

Company registration no: 05767006

Charity no: 1114100

# **Preston Community Transport Limited**

**(A registered charity and  
company limited by guarantee)**

## **Report and Financial Statements**

**For The Year Ended  
31 March 2017**



# **PRESTON COMMUNITY TRANSPORT LIMITED**

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# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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### **Constitution**

Preston Community Transport Limited is a company limited by guarantee registered in England and Wales (number 5767006) and a registered charity (number 1114100) and is governed by its Memorandum and Articles of Association approved on 14 February 2006.

### **Directors and trustees**

The directors of the charitable company are also its trustees for the purposes of charity law, and throughout are collectively referred to as "the board of trustees". All the trustees stand down each year and are eligible for re-election at the Annual General Meeting. None of the trustees received any remuneration for their services. The trustees during the year were:

Mr. PTJ Bell	(Chair)
Mr. J Taylor	(Treasurer)
Mr. D Borrow	(appointed July 2017)
Cllr. Mrs. P Brown	
Mr. N Collison	
Mrs. Z Coupland	(resigned November 2016)
Mr. H Dixon	(resigned November 2016)
Mr. A Fairey	

### **Company Secretary, General Manager and Transport Manager**

Mr. J Hannett

### **Operations Co-ordinator**

Mr. D Meggison

### **Registered office**

Preston Mobility Centre, 28 Friargate, Preston, PR1 2AU

### **Examiner**

Christine Wilson FCA DChA, MHA Moore and Smalley, Richard House, Winckley Square, Preston, PR1 3HP

### **Bankers**

CAF Bank

### **Solicitors**

Napthens, 7 Winckley Square, Preston, Lancashire PR1 3JD

### **VAT registration number**

483270638

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# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **BOARD OF TRUSTEES' REPORT FOR 2016/17**

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The trustees of Preston Community Transport Limited, who are also the directors for the purposes of the Companies Act, present their annual report and the financial statements for the year ended 31 March 2017, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes. The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Objects of the company**

From the Memorandum of Association "The object of the company is to provide community transport services for such of the inhabitants of Preston and other areas of Lancashire who are in need of such service because of age, sickness or disability (mental or physical) or poverty, or because of a lack of availability of adequate and safe public passenger services."

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

As required by the Memorandum and Articles of Association, overall responsibility for the company's activities is vested in the directors serving as the company's board of trustees. Trustees have individual experience and expertise as service users as well as specialist professional skills. Trustee induction training is provided by the chairman, general manager and company secretary. Trustees are encouraged to participate in training and events relevant to the company's activities. During the year the members acted as the directors and also the trustees of the company.

The board of trustees shall comprise not less than three persons. Trustees are elected individually at the Annual General Meeting by individual members of the company or persons nominated by organisations which are members. Trustees hold office until the next Annual General Meeting when they are eligible for re-election. The board of trustees may co-opt not more than two other persons, whether or not members of the company, to serve as full voting members of the board.

The main board of trustees meets bi-monthly and a subcommittee dealing with strategy and planning, finance, fundraising, personnel, health and safety meets in the meantime and reports to the main board.

In practice the board employs staff and deploys volunteers to provide a range of services. Overall responsibility for policy implementation, service delivery and development and day to day operations is delegated to the general manager, subcommittee chairmen and operations staff based at the Mobility Centre.

The Company's vehicles are garaged at The Store Room, Marsh Lane, Preston.

### **Summary of aims and achievements**

Preston Community Transport (Preston CT) is a small, community led, local charity providing affordable transport and related services primarily for people with restricted mobility with the aim of alleviating social, economic, rural and cultural isolation and supporting the transport needs of other local voluntary organisations.

Preston CT was established in August 1988 and has operated continuously since then. Initially as an Industrial and Provident Society, then converting to a company limited by guarantee and a registered charity on 31 March 2006.

