

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**  
**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**

We have audited the financial statements which comprise: the statement of financial activities (including the summary income and expenditure account); the balance sheet; the cash flow statement; and related notes 1 to 23, which have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work had been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As described on page 6 the trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed.

We report to you whether in our opinion the information given in the Trustee's Report is consistent with the audited financial statements.

**BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Continued ...**

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**  
**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**  
**(continued)**

**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company's affairs as at 31 March 2008 and of its incoming resources and application of resources for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Trustees' Report is consistent with the financial statements.

**RSM Bentley Jennison**  
**Chartered Accountants and**  
**Registered Auditors**

**Charterhouse**  
**Legge Street**  
**Birmingham**  
**B4 7EU**

**Date**

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**

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

**FOR THE YEAR ENDED 31 MARCH 2008**

|  | Note | Unrestricted<br>funds<br>2008<br>£ | Unrestricted<br>funds<br>2007<br>£ |
|--|------|------------------------------------|------------------------------------|
| <b>Incoming resources</b>  |      |                                    |                                    |
| Activities for generating funds:                                     |      |                                    |                                    |
| Investment income  | 4    | 181,937                            | 154,953                            |
| Incoming resources from charitable activities:                       |      |                                    |                                    |
| Grant income   | 2    | 10,741,129                         | 8,666,666                          |
| Concessionary fares  |      | -                                  | 1,701,131                          |
| Bus service operators grant  |      | 573,820                            | 557,084                            |
| Fares on vehicles  |      | 76,529                             | 81,271                             |
| Contract income  |      | 3,289,049                          | 3,646,964                          |
| Sundry income  |      | 4,593                              | 6,385                              |
| Other incoming resources:  |      |                                    |                                    |
| Surplus on disposal of fixed assets                                  |      | 137,500                            | 125,150                            |
| <b>Total incoming resources</b>                                      | 9    | 15,004,557                         | 14,939,604                         |
| <b>Resources expended</b>  |      |                                    |                                    |
| Charitable activities:   |      |                                    |                                    |
| Interest payable   | 5    | 61,790                             | 85,311                             |
| Provision of public transport services                               | 6    | 14,002,965                         | 14,357,308                         |
| Management and administrative expenses                               | 7    | 809,000                            | 762,000                            |
| <b>Total charitable activities and total resources expended</b>      | 9    | 14,873,755                         | 15,204,619                         |
| <b>Net incoming/(outgoing) resources before Gains on investments</b> | 8    | 130,802                            | (265,015)                          |
| <b>Other recognised gains</b>  |      |                                    |                                    |
| Unrealised (losses)/gains on investments                             | 13   | (395,101)                          | 118,999                            |
| <b>Net movement in funds</b>   |      | (264,299)                          | (146,016)                          |
| <b>Total funds at 1 April 2007</b>                                   |      | 6,492,318                          | 6,638,334                          |
| <b>Total funds carried forward at 31 March 2008</b>                  | 16   | 6,228,019                          | 6,492,318                          |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the statement of financial activity.

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
(A company limited by guarantee)

**BALANCE SHEET**

**AS AT 31 MARCH 2008**

|  | Note | 2008      |           | 2007        |           |
|--|------|-----------|-----------|-------------|-----------|
|  |      | £         | £         | £           | £         |
| <b>Fixed assets</b>  |      |           |           |             |           |
| Tangible fixed assets  | 10   |           | 2,690,095 |             | 3,696,854 |
| <b>Current assets</b>  |      |           |           |             |           |
| Stocks   | 11   | 53,140    |           | 38,965      |           |
| Debtors  | 12   | 1,546,818 |           | 1,710,054   |           |
| Investments  | 13   | 2,056,485 |           | 2,451,586   |           |
| Cash at bank and in hand                                       |      | 1,413,185 |           | 913,284     |           |
|  |      | 5,069,628 |           | 5,113,889   |           |
| <b>Creditors: Amounts falling due within one year</b>          | 14   | (930,362) |           | (1,256,346) |           |
|  |      |           | 4,139,266 |             | 3,857,543 |
| <b>Net current assets</b>                                      |      |           |           |             |           |
|  |      |           | 6,829,361 |             | 7,554,397 |
| <b>Total assets less current liabilities</b>                   |      |           |           |             |           |
| <b>Creditors: Amounts falling due after more than one year</b> | 15   | (601,342) |           | (1,062,079) |           |
|  |      |           | 6,228,019 |             | 6,492,318 |
| <b>Net assets</b>  |      |           | 6,228,019 |             | 6,492,318 |
| <b>Funds</b>   |      |           |           |             |           |
| Unrestricted funds:  |      |           |           |             |           |
| Designated funds   | 16   |           | 5,465,095 |             | 5,796,854 |
| General funds  | 16   |           | 762,924   |             | 695,464   |
|  |      |           | 6,228,019 |             | 6,492,318 |
| <b>Total Funds</b>   |      |           | 6,228,019 |             | 6,492,318 |

