

LOTHIAN COMMUNITY TRANSPORT SERVICES
(a company limited by guarantee)
Company Registered in Scotland No. SC134332

Directors' Report and Financial Statements
For the year to 31 March 2011

Charity Number: SC018884

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LOTHIAN COMMUNITY TRANSPORT SERVICES
(a company limited by guarantee)

Directors' Report and Financial Statements
For the year ended 31 March 2011

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Directors	

D Alexander
J Cook (resigned 3 November 2010)
A Forrester
M Killin (resigned 24 February 2011)
P Davidson (resigned 30 June 2011)
M Langa (resigned 26 August 2010)
J G Moore (Managing Director)

P W Randall
B Wilcox
G Wilson
S Wright (appointed 24 February 2011, resigned 30 June 2011)
W Rae (appointed 24 February 2011)
W Mason (appointed 24 February 2011)
J Ackerman (appointed 28 April 2011)

Secretary

J G Moore

Accountants

Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Auditors

Johnston Smillie Ltd
Chartered Accountants and Statutory Auditors
22 Craigmount Avenue
Edinburgh
EH12 8HQ

Bankers

Bank of Scotland
7 Wolseley Place
Edinburgh
EH8 7AD

Solicitors

Shepherd and Wedderburn WS
1 Exchange Crescent
Conference Square
Edinburgh
EH3 8UL

Registered Office

200 Sir Harry Lauder Road
Edinburgh
EH15 2QA

Charity No. SC018884
Company No. SC134332

LOTHIAN COMMUNITY TRANSPORT SERVICES
(a company limited by guarantee)

Directors' Report

For the year ended 31 March 2011

The directors submit their annual report and audited financial statements for the year ended 31 March 2011.

Structure, governance and management

Lothian Community Transport Services is a company limited by guarantee and is registered as a charity in Scotland. The management of the company is the responsibility of the Directors who are elected under the terms of the Memorandum and Articles of Association, and who also act as charity trustees. The Board of Directors meets bi-monthly and comprises the Managing Director and up to fourteen persons elected from the Company's membership. The company has a Finance Sub-Committee that meets bi-monthly, and a Staffing and Personnel Sub-Committee that meets as and when required. The day to day management of the company has been delegated to John Moore, Managing Director.

The behaviour of directors is regulated by the company's Code of Conduct, which includes a Register of Interests. Agenda for board meetings include a standing item under which directors are required to declare any interests in the business due for discussion.

The company's Employee Handbook was updated in October 2010 to reflect changes in employment legislation. The company's health and safety policy was reviewed in February 2011, and no amendments were deemed necessary.

The company successfully maintained its Investor in People status after the triennial review in July 2010. As part of their commitment to continuous improvement, the directors subsequently resolved that the company should move to a system of annual review within the Investor in People framework.

During the year, the company undertook a skills audit of its directors, which identified a gap in marketing and business development. By the end of the financial year three new directors with skills in these areas had been identified and recruited, thereby strengthening the board of directors.

Induction and Training

New directors receive an induction pack, which includes a copy of the company's Memorandum and Articles of Association, the business plan, a staff chart and an outline of the responsibilities of directors and trustees under company and charity law. Copies of relevant company policies and procedures are also provided.

Training opportunities for all directors are monitored throughout the year, with relevant courses notified as appropriate.

The company resolved to review its induction procedures for new directors early in the next financial year.

Results

The results for the period are as shown in the Income and Expenditure Account and Statement of Financial Activities and the surplus has been transferred to reserves. The financial statements have been prepared in accordance with current statutory requirements and the charity's governing document.

The directors confirm that the charity's assets are available and adequate to fulfil the company's obligations.

Objectives and activities

The company's overarching aim, which is set out in its business plan, is to deliver, promote and support high quality accessible passenger transport services in Edinburgh, Midlothian and West Lothian.

The overall objectives of the company are to promote, organise, provide and manage, whether as principal or otherwise, transport services in the interests of social welfare, the relief of poverty and the advancement of education, to those who have transport needs.