Preston CT's minibuses are currently operated under Section 19 of the Transport Act 1985 with services being provided to members of the Dial A Ride schemes or persons who fall within the statutory definitions. Preston CT continues to hold a National Standard PSV Operators (or "O") licence, although not currently running any PSV services in order to have flexibility for future service provision.

Community Transport services are provided through Lancashire Community Transport - with funding from Lancashire County Council. We continue to provide Shopmobility in Preston City Centre which no longer benefits from funding, we aim to continue to do so unless costs significantly outweigh income.

# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **BOARD OF TRUSTEES' REPORT FOR 2016/17 (CONTINUED)**

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Preston CT relies on contract funding to meet expenditure supplemented by income generated from fares and user contributions.

Trustees and managers maintain close contact with principal funders and believe that there is as good an intention to maintain core funding as can be expected, but budgetary constraints are evident. Local and national political decisions will always present the main risk to grant and contract income.

### **Community Transport**

Following the creation of Lancashire Community Transport (LCT), a grouping of CT organisations in Lancashire, 2016/17 was our second year of operation under these arrangements.

LCT exceeded its **Single Passenger Trip (SPT)** target for the year by nearly 15,000 SPTs and Preston CT played a big part in this – beating target by over 4,400 SPTs.

### **Dial A Ride (DAR) services**

*DAR provides a door to door, wheelchair accessible, minibus service for people who are unable to use, or don't have any, regular bus services to get to shopping and other essential services.*

Our DAR services were severely affected by Lancashire County Council's financial decision to restrict concessionary bus pass usage on Community Transport services. The reasoning for this was that it was a non-statutory provision which, in times of austerity, they could not afford.

Preston CT still strongly disagree with that decision as we believe there is a basic unfairness when a person with restricted mobility due to age or disability, has a useless concessionary fare pass for life's essentials whilst their more able contemporaries get free transport for essentials and leisure. While DAR performance is now above that in 2012/13, it is still below what we saw when concessions were eligible on CT (2011/12).

However, and as expected, DAR performance improved during the year under review. DAR SPTs grew by 17% year on year and income edged up by £2k. The geographical spread of pickups and destinations improved following engagement with passengers and the concerted efforts of both Martin Alston and David Meggison, staff members who promoted the services to people likely to benefit in new and interesting ways.

In July 2016 we took delivery of our brand new Mellor Orion vehicles donated by UK Government's Department for Transport. Our vehicle launch day pictures were used in the CTA Journal "Together", as well as their blogs and other media distributed by the CTA during the year. The new vehicles went through their shake down period with a few minor amendments however, they have performed admirably and are liked by drivers and passengers alike. They certainly improve our professional transport image and, along with newly coherent branding and colour schemes, will contribute to the success of Preston CT in years to come.

### **Group Transport (GT)**

*Provides an opportunity for qualifying groups and organisations who do not have their own accessible minibus to use a minibus and driver provided by the Community Transport Organisation.*

Income from GT was up £2.5k which is an achievement given that significant periods of time were spent off road, due to two large body work repair jobs, on two of our most popular GT vehicles within the period under review. In addition we embarked on a project to repaint the fleet in our colours, consequently the equivalent of just under six weeks were "lost" to re-painting six vehicles. This contributed to a decrease in SPTs over last year.

### **Lancashire Ranger (LR) project**

*These day trips out enable individuals and groups of friends to go to various events and destinations like local markets and the countryside or seaside. We continue this as we feel there is just as much value in discretionary travel as there is in "essentials".*

Big Lottery funding for the LR project ceased on 28 February 2009. However, Preston CT has managed to keep this valuable service, which provides accessible day trips out on a door to door basis to residents of Preston and South Ribble, going using volunteer drivers to keep these "monthly highlights" affordable.

# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **BOARD OF TRUSTEES' REPORT FOR 2016/17 (CONTINUED)**

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We managed to find willing volunteer drivers this year who allowed us to send more buses on a number of trips thereby increasing the number of passengers to 1,500 - a 23% increase over last year and the highest number of SPTs we've achieved since the end of funding in 2009.