These financial statements were approved by the Board of Trustees on 24<sup>th</sup> September 2008 and signed on its behalf by:

.....  
Mrs R H Spector  
Director

.....  
S C Stacey  
Director

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2008**

|  | Notes | 2008      |           | 2007        |             |
|--|-------|-----------|-----------|-------------|-------------|
|  |       | £         | £         | £           | £           |
| <b>Net cash inflow from operating activities</b>                         | 19    |           | 1,228,458 |             | 1,327,193   |
| <b>Capital expenditure and financial investment</b>                      |       |           |           |             |             |
| Payments to acquire tangible fixed assets                                |       | (645,164) |           | (1,212,498) |             |
| Proceeds from sales of tangible fixed assets                             |       | 137,500   |           | 125,150     |             |
|  |       |           | (507,664) |             | (1,087,348) |
| <b>Net cash inflow before increase in liquid resources and financing</b> |       |           | 720,794   |             | 239,845     |
| <b>Financing</b>   |       |           |           |             |             |
| Finance lease payments   |       | (341,040) |           | (318,769)   |             |
| Current asset investments purchased                                      |       | -         |           | (1,000,000) |             |
| <b>Management of liquid resources</b>                                    |       |           |           |             |             |
| Interest received  |       | 181,937   |           | 154,953     |             |
| Interest payable   |       | (61,790)  |           | (85,311)    |             |
|  |       |           | (220,893) |             | (1,249,127) |
| <b>Increase / (Decrease) in cash</b>                                     | 20    |           | 499,901   |             | (1,009,282) |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2008**

**1. COMPANY STATUS**

The company is limited by guarantee and does not have a share capital. The members of the company are the trustees named on page 3. The liability of members is limited and shall not exceed £1. Any surplus on winding up is to be donated to a charity whose objects are of a similar nature. The Company has taken advantage of section 30(5) of the Companies Act 1985 and deleted the word "Limited" from its name.

**2. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements comply in all material respects with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in 2005 and with applicable accounting standards. They are drawn up under the historical cost accounting rules, subject to investments being stated at market values. All operations are classed as continuing and no operations have been acquired during the current or previous year.

**Fund accounting**

The charity maintains various types of unrestricted funds as follows:

Designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the trustees for particular projects. The designation is for administrative purposes only and does not legally restrict the trustees discretion to apply the fund.

General unrestricted funds represent unrestricted income, which is expendable at the discretion of the trustees in the furtherance of the objectives of the charity. Such funds may be held in order to finance both working capital and capital investment.

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to projects. No amounts are included in the financial statements for services donated by volunteers.

**Revenue grants**

The charity provides accessible passenger transport services for those members of the community who have some form of mobility impairment. The cost of this service provision attracts specific revenue payments from Centro (The West Midlands Passenger Transport Executive), since service specifications are in accordance with the policies of the West Midlands Passenger Transport Authority.

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**2. ACCOUNTING POLICIES (Continued)**

**Concessionary fares**

The company participates in the Concessionary Travel arrangements operated by Centro. The company is reimbursed for the cost of providing travel facilities to Concessionary pass holders in accordance with an agreed formula. This has now become part of the main grant funding.

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

**Costs of activities in furtherance of the objects of the charity and costs of managing and administering the charity**

Costs of activities in furtherance of the objects of the charity comprise expenditure directly relating to the objects of the charity and other associated expenditure and support costs. Costs are either specifically identified or apportioned on an appropriate basis between costs of activities in furtherance of the objects of the charity and costs of managing and administering the charity. The charity does not incur costs of generating funds.