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Directors' Report

For the year ended 31 March 2011

Objectives and activities (continued)

The company's business plan, which is reviewed in June each year, sets out the principal objectives, the key steps and the timeframe for their achievement over the next twelve months. For 2010/11, two principal objectives were established: firstly, to secure funding from the City of Edinburgh Council, Midlothian Council and West Lothian Council to enable the company to sustain or enhance its service provision in 2011/12 and beyond; secondly, to maintain a culture of good governance, open communication and quality assurance within the company.

Achievements and performance

In Edinburgh, the company achieved 1,161 vehicle hires providing 25,538 passenger trips. The number of vehicle hires was slightly down on the previous year, largely due to the high number of cancellations as a result of the adverse weather during November and December.

Although the demand for self-drive hires continued its downward trend, the demand for with-driver hires continued to rise, with an increase of 6.5% on the previous year. Passenger loadings on with-driver hires also rose, with a resultant increase of 23% in the number of passenger trips. The fact that the number of passengers travelling in wheelchairs on with-driver hires rose by 133.5% is evidence that the company's user groups are increasingly targeting their services at people with complex mobility and social care needs. This, in turn, shows that the company is successfully targeting its vehicle hire service at those groups that are providing services for people who are most at risk of social exclusion.

The growth in the with-driver vehicle hire service was partly attributable to the company's successful application to the Future Jobs Fund, which enabled the recruitment of an additional part-time driver for six months.

Overall, 92.7% of the vehicle hire service was delivered in the company's primary operating area of east Edinburgh. This is the first time the company has used this outcome indicator, and it has been developed in the expectation that it will become increasingly important to evidence to the City of Edinburgh Council as part of the latter's ongoing monitoring and evaluation arrangements.

The company was delighted that the City of Edinburgh Council was able to replace the three vehicles that it provides as part of its funding package. Two of the vehicles deliver enhanced access and accommodation for passengers with complex mobility needs, whilst the third vehicle has been designed to enable the company to better meet the needs of user groups hiring on a self-drive basis with younger drivers.

Unfortunately, the company was unable to secure funding to replace any of the five vehicles that it owns and operates in Edinburgh. This is a matter of significant concern to the directors, especially since the cost of maintaining an ageing fleet has increased very considerably during the year.

There was a slight increase in the number of people attending a training course provided by the company in Edinburgh, with a total of 396 delegates (386 in 2009/10). The vast majority of people attended various MIDAS training sessions: in addition, 75 drivers underwent a vehicle familiarisation and 25 people attended a Passenger Assistance Training course. Overall, the target for training sessions in the funding agreement with the City of Edinburgh Council was exceeded.

As in previous years, the company continued to work with various fora in Edinburgh in order to raise the profile and understanding of community and accessible transport issues in strategic planning processes.

In Midlothian, the company achieved 1,817 vehicle hires providing 37,990 passenger trips. As in Edinburgh, the number of hires was down on the previous year due to the high number of cancellations attributable to bad weather.

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Directors' Report

For the year ended 31 March 2011

Achievements and performance (continued)

This reduction is also due to other factors. For example, several of the company's user groups have requested more time to pick up passengers from further afield than has previously been the case, which has had an adverse impact on the company's ability to schedule contiguous hires. There has also been a growth in the number of passengers who wish to transfer from a wheelchair to a seat, but who take the wheelchair with them, together with a significant increase in the number of passengers with large walking aids (e.g. delta frames). All of this means that there is a reduced carrying capacity for many hires: it is not unknown for a 15-seat minibus to have as many as seven seats removed for the storage of folded wheelchairs and walking aids, leaving a residual carrying capacity of just eight passengers.

After consultation with Midlothian Council and passengers, the company registered some route and timetable revisions in August for its Community Bus network. The network, which comprises five routes each operating one day a week taking people from isolated communities to local shopping centres, undertook 3,442 passenger trips during the year, which is 286 fewer than in the previous year. The network was particularly badly hit by the weather in December, but the company has also identified the need for improved publicity, which will be undertaken in the new financial year.

The company continued to operate a fleet of six wheelchair accessible vehicles in Midlothian, two of which were owned by Midlothian Council but deployed by the company as part of its Service Level Agreement with the Council. Unfortunately, severe budgetary pressures meant that the Council was unable to replace its two vehicles during the year; nevertheless, the company was pleased that the Council resolved to keep the vehicles in operation for as long as is economically viable.