The limiting factor – which is getting more acute and its consequences more severe - is the number and availability of volunteer minibus drivers. This means that there are significant proportions of the coordinator's time spent driving "uncovered" runs. This has knock-on effects into the administration of the charity.

Concerted efforts over the last two years to encourage groups and organisations to MiDAS train their own volunteers, have gradually born fruit and the number of organisations not needing us to source a volunteer to drive for them has increased. However circumstances may soon change, there are regulatory rumblings on the horizon. Change may be coming so we will need to deal with that as and when we find out more.

### **Community Cars (CC)**

*The service is provided by volunteer drivers using their own cars and trips are coordinated by the Community Transport office.*

2016/17 saw a 24% growth to 7,030 SPTs. Volunteer numbers have grown steadily thanks to the efforts of volunteer minibus drivers, taking posters and leaflets with them when they go on trips to likely areas and sticking them up in every location they can think of. Further growth in this scheme will necessitate an investment in IT as the current system is already at capacity.

### **Shopmobility services**

*Shopmobility is a service common to many towns and cities across the country. We are part of the National Federation of Shopmobility and the British Healthcare Trades Association. We have over 30 pieces of electric and manual mobility equipment such as Mobility Scooters, wheelchairs, walking frames and related equipment for use around Preston City Centre.*

Despite no longer receiving any direct funding from Preston City Council or any other body on behalf of the Shopmobility service in Preston, we actually grew the number of individual day hires of equipment to 3,663 (vs. 3,329 15/16). Long Term Hires dropped this year, with only 211 compared with 483 in 2015/16, there has been a noticeable lack of calls from area OTs and anecdotally we hear that the speed of mobility equipment allocation has increased so perhaps reduces immediate need in this area. Our shopmobility reward scheme continues to be well received.

During the year one of minibus driving volunteers stopped driving due to medical reasons but has answered the call to be our ad-hoc scooter maintenance volunteer. He is a time-served mechanic and performs low level mechanical repairs and preventative maintenance on the scooter fleet. Once Roma Medical get their training programme back up and running, we intend to send Andy on the course and aim to be maintaining our fleet in-house although more technical issues (such as electrical or software) will still be performed by qualified technicians.

### **Premises**

Preston CT continues to benefit from the use of Preston Mobility Centre. The meeting room has been used by the Preston Citizens Advice Bureau and Lancashire Association of CVSs has taken over the old managers office as the base for their Preston based work on a six month licence.

### **Key management personnel remuneration**

The charity applies salaries to management personnel commensurate with duties and that are consistent within the parameters of nationally agreed rates of pay. Salaries are reviewed annually by the Board of Trustees. The Charity considers its key management personnel to be the General Manager and the Operations Co-ordinator.

# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **BOARD OF TRUSTEES' REPORT FOR 2016/17 (CONTINUED)**

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### **Acknowledgements**

Preston CT seeks to maintain excellent working relationships with its Local Authority stakeholders and the relationship with Preston is one we particularly value and hope to develop in new and innovative ways in future.

Trustees recognise the Department for Transport and its Community Transport vehicle fund, which resulted in our being able to replace two older vehicles with brand new, purpose built minibuses. Thanks also to Mr Peter Bell for designing our new livery and choosing the colours.

Special recognition to Mr Alan Fairey who has, once again gone above and beyond, making time in his busy volunteering schedule and using his accountancy expertise in preparing our books for examination. This has saved the charity significant sums over the years and allowed management to concentrate on the operation and strategy.

Trustees would like to show their appreciation to Mr Howard Dixon who retired - again - at the AGM following over 23 years with the charity. Howard's knowledge of where we've been was very using in guiding where we are going next and he will be sorely missed.

Grateful thanks go to our volunteer drivers for their help in running Lancashire Ranger day trips out, Group Transport for more than 440 voluntary, community and faith sector organisational members and Community Cars in the five districts we are responsible for.