Costs of managing and administering the charity relate to expenditure incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Items costing less than £500 are written off as an expense as acquired. Depreciation is provided on a straight-line basis to write off fixed assets over their estimated useful lives as follows:

|   |                 |
|---|-----------------|
| Freehold property                       | 25 years        |
| Improvement of short leasehold premises | Length of lease |
| Buses                                   | 5 years         |
| Computer equipment                      | 3 years         |
| Fixtures and fittings                   | 3 years         |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**2. ACCOUNTING POLICIES (Continued)**

**Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the term of the lease.

**Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amount payable by the company to the funds in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Stocks**

Stocks comprise fuel, oil, vehicle spares and equipment held at depots which have been valued at cost or written down to reflect obsolescence.

**Investments**

Listed investments are stated at closing middle market price immediately prior to the end of the financial year. All movements in value are shown in the Statement of Financial Activities.

**Taxation**

The company is an exempt charity within the meaning of Schedule 2 of the 1993 Charities Act and as such is a charity within the meaning of Section 506(1) Taxes Act 1988. Accordingly, the company is exempt from taxation in respect of income and capital gains received within categories covered by Section 505 Taxes Act 1988 or Section 256 Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**3. EMPLOYEE INFORMATION**

None of the trustees, who are also directors of the company, or persons related or connected by business to them, received any remuneration during the year.

During the year the total expenses reimbursed to 15 directors amounted to £670 (2007: £1,175). This principally represents reimbursed travelling and subsistence expenses incurred in the management of the charity's affairs. Directors Liability insurance of £1,890 (2007: £1,890) was also paid by the charity.

Staff paid over £60,000 during the year were as follows:

|                          | <b>2008</b><br>£ | <b>2007</b><br>£ |
|--------------------------|------------------|------------------|
| Between £60,000 – 70,000 | 1                | 1                |

**Staff costs during the year (including directors)**

|                       | <b>2008</b><br>£ | <b>2007</b><br>£ |
|-----------------------|------------------|------------------|
| Wages and salaries    | 8,482,580        | 8,509,888        |
| Social security costs | 677,083          | 668,178          |
| Pension costs         | 310,249          | 313,785          |
|                       | 9,469,912        | 9,491,851        |

**Average number of persons employed**

|                 | <b>Number</b> | <b>Number</b> |
|-----------------|---------------|---------------|
| Drivers/Escorts | 482           | 532           |
| Administration  | 75            | 71            |
| Supervisory     | 66            | 47            |
| Management      | 14            | 14            |
|                 | 637           | 664           |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**4. INVESTMENT INCOME**

|                                    | <b>2008</b> | <b>2007</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>£</b>    | <b>£</b>    |
| Interest on bank and term deposits | 181,937     | 154,953     |

**5. INTEREST PAYABLE**

|  | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Interest on finance leases and hire purchase contracts | 61,790      | 85,311      |

**6. PROVISION OF PUBLIC TRANSPORT SERVICES**

|                           | <b>2008</b> | <b>2007</b> |
|---------------------------|-------------|-------------|
|                           | <b>£</b>    | <b>£</b>    |
| Employee costs            | 8,945,369   | 9,067,449   |
| Vehicle expenses          | 1,268,266   | 1,423,314   |
| Fuel costs                | 1,297,055   | 1,202,953   |
| Premises costs            | 542,600     | 612,033     |
| Office and administration | 300,752     | 357,448     |
| Depreciation              | 1,648,923   | 1,694,111   |
|                           | 14,002,965  | 14,357,308  |

**7. MANAGEMENT AND ADMINISTRATION OF THE CHARITY**

|                        | <b>2008</b> | <b>2007</b> |
|------------------------|-------------|-------------|
|                        | <b>£</b>    | <b>£</b>    |
| Employee costs         | 736,000     | 692,000     |
| Premises costs         | 36,000      | 35,000      |
| General administration | 34,000      | 33,000      |
| Depreciation           | 3,000       | 2,000       |
|                        | 809,000     | 762,000     |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**8. OPERATING SURPLUS**

|   | <b>2008</b>      | <b>2007</b>      |
|---|------------------|------------------|
|   | <b>£</b>         | <b>£</b>         |
| Operating surplus/deficit is stated after charging/(crediting): |                  |                  |
| Depreciation – owned assets                                     | 1,233,223        | 1,283,046        |
| Depreciation – assets held under hire purchase                  | 418,700          | 413,065          |
| Profit on sales of fixed assets                                 | 137,500          | (125,150)        |
| Rentals under operating leases – land and buildings             | 354,413          | 354,394          |
| Auditors’ remuneration – audit fees                             | 6,600            | 6,500            |
| Auditors’ remuneration – non audit fees                         | 4,765            | 2,400            |
|   | <b>1,455,201</b> | <b>1,354,255</b> |

