>
Net book value		
At 31 March 2008		<u>1,259</u>
At 31 March 2007		<u>1,680</u>

Included in the above are fixed assets on which, in the event of their sale, the proceeds would be returnable to the provider of the original purchase funds. The net book values of these assets at 31 March 2008 were as follows:

Fixed assets	<u><u>£ 17,318</u></u>
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All fixed assets were for direct charitable purposes.

NEWHAM COMMUNITY TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

9. Debtors		2008	2007	
		£	£	
Due within one year:				
Grants receivable		8,200	19,778	
Trade debtors		41,564	35,161	
Prepayments		7,165	6,314	
Value added tax		9,320	2,625	
		<hr/>	<hr/>	
		66,249	63,878	
		<hr/>	<hr/>	
10. Creditors: amounts falling due		2008	2007	
Within one year		£	£	
Trade creditors		10,460	8,764	
Other taxes and social security costs		4,336	3,800	
Accruals		25,857	14,346	
		<hr/>	<hr/>	
		40,653	26,910	
		<hr/>	<hr/>	
11. Unrestricted funds				
	Balance at	Income/	Expenditure/	Balance at
	1 April 2007	Transfers	Transfers	31 March 2008
	£	£	£	£
Designated funds:				
Fixed assets fund	3,328	-	834	2,494
Vehicle replacement fund	14,524	3,285	13,847	3,962
Premises fund	4,526	-	-	4,526
Bus Service Operators Grant fund	13,887	4,000	1,837	16,050
	<hr/>	<hr/>	<hr/>	<hr/>
	36,265	7,285	16,518	27,032
General Funds	5,420	223,142	222,358	6,204
	<hr/>	<hr/>	<hr/>	<hr/>
	41,685	230,427	238,876	33,236
	<hr/>	<hr/>	<hr/>	<hr/>

The expenditure from the vehicle replacement fund relates to vehicle leasing costs for two vehicles on three year leases.

The Bus Service Operators Grant fund income relates to grant claims. The expenditure on this fund relates to expenses on the driver training programme not funded from self-generated income as follows:

	£
Staff costs	2,977
Vehicle expenses	749
Administration Costs	1,303
	<hr/>
	5,029
Driver training fees	3,192
	<hr/>
	1,837
	<hr/>

NEWHAM COMMUNITY TRANSPORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

12. Restricted funds

	Balance at 1 April 2007	Income/ Transfers	Expenditure Transfers	Balance at 31 March 2008
Fixed assets	<u>23,091</u>	<u>-</u>	<u>5,773</u>	<u>17,318</u>

13 Analysis of net assets between funds

	Unrestricted	Restricted (capital)	Total
	£	£	£
Tangible fixed assets	2,494	17,318	19,812
Net current assets	30,742	-	30,742
	<u>33,236</u>	<u>17,318</u>	<u>50,554</u>

14 Commitments under operating leases

As at 31 March 2008, annual commitments under non-cancellable operating leases on land and buildings were as follows:

	2008	2007
Leases expiring:		
Between two and five years	<u>23,520</u>	<u>23,520</u>

The company has received a demand for rent arrears which it is disputing and so no provision has been made in these accounts.

15 Taxation

The charitable company is exempt from corporation tax on its charitable activities.