The trustees acknowledge and are grateful for the dedication, professionalism, and level of care shown to customers by the staff and their willingness to keep all the services running smoothly even in difficult situations. We are also grateful to all those who have supported the various fund raising efforts during the year (raffles and tombola etc.) whether by donation of prizes or buying tickets.

The trustees themselves are volunteers, and without their unstinting donation of time and talents the charity would cease to function.

### **Plans for 2017/18**

- Reframe the relationship with Preston City Council toward a productive and quality partnership. Pursue new and innovative forms of service provision and support.
- Manage the potential difficulties resulting from EU legislation.
- Secure funding from April 2018.

### **Reserves policy**

The board of trustees aims to maintain a level of unrestricted, accessible, uncommitted, reserves sufficient to:

- Maintain at least three months operating costs in the event of a significant loss of funding to provide time to seek alternative funding;
- Or for an orderly change of activities;
- As well as providing for capital investment should the opportunity arise. Acquiring a vehicle of similar standard to those we currently operate will cost in the region of £75,000 each.

At the year-end this policy was met.

# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **BOARD OF TRUSTEES' REPORT FOR 2016/17 (CONTINUED)**

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### **Risk management**

The board discharges its responsibility for risk management by identifying risks and approving, and reviewing operational and organisational policies including:

- Corporate, business and financial risk
- Health and Safety policy and practice
- Protection of vulnerable people
- Personnel policies
- Monitoring, evaluation and customer care policies
- Vehicle and driving management policies

### **Investment policy**

The board do not directly invest in anything other than Bank and Building Society Accounts and feel this is appropriate for this company.

### **Public benefit**

Preston CT's aims are described on page 1 at "Objects of the company". Preston CT's operations aim to benefit the community by relieving social, economic, cultural, and rural isolation for members of the public with restricted mobility. As such our operations touch on the Charities Act description of charitable purposes "community development", "human rights" and "equality and diversity" and fits description J "relief of those in need by reason of youth, age, ill health, disability, financial hardship, or other disadvantage."

Membership of our schemes is fully open to members of the public and Dial A Ride services are required to be provided to eligible members of the public under the Transport Act. Any user charges are kept low and affordable, and are reviewed regularly for affordability. Within our objects, access to our services is unrestricted within our geographic area of operation within the limits of our operational capacity or unless safety would be jeopardised (e.g. underage use of powered mobility equipment). We aim to minimise detriment through our environmental policy, vehicle specifications, supply chain and by always seeking to optimise vehicle occupancy.

### **Financial review**

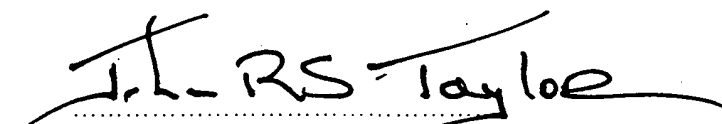
The total balances as at 31 March 2017 were £405,424, which is all held as unrestricted funds. After depreciation the charity generated a surplus of £90,641.

### **Small company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the board of trustees and authorised for issue on 22/11/17 and signed on its behalf by:

  
Mr P T J Bell - Trustee

  
Mr J Taylor - Trustee



**PRESTON COMMUNITY TRANSPORT LIMITED**  
**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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I report on the accounts of the company for the year ended 31 March 2017 which are set out on pages 7 to 16.