**9. INCOMING RESOURCES BY MAIN ACTIVITIES**

|                                    | <b>2008</b>   |  |                | <b>2007</b>       |
|------------------------------------|---|--|----------------|-------------------|
|                                    | <b>Ring &amp; Ride and Single Vehicle Contracts</b> | <b>Multiple Vehicle Contracts and Others</b> | <b>Central</b> | <b>Total</b>      |
|                                    | <b>£</b>  | <b>£</b>                                     | <b>£</b>       | <b>£</b>          |
| Centro grant income                | 10,741,129  | -  | -              | 10,741,129        |
| Bus service operators grant income | 464,800   | 109,020                                      | -              | 573,820           |
| Fares income                       | 76,529  | -  | -              | 76,529            |
| Contract income                    | 353,025   | 2,936,024                                    | -              | 3,289,049         |
| Interest received                  | -   | -  | 181,937        | 181,937           |
| Other income                       | 142,043   | 50   | -              | 142,093           |
|                                    | <b>11,777,526</b>                                   | <b>3,045,094</b>                             | <b>181,937</b> | <b>15,004,557</b> |
|                                    | <b>11,777,526</b>                                   | <b>3,045,094</b>                             | <b>181,937</b> | <b>14,939,604</b> |

**EXPENDED RESOURCES BY MAIN ACTIVITIES**

|   | <b>2008</b>       | <b>2007</b>       |
|---|-------------------|-------------------|
|   | <b>£</b>          | <b>£</b>          |
| Interest payable (note 5)                             | 61,790            | 85,311            |
| Provision of public transport services (note 6)       | 14,002,965        | 14,357,308        |
| Management and administration of the charity (note 7) | 809,000           | 762,000           |
|   | <b>14,873,755</b> | <b>15,204,619</b> |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**10. TANGIBLE FIXED ASSETS**

|                       | <b>Freehold<br/>Property</b> | <b>Improvement<br/>of short<br/>leasehold<br/>premises</b> | <b>Buses</b> | <b>Computer<br/>equipment</b> | <b>Fixtures &amp;<br/>fitting</b> | <b>Total</b> |
|-----------------------|------------------------------|--|--------------|-------------------------------|-----------------------------------|--------------|
|                       | <b>£</b>                     | <b>£</b>   | <b>£</b>     | <b>£</b>                      | <b>£</b>                          | <b>£</b>     |
| <b>Cost</b>           |                              |  |              |                               |                                   |              |
| At 1 April 2007       | 568,315                      | 393,085  | 10,042,383   | 519,238                       | 412,124                           | 11,935,145   |
| Additions             | 5,938                        | 38,672   | 459,167      | 107,859                       | 33,528                            | 645,164      |
| Disposals             | -                            | -  | (1,134,476)  | -                             | -                                 | (1,134,476)  |
| At 31 March 2008      | 574,253                      | 431,757  | 9,367,074    | 627,097                       | 445,652                           | 11,445,833   |
| <b>Depreciation</b>   |                              |  |              |                               |                                   |              |
| At 1 April 2007       | 224,629                      | 232,413  | 6,908,528    | 492,032                       | 380,689                           | 8,238,291    |
| Charge for the year   | 22,729                       | 29,464   | 1,517,919    | 54,020                        | 27,791                            | 1,651,923    |
| Disposals             | -                            | -  | (1,134,476)  | -                             | -                                 | (1,134,476)  |
| At 31 March 2008      | 247,358                      | 261,877  | 7,291,971    | 546,052                       | 408,480                           | 8,755,738    |
| <b>Net book value</b> |                              |  |              |                               |                                   |              |
| At 31 March 2008      | 326,895                      | 169,880  | 2,075,103    | 81,045                        | 37,172                            | 2,690,095    |
| At 31 March 2007      | 343,686                      | 160,672  | 3,133,855    | 27,206                        | 31,435                            | 3,696,854    |

Included within buses are assets held under finance leases with net book value of £556,312 (2007: £894,599).

The directors believe that all the company's assets are used either directly in or indirectly for charitable purposes.

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**11. STOCK**

|