As with the Edinburgh fleet, the directors are concerned about the company's inability to raise capital to replace the four vehicles it owns and operates in Midlothian: a situation that is exacerbated by the rapidly escalating cost of maintaining an ageing fleet.

The company provided a range of training sessions for 91 delegates in Midlothian: e.g. MiDAS and Passenger Assistance Training courses.

In West Lothian, the company met its targets in its funding agreement with West Lothian Council concerning the management and operation of a Community Driver Project in partnership with Voluntary Sector Gateway West Lothian. 36 people completed MiDAS training; 11 people attended *Out in 3* training; 12 people attended Emergency 1st Aid training; and 14 volunteers undertook a free West Lothian Council on-road driving assessment. 32 local voluntary organisations used a Community Driver Project volunteer during the year to assist in the delivery of a wide range of services for people experiencing social exclusion and deprivation.

The company continued to raise its profile in the area by representing transport interests on the West Lothian Voluntary Sector Strategic Group, which links directly into the local community planning process.

Overall, the company had a successful year, which was largely predicated on the service restructuring that was implemented at the end of the previous year. Evidence to support this hypothesis emerged during the triennial Investor in People review, which resulted in a high number of positive comments concerning the company's performance.

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Directors' Report

For the year ended 31 March 2011

Financial review

The company made a surplus of £28,041 (2010 : deficit £16,389) during the year, after funds were released from the Capital fund. This release is based on the expected life of assets funded by specific grants and agreements.

Connected company

The company has a wholly owned trading subsidiary, Transport Training Skills (UK) Limited, which shares its registered office with the company. During the year the trading subsidiary made a charitable donation of £20,327 (2010 - £15,685) to the company. Consolidated accounts have not been prepared as the subsidiary is not considered material.

Reserves policy

The company recognises the need to hold reserves in order to maintain its financial stability. Experience has shown that sometimes there are delays in receiving grant payments and, in the last resort, the company must have the resources necessary to pay off creditors and make redundancy payments. Furthermore, the company has short-term property leases and may be obliged to incur additional costs in moving to new premises.

In addition, since none of the core revenue local authority payments received by the company include an amount to replace vehicles owned by the company, a Vehicle Replacement Fund has been created to help fund future acquisitions.

The Midlothian Project Fund comprises funding set aside to enable the company to meet its obligation to top up the payment from Midlothian Council in order cover the full cost of employing part-time drivers in the area.

The annual surplus generated by the company's wholly owned trading subsidiary is a critical factor in enabling the company to meet its financial obligations.

The company reviewed its Reserves Policy during the year and confirmed that the overriding objective for the short-term future was to build up free reserves to cover three months' operating costs, with a target of £122,000. Free reserves at 31 March 2011 were £82,418.

Risk management

The company has a Risks Register that assesses the major risks to which the company is exposed; in particular those related to the operations and financing of the company. The register was reviewed during the year and the directors have identified the major risks that need to be managed during the short to mid-term.

A particular concern is a potential reduction in funding from local authorities. The directors have, therefore, continued their exploration new business models and the development of a social enterprise approach to service delivery. Overall, the directors are satisfied that systems are in place to mitigate exposure to the major risks.

Taxation

The company has charitable status and is not liable to tax.

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For the year ended 31 March 2011

Plans for the future

During the next year, the company will:

- Continue to deliver a range of high quality services as set out in various funding agreements in order to meet the targets contained therein.
- Conduct service reviews with its three key local authority funders with a view to securing new funding agreements for 2012/13.
- Hold a strategic planning event for directors.
- Review its Community Bus network.
- Work to attain the CTA Quality Mark and confirm Investing in Volunteers accreditation.
- Seek funding to enable the purchase and maintenance of a computerised vehicle booking system.
- Seek to identify a strategy for securing a planned vehicle replacement programme.

Directors' responsibilities

The Directors are responsible for preparing the annual 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures as disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue business.

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

Disclosure of information to auditors

- As far as they are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- Each Director has taken all the steps he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information

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Directors' Report

For the year ended 31 March 2011

Auditors

A resolution to reappoint Johnston Smillie Ltd as auditors will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities.