**Respective responsibilities of trustees and examiner**

The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

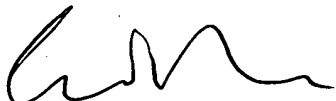
**Basis of independent examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

**Independent examiner's statement**

In connection with my examination, no matter has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
  - to keep accounting records in accordance with section 386 of the Companies Act 2006; and
  - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charitieshave not been met; or
- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Christine Wilson FCA DHcA  
MHA Moore and Smalley  
Chartered Accountants  
Preston

Date: 27/4/17

**PRESTON COMMUNITY TRANSPORT LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted funds £	Restricted funds £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>					
<i><b>Donations:</b></i>					
Donated assets	2	146,667	-	146,667	-
Other donations		6,130	-	6,130	8,330
<i><b>Charitable activities</b></i>	3	230,921	-	230,921	234,675
<i><b>Investments</b></i>		274	-	274	501
<b>Total income</b>		383,992	-	383,992	243,506
<b>Expenditure on:</b>					
Charitable activities	4	293,351	-	293,351	233,410
<b>Total expenditure</b>		293,351	-	293,351	233,410
<b>Net income/(expenditure)</b>	7	90,641	-	90,641	10,096
<b>Transfers between funds</b>		-	-	-	-
<b>Net movement in funds</b>		90,641	-	90,641	10,096
<b>Reconciliation of funds:</b>					
Total funds brought forward		314,783	-	314,783	304,687
<b>Total funds carried forward</b>		405,424	-	405,424	314,783

All the above results are derived from activities which are continuing.

All gains and losses in the period are included above.

# PRESTON COMMUNITY TRANSPORT LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	11		152,998		72,971
<b>Current assets</b>					
Debtors	12	27,658		34,789	
Cash at bank and in hand		243,084		261,571	
		270,742		296,360	
<b>Creditors: amounts falling due within one year</b>	13	(18,316)		(54,548)	
<b>Net current assets</b>			252,426		241,812
<b>Net assets</b>			405,424		314,783
<b>Reserves</b>	14				
Unrestricted general funds			124,424		52,458
Unrestricted designated funds			281,000		262,325
Restricted funds			-		-
			405,424		314,783

For the financial year ended 31 March 2017 the company was entitled to exemption from audit 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 ended 31 March 2017 in accordance with section 476 of the Companies Act 2006. The trustees acknowledge their responsibilities for complying with the requirements the Act with respect to accounting records and the preparation of financial statements.

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

These financial statements were approved by the trustees on 22/11/17 and were signed on their behalf by:

  
Mr P T J Bell - Trustee

  
Mr J Taylor - Trustee

Company Number: 05767006

# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **1 Accounting policies**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

#### **Basis of preparation**

The financial statements 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 UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015. The financial statements have been prepared under the historical cost convention.

Preston Community Transport Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required.

#### **Going concern**

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the charity's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Company status**

The charity is a company limited by guarantee. The trustees are drawn from the members of the company and volunteer members. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per trustee of the charity.

#### **Fund accounting**

General funds are unrestricted funds, which are available for use at the discretion of the trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **1 Accounting policies (continued)**

#### **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

#### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

All costs of running the vehicles are charged to direct charitable expenditure.

Support costs are those resources expended in relation to the running of the charity and that are not directly attributable to the charitable activities that are undertaken.

Governance costs include those costs incurred in the governance of the charity's assets and are associated with constitutional and statutory requirements.

Any expenditure for a future period is prepaid in the accounts until that period. Resources expended do not include VAT that can be reclaimed.

#### **Investments and investment income**

The company has no direct investments other than cash at bank. Interest is earned on surplus cash balances.

#### **Tangible fixed assets and depreciation**

All fixed assets are initially recorded at cost. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost over their expected useful economic lives as follows:

Scooters and wheelchairs	-	over 7 years
Motor vehicles	-	33% reducing balance
Computer equipment	-	over 3 years
Other equipment	-	over 10 years

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### **Creditors**

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

# **PRESTON COMMUNITY TRANSPORT LIMITED**

## **NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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### **1 Accounting policies (continued)**

#### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **Operating leases**

Rentals applicable to operating leases are charged to the SOFA on a straight line basis over the term of the lease.

#### **Taxation**

The company is a registered charity and is not liable to taxation on its charitable activities.

#### **Pension contributions**

The company's employees are entitled to join the NEST pension scheme. The accounts of the scheme are held separately from those of the charity. Contributions payable are charged in the Statement of Financial Activities.

