

West Hull Community Transport

Annual Report and Financial Statements

31 March 2019

Company Limited by Guarantee
07209837 (England and Wales)

Charity Registration Number 1138430



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

Trustees	D Powell OBE S Spandler
Registered office	c/o HCT Group CAN Mezzanine 49-51 East Road London N1 6AH
Company registration number	07209837 (England and Wales)
Charity registration number	1138430
Accountants	Buzzacott LLP 130 Wood Street London EC2V 6DL

Trustees' report 31 March 2019

The trustees, who are directors of West Hull Community Transport for the purposes of company law, present their report together with the financial statements for the year ended 31 March 2019.

The financial statements have been prepared in accordance with the accounting policies set out on pages 10 and 11 of the attached financial statements and comply with the charity's Memorandum and Articles of Association, applicable laws, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102), effective from accounting period commencing 1 April 2015.

The charity was formed on 31 March 2010 and commenced operations on 30 June 2010.

The charity is a joint venture between HCT Group and Goodwin Development Trust. The financial statements of West Hull Community Transport have been consolidated in the financial statements of HCT Group as HCT Group has overall control.

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

Goodwin Development Trust is registered in England, company registration number 04454814, is limited by guarantee and has no share capital. Goodwin Development Trust is registered with the Charity Commission for England and Wales (charity registration number 1098520).

Structure, governance and management

West Hull Community Transport is limited by guarantee and governed by its Memorandum and Articles of Association. It is managed by its Management Committee. The Management Committee are the trustees and directors of the charity and are elected at each Annual General Meeting to serve until the next AGM.

The Chief Executive Officer is Dai Powell OBE.

The Management Committee make strategic decisions and the day-to-day operations of the charity are managed by the Chief Officers of West Hull Community Transport, delegated to other staff members, as appropriate.

Trustees

The trustees in office during the year were as follows:

A Dearing	(resigned 15 January 2020)
D Powell OBE	
S Spandler	

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

Structure, governance and management (continued)

Risk management

The trustees have identified the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate the risks.

Principal aims and objectives

West Hull 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.

The primary objective of the charity is to provide a community transport service for the inhabitants of Kingston-Upon-Hull and the surrounding area who are in need of such a service because of age, sickness, disability (mental or physical) or poverty or because of a lack of availability of adequate and safe public passenger service.

Statement of public benefit

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

The charity has a membership comprising local community groups who regularly use the fleet of minibuses, many of which are accessible for wheel chair users. The membership includes local faith groups, schools, charities and clubs who use their membership to access low cost accessible transport to enable them to achieve their own objectives and mission.

The trustees monitor and set the level of the fees paid by the Group Transport members, the fees charged are lower than a conventional hire and are set to cover direct costs and a proportion of overhead costs.

The charity is able to provide the ongoing local service by securing commercial contracts that generate surpluses that provide sustainable income streams to fund it.

Achievements and performance

The charity was dormant for the year ended 31 March 2019 (2018 – dormant).

Financial review

The charity was dormant for the year ended 31 March 2019 (2018 – dormant).

Reserves policy

The reserves policy is part of the overall reserves policy of the HCT Group, which is set out below.

At 31 March 2019 the balance of the Group's total funds was £3.9m (2018 – £5.5m). None of these reserves were held for restricted purposes (2018 - £nil).

The balance on the Group's pension reserve as at 31 March 2019 was a deficit of £100,000 (2018 – deficit of £94,000). The Group maintains a designated fund representing all the general funds that have been invested in tangible fixed assets and therefore are not readily available for working capital purposes. The balance on the designated fund at 31 March 2019 was £3.3m (2018 - £2.6m).

After deducting the funds mentioned above, the balance on the Group's general reserves as at 31 March 2019 was £0.8m (2018 - £3.0m). The group had net current assets as at 31 March 2019 of £3,400,196 (2018 – £2,009,636).

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

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

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

Based on these calculations, the trustees estimate that a total of £4.9m is required representing approximately 3 weeks of budgeted spend for the year 2019/20. The Group's reserves are therefore below the requirement identified by the trustees. The trustees will continue to build the reserves in order to accommodate expansion of the Group, by improving the profitability of commercial contracts which it operates through its subsidiaries and retaining those profits in the Group.

Reserves

The general fund represents the working capital of the charity which enables it to plan and operate its services. At 31 March 2019 general funds showed a deficit of £42,772 (2018 – £42,772). The charity is supported by its parent entities HCT Group and Goodwin Development Trust.

The trustees are of the opinion that total reserves representing the general funds of the charity are sufficient and in line with the reserves policy for the group as a whole. In addition the charity is supported by its parent entities HCT Group and Goodwin Development Trust.