By order of the board



**Secretary
J G Moore**

Edinburgh 25 August 2011

Lothian Community Transport Services
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Independent Auditors' Report to the Members and Trustees

For the year ended 31 March 2011

We have audited the financial statements of Lothian Community Transport Services for the year ended 31 March 2011 which comprise the Statement of Financial Activities, Balance Sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charitable company's trustees 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 5, the directors (who are also the trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Lothian Community Transport Services
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Independent Auditors' Report to the Members and Trustees - continued

For the year ended 31 March 2011

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ross McKay CA (Senior Statutory Auditor)
Johnston Smillie Ltd
Statutory Auditor
Chartered Accountants
22 Craigmount Avenue
Edinburgh

25 August 2011

LOTHIAN COMMUNITY TRANSPORT SERVICES
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Income and Expenditure Account

For the year ended 31 March 2011

	Notes	2011 Total Funds £	2010 Total Funds £
Income			
Grants	2	315,110	325,287
Charitable donation		20,327	15,685
Other income		141,417	134,387
Bank interest		508	590
Total income		477,362	475,949
Expenditure			
Fundraising	3	3,862	6,630
Charitable activities	3	426,958	468,269
Governance costs	3	18,501	17,439
Total expenditure		449,321	492,338
Surplus/(deficit) for the year		28,041	(16,389)

All the activities of the company relate to continuing operations.

The company has no recognised gains and losses other than those included in the income and expenditure account.

The notes on pages 12 to 17 form part of these financial statements

LOTHIAN COMMUNITY TRANSPORT SERVICES
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Statement of Financial Activities

For the year ended 31 March 2011

	Notes	Unrestricted General £	Unrestricted Designated £	Restricted Funds £	2011 Total Funds £	2010 Total Funds £
Incoming resources						
Incoming resources from generated funds:						
-Investment income		508	-	-	508	590
-Donations		20,327	-	-	20,327	15,685
Activities for generating funds:						
-Membership		2,865	-	-	2,865	3,161
Incoming resources from charitable activities:						
-Grants	2	6,174	-	290,311	296,485	285,983
-Fees and vehicle hire		22,169	-	116,383	138,552	128,726
-Gain on sale of minibuses		-	-	-	-	2,500
Total incoming resources		52,043	-	406,694	458,737	436,645
Resources expended						
Cost of generating funds	3	-	-	3,862	3,862	6,630
Charitable activities	3	13,805	5,700	407,453	426,958	468,269
Governance costs	3	-	-	18,501	18,501	17,439
Total resources expended	3	13,805	5,700	429,816	449,321	492,338
Net incoming/(outgoing) resources for the year before transfers		38,238	(5,700)	(23,122)	9,416	(55,693)
Gross transfers between funds		(12,599)	8,102	4,497	-	-
Net movement in funds		25,639	2,402	(18,625)	9,416	(55,693)
Total funds at 1 April 2010		46,519	7,858	49,151	103,528	159,221
Total funds at 31 March 2011	12	72,158	10,260	30,526	112,944	103,528

All activities of the company relate to continuing operations.

The notes on pages 12 to 17 form part of these financial statements

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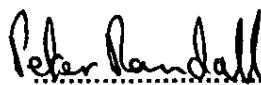
Balance Sheet

As at 31 March 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7		28,436		48,160
Investments	8		3		3
Current assets					
Debtors	9	48,533		40,560	
Cash at bank and in hand		73,827		65,359	
		<u>122,360</u>		<u>105,919</u>	
Creditors: amounts falling due within one year	10	<u>(37,855)</u>		<u>(50,554)</u>	
Net current assets			<u>84,505</u>		<u>55,365</u>
Net assets			<u><u>112,944</u></u>		<u><u>103,528</u></u>
Reserves					
Unrestricted funds					
- General	12		72,158		46,519
- Designated	12		10,260		7,858
			<u>82,418</u>		<u>54,377</u>
Restricted funds	12		30,526		49,151
			<u><u>112,944</u></u>		<u><u>103,528</u></u>

These financial statements are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were authorised for issue by the Board of Directors 25 August 2011 and signed on their behalf by:

 Director
P Randall

Company No. SC134332

The notes on pages 12 to 17 form part of these financial statements

LOTHIAN COMMUNITY TRANSPORT SERVICES

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Notes to the Financial Statements

For the year ended 31 March 2011

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historic cost convention and in accordance with Companies Act 2006 and applicable accounting standards in the United Kingdom, with Charities Accounts (Scotland) regulations 2006 and Statement of Recommended Practice – Accounting and Reporting by Charities (2005).