#### **Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

### **2 Donated assets**

During the year, the charity received 2 donated minibuses from the DfT Community Minibus Fund. The total value of the vehicles of £146,667 has therefore been recognised as donation income.

# PRESTON COMMUNITY TRANSPORT LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 3 Income from charitable activities

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
LCT contract income	135,863	-	135,863	133,461
Bus Service Operators Grant	5,252	-	5,252	5,132
Group transport income	31,105	-	31,105	28,584
Dial A Ride fares	34,188	-	34,188	32,154
Voluntary, Community and Faith Sector – Preston CC	-	-	-	13,392
Shopmobility hire charges	14,695	-	14,695	13,568
Lancashire Ranger	7,378	-	7,378	5,581
Driver training income	1,645	-	1,645	1,131
Miscellaneous income	795	-	795	1,672
	<b>230,921</b>	<b>-</b>	<b>230,921</b>	<b>234,675</b>

Specific Dial A Ride and Community Cars income from Lancashire County Council ended in March 2015. Preston CT joined with other CT operators to build an informal consortium (Lancashire Community Transport) and mount a joint bid for the new LCC contract. This contract income therefore replaced the previous income streams.

The total income of £234,675 in the previous year was all unrestricted income.

### 4 Expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
<b>Transport and related services</b>				
Vehicle running expenses	43,282	-	43,282	46,711
W/C and S/C purchases and spares	3,559	-	3,559	2,772
Depreciation	70,651	-	70,651	31,196
Volunteer expenses	1,953	-	1,953	2,140
Staff salaries and wages	75,308	-	75,308	62,420
Storage costs	7,960	-	7,960	8,220
Support costs (note 5)	88,898	-	88,898	77,986
Governance costs (note 6)	1,740	-	1,740	1,965
	<b>293,351</b>	<b>-</b>	<b>293,351</b>	<b>233,410</b>

The above expenditure relates to the one charitable activity: the provision of community transport services. A total of £nil (2016: £3,059) was restricted expenditure.

# PRESTON COMMUNITY TRANSPORT LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 5 Support costs

	Unrestricted funds £	Restricted funds £	2017 Total £	2016 Total £
Salaries and pension costs	48,962	-	48,962	47,002
Rates	1,276	-	1,276	543
Insurance	2,309	-	2,309	2,461
Light and heat	2,279	-	2,279	2,614
Other office costs	27,201	-	27,201	23,566
Depreciation	1,155	-	1,155	1,637
Loss on disposal of fixed assets	2,536	-	2,536	-
Advertising	3,120	-	3,120	163
Bank charges	60	-	60	-
	<b>88,898</b>	<b>-</b>	<b>88,898</b>	<b>77,986</b>

Support costs include administration, management and strategic development time.

### 6 Governance costs

	2017 £	2016 £
Statutory accounts and independent examination	1,300	1,275
Other accountancy services	440	690
	<b>1,740</b>	<b>1,965</b>

### 7 Net income/(expenditure) for the year

	2017 £	2016 £
This is stated after charging:		
Depreciation of tangible fixed assets – owned by the charity	71,806	32,833
Independent examination fees	1,300	1,275
Other accountancy services	440	690



# PRESTON COMMUNITY TRANSPORT LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 8 Staff costs

	2017 £	2016 £
Wages and salaries	116,602	103,608
Social security	5,759	5,814
Pension costs	1,909	-
	<u>124,270</u>	<u>109,422</u>

No employees were paid at the rate of over £60,000 per annum in the current or previous year.

The key management personnel of the charity comprise the trustees, the General Manager, and the Operations Co-ordinator. The total employee benefits of the key management personnel of the charity, including National Insurance and pension contributions, were £60,472 (2016: £60,082).

The trustees and connected persons were not paid or received any other benefits from employment with the charity in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

### 9 Staff numbers

The average monthly head count was 8 staff (2016: 7 staff) and the average monthly number of full-time equivalent employees during the year was as follows:

	2017	2016
Management	1	1
Service delivery	5	4
	<u>6</u>	<u>5</u>

### 10 Related party transactions

The charity is controlled by the Board of Trustees.