Trustees' report 31 March 2019

The charity has net liabilities of £42,772 at 31 March 2019 (2018 – £42,772). At that date the company's debt to the ultimate controlling parties totalled £67,690 (2018 - £67,690). The charity has the support of its ultimate controlling parties (see page 13 for details of ultimate controlling parties).

Plans for the future

The trustees are exploring options for the future of the organisation.

Statement of trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Statement of trustees' responsibilities (continued)

Employees

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

Signed on behalf of the board of trustees:

A handwritten signature in black ink, appearing to read 'D Powell', is positioned to the right of a vertical line.

D Powell

Trustee

Approved by the board on: 6 November 2020

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of West Hull Community Transport for the year ended 31 March 2019

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of West Hull Community Transport for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements including accounting policies, from the company's accounting records and from information and explanations you have given to us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance/.

This report is made solely to the board of directors of West Hull Community Transport, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of West Hull Community Transport and state those matters that we have agreed to state to the board of directors of West Hull Community Transport, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than West Hull Community Transport and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that West Hull Community Transport has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of West Hull Community Transport. You consider that West Hull Community Transport is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of West Hull Community Transport. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Hugh Swainson

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

Date 27.11.2020

Statement of financial activities Year to 31 March 2019

	Notes	2019 Total unrestricted funds £	2018 Total unrestricted funds £
Income from:			
. Donations and grants		—	—
. Investment income		—	—
Charitable activities			
. Income from transport services		—	—
Other incoming resources		—	—
Total income		<u>—</u>	<u>—</u>
Expenditure on:			
Charitable activities			
. Community transport		—	—
Total expenditure		<u>—</u>	<u>—</u>
Net movement in funds		—	—
Fund balances at 2 April 2018		<u>(42,772)</u>	<u>(42,772)</u>
Fund balances at 31 March 2019		<u>(42,772)</u>	<u>(42,772)</u>

There were no other recognised gains or losses other than the net movement in funds for the above financial years.

Balance sheet 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	3		—		—
Current assets					
Debtors	4	4,022		4,022	
Cash at bank and in hand		25,487		25,487	
		<u>29,509</u>		<u>29,509</u>	
Creditors: amounts falling due within one year	5	<u>(72,281)</u>		<u>(72,281)</u>	
Net current liabilities			(42,772)		(42,772)
Net assets			<u>(42,772)</u>		<u>(42,772)</u>
Reserves					
Unrestricted funds:					
General fund			(42,772)		(42,772)
			<u>(42,772)</u>		<u>(42,772)</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the directors of West Hull Community Transport, Company Registration Number 07209837 (England and Wales), and signed on their behalf by:



D Powell

Trustee

Approved by the board on: 6 November 2020

Principal accounting policies 31 March 2019

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

Basis of preparation

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

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

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

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

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

Statement of cash flows

The Trust has opted not to prepare a statement of cash flows as it falls within the various exemptions included in FRS 102 and the Charities Statement of Recommended Practice.

Fixed assets

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

- ◆ Motor vehicles: straight line basis over 7 years

Cash at bank and in hand

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

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the company anticipates it will pay to settle the debt.

Principal accounting policies 31 March 2019

Fund accounting

The reserves of the charity are as follows:

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

Notes to the financial statements 31 March 2019

1 Staff costs

No trustee received any remuneration or reimbursed expenses in respect of their services during the year (2018 – none).

The average number of employees during the year was nil (2018 – £nil).

2 Taxation

No provision has been made in these financial statements for income or corporation tax because the charitable activities of West Hull Community Transport qualify for exemption under Section 505 of ICTA 1986.

3 Fixed assets

	Motor vehicles £	Total £
Cost		
At 2 April 2018	13,727	13,727
Disposals	—	—
At 31 March 2019	<u>13,727</u>	<u>13,727</u>
Depreciation		
At 2 April 2018	13,727	13,727
Disposals	—	—
At 31 March 2019	<u>13,727</u>	<u>13,727</u>
Net book value		
At 2 April 2018	—	—
At 31 March 2019	<u>—</u>	<u>—</u>

4 Debtors

	2019 £	2018 £
Trade debtors	3,505	3,505
Other debtors	517	517
	<u>4,022</u>	<u>4,022</u>

Notes to the financial statements 31 March 2019

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Amount due to HCT Group*	67,690	67,690
Trade creditors	306	306
Accruals and deferred income	4,285	4,285
	72,281	72,281

* Of this amount £33,604 (2018 – £33,604) relates to a loan provided to the charity by HCT Group. The loan is unsecured and repayment will be made on demand.

6 Ultimate controlling party

The ultimate parent undertakings are HCT Group, a charitable company registered in England and Wales (Charity Registration Number 1091318 and Company Registration Number 01747483) and Goodwin Development Trust, a charitable company registered in England and Wales (Charity Registration Number 1098520 and Company Registration Number 04454814).