Going concern

The charity depends on grant funding from outside sources to finance its activities and has committed funding until March 2012. The Board have fully considered the going concern position of the charity at the date of approving the financial statements. As a consequence the Board have prepared the financial statements on the going concern basis.

Consolidation

The company is exempt from the requirements to prepare group accounts by virtue of section 398 of the Companies Act 2006. These financial statements therefore present information about the company as an individual and not about its group.

Cash flow statement

The Charity qualifies as a small entity under the provision of FRS 1 and accordingly has not presented a cash flow statement.

Incoming Resources

Incoming resources have been credited to the accounts when they are receivable. Any income which relates to a period outwith the one under review is treated as deferred.

Grants

Revenue grants are credited to the income and expenditure account in the period to which they relate. This income is exempt from value added tax, except for income receivable from Midlothian and West Lothian Council.

Capital grants are credited to a capital fund and released over the life of the asset.

Expenditure Allocation

Where possible expenditure has been charged direct to charitable expenditure or governance costs. Where this is not possible the expenditure has been allocated on the basis of time spent by staff on each activity.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.
- Cost of generating funds includes all costs associated with generating incoming resources from all sources other than from undertaking charitable activities.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Operating leases

The costs for operating leases are charged in the Income and Expenditure account in the year to which they relate

LOTHIAN COMMUNITY TRANSPORT SERVICES
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Notes to the Financial Statements - continued

For the year ended 31 March 2011

1. Accounting Policies (continued)

Fixed assets and depreciation

In practice items under £500 are not capitalised unless they are funded by a capital grant. Depreciation is provided on fixed assets at rates calculated to write off the cost or valuation less estimated residual value of each asset evenly over its expected useful life as follows:

Motor vehicles	5 years
Fixtures and fittings	4 years

In the year of purchase a full year's depreciation is provided.

Funds

Unrestricted funds are donations and other income resources receivable or generated for the objects of the charity without further specified purposes and are available as general funds.

Designated funds are unrestricted funds earmarked by the management committee for particular purposes.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

Pension

The company participates in a defined contributions pension scheme with the Pensions Trust. In addition, contributions are made to personal pension funds. In all cases the assets of the schemes are held separately from those of the company in independently administered funds.

2. Grant income

		2011	2010
		£	£
City of Edinburgh Council	- Revenue	150,591	150,591
Midlothian Council	- Revenue	123,136	118,972
West Lothian Council	- Revenue	16,584	16,420
Future Jobs	- Revenue	6,174	-
		296,485	285,983
Add: released from capital fund		18,625	39,304
		315,110	325,287

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Notes to the Financial Statements - continued

For the year ended 31 March 2011

3. Analysis of expenditure	Cost of generating funds £	Charitable £	Governance Costs £	Total 2011 £	Total 2010 £
Salaries and associated staff costs	2,292	252,415	6,876	261,583	279,844
Supplies and services	1,570	39,597	-	41,167	48,762
Vehicle costs	-	89,637	-	89,637	83,730
Auditors' remuneration	-	-	2,075	2,075	2,125
Accountancy fees	-	-	9,550	9,550	8,506
Depreciation	-	19,724	-	19,724	41,252
Other costs	-	25,585	-	25,585	28,119
Total expenditure	3,862	426,958	18,501	449,321	492,338
4. Net movement in funds				2011	2010
This is stated after charging:				£	£
Depreciation				19,724	41,252
Gain of disposal of fixed assets				-	(2,500)
Auditors' remuneration – audit fees				2,075	2,125
5. Staff costs and numbers				2011	2010
				£	£
Directors' emoluments				41,944	41,149

J Moore, director, received remuneration and expenses during the year for his role as managing director. Two directors (2010: 2) received reimbursement of travel and subsistence expenses totalling £1,089 (2010 : £959) during the year.

The total salary costs were as follows:

	2011 £	2010 £
Salaries and wages	232,102	242,890
Social Security costs	19,881	19,001
Pension costs	7,159	7,076
Redundancy costs	-	7,959
	259,142	276,926
	Number	Number
The average number of employees during the year was	16	15

No employee received emoluments above £60,000.