One of the Trustees of Preston Community Transport is also a Trustee of INTACT. During the year sales invoices totalling £1,060 (2016: £646) were raised to INTACT. Included within trade debtors at 31 March 2017 was £107 (2016: £40) recoverable from INTACT.

There were no other transactions with related parties in the current or previous year.

# PRESTON COMMUNITY TRANSPORT LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 11 Tangible fixed assets

	Scooters & wheelchairs £	Minibuses and vehicles £	Computer Equipment £	Other Equipment £	Total £
<b>Cost</b>					
At 1 April 2016	21,332	115,613	4,214	19,318	160,477
Additions	-	162,139	2,280	780	165,199
Disposals	(2,938)	(19,950)	-	-	(22,888)
<b>At 31 March 2017</b>	<b>18,394</b>	<b>257,802</b>	<b>6,494</b>	<b>20,098</b>	<b>302,788</b>
<b>Depreciation</b>					
As at 1 April 2016	14,422	56,301	4,088	12,695	87,506
Charge for the year	1,983	68,668	210	945	71,806
On disposals	(2,938)	(6,584)	-	-	(9,522)
<b>At 31 March 2017</b>	<b>13,467</b>	<b>118,385</b>	<b>4,298</b>	<b>13,640</b>	<b>149,790</b>
<b>Net book value</b>					
<b>At 31 March 2017</b>	<b>4,927</b>	<b>139,417</b>	<b>2,196</b>	<b>6,458</b>	<b>152,998</b>
At 31 March 2016	6,910	59,312	126	6,623	72,971

### 12 Debtors

	2017 £	2016 £
VAT recoverable	7,837	6,557
Trade debtors	2,858	3,565
Prepayments	11,833	14,075
Accrued income	2,337	2,962
Other debtors	2,793	7,630
	<b>27,658</b>	<b>34,789</b>

Included in other debtors is an amount of £nil (2016: £2,543) due in greater than one year.

### 13 Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	13,697	18,944
Accruals and deferred income	2,358	35,604
Taxation and social security	2,261	-
	<b>18,316</b>	<b>54,548</b>

# PRESTON COMMUNITY TRANSPORT LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

### 14 Movement in funds

	Balance 1 April 2016 £	Movement in income £	Resources outgoing £	Transfers £	Balance 31 March 2017 £
<b>Unrestricted general funds</b>	52,458	383,992	(293,351)	(111,715)	<b>31,384</b>
<b>Unrestricted designated funds:</b>					
Vehicle and equipment fund	202,665	-	-	110,375	<b>313,040</b>
Wind up reserve	51,000	-	-	-	<b>51,000</b>
Transport fund	8,660	-	-	1,340	<b>10,000</b>
	<b>314,783</b>	<b>383,992</b>	<b>(293,351)</b>	<b>-</b>	<b>405,424</b>

- The vehicle and equipment fund allows for replacements, upgrades or modifications. The trustees have decided to transfer additional amounts to this fund at the year end.
- The wind up reserve will allow for an orderly closure of the organisation in the event of a sudden, total loss of funding, contract income or other circumstances beyond control of trustees.
- The transport fund will be available for groups and families having difficulties obtaining transport.

### 15 Analysis of net assets between funds

	Tangible fixed assets	Net current assets	Total 2017	Total 2016
<b>Unrestricted general funds</b>	<b>152,998</b>	<b>(28,574)</b>	<b>124,424</b>	52,458
<b>Unrestricted designated funds:</b>				
Vehicle and equipment replacement fund	-	220,000	220,000	202,665
Wind up reserve	-	51,000	51,000	51,000
Transport fund	-	10,000	10,000	8,660
	<b>152,998</b>	<b>252,426</b>	<b>405,424</b>	<b>314,783</b>