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Notes to the Financial Statements - continued

For the year ended 31 March 2011

6. Indemnity Insurance

The company arranged indemnity insurance cover in respect of the directors and officers at a cost of £1,097 (2010 : £1,087).

7. Tangible fixed assets

	Motor Vehicles £	Fixtures & fittings £	Total £
Cost			
Balance at 31 March 2010	411,652	32,238	443,890
Disposals	-	(182)	(182)
Balance at 31 March 2011	411,652	32,056	443,708
Depreciation			
Balance at 31 March 2010	365,178	30,552	395,730
Charge for year	18,625	1,099	19,724
Depreciation on disposals	-	(182)	(182)
Balance at 31 March 2011	383,803	31,469	415,272
Net book value			
At 31 March 2011	27,849	587	28,436
At 31 March 2010	46,474	1,686	48,160

8. Investments

The company has a wholly owned trading subsidiary, Transport Training Skills (UK) Limited, which shares its registered office with the company. During the year the trading subsidiary made a charitable donation of £20,327 (2010 : £15,685) to the company.

9. Debtors

	2011 £	2010 £
Trade debtors	14,421	10,365
Amounts due from subsidiary	20,327	15,685
Prepayments and accrued income	13,785	14,510
	48,533	40,560

10. Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	16,325	15,865
Other creditor	1,881	1,734
Other taxes and social security costs	10,719	7,734
Accruals and deferred income	8,930	25,221
	37,855	50,554

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11. Leasing commitments

Operating leases

The company's annual commitments for rental payments under non-cancellable operating leases at 31 March 2011 were as set out below:

	2011 £ Land and buildings	2010 £ Land and buildings
Operating leases which expire:		
Within one year	-	16,200
Within two to five years	4,200	4,200
	<u>4,200</u>	<u>20,400</u>

12. Reserves

		Balance at 31 March 2010 £	Incoming Resources £	Resources Expended £	Transfers £	Balance at 31 March 2011 £
Unrestricted funds – General		46,519	52,043	(13,805)	(12,599)	72,158
Unrestricted funds – Designated						
Midlothian Project Fund	(a)	4,598	-	(5,700)	8,102	7,000
Vehicle Replacement Fund	(b)	3,260	-	-	-	3,260
		<u>7,858</u>	<u>-</u>	<u>(5,700)</u>	<u>8,102</u>	<u>10,260</u>
Restricted funds						
City of Edinburgh	(c)	-	203,802	(203,910)	108	-
Midlothian	(d)	-	184,443	(188,425)	3,982	-
West Lothian	(e)	-	18,449	(18,856)	407	-
Capital Fund	(f)					
- General		49,151	-	(18,625)	-	30,526
		<u>49,151</u>	<u>406,694</u>	<u>(429,816)</u>	<u>4,497</u>	<u>30,526</u>
		<u>103,528</u>	<u>458,737</u>	<u>(449,321)</u>	<u>-</u>	<u>112,944</u>

- (a) The directors have designated funds to enable the Midlothian project fund to be sustained at current levels until March 2012.
- (b) The directors have designated funds to aid the replacement of vehicles owned by the company.
- (c) The City of Edinburgh restricted fund's purpose is to provide a range of community transport services in Edinburgh.
- (d) The company received a grant from Midlothian Council to provide a range of community transport services in Midlothian.
- (e) The company received a grant from West Lothian Council to provide a range of community transport services in West Lothian.
- (f) The Capital Fund, set up under the requirements of SORP 2005, will fund future depreciation of fixed assets which were originally purchased using capital grants received for this purpose.

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13. Analysis of net assets

	General Fund £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	-	-	28,436	28,436
Investments	3	-	-	3
Net current assets	72,155	10,260	2,090	84,505
	<u>72,158</u>	<u>10,260</u>	<u>30,526</u>	<u>112,944</u>

14. Contingent liabilities

The Pension Trust

The company participates in a defined contributions pension scheme with the Pensions Trust. The Scheme Actuary estimated the liability to the company upon withdrawal from the Growth Plan at 30 September 2010 as being £61,686 and that the liability is likely to have decreased by approximately 19% at 31 March 2011. The company has no intentions to withdraw from the Growth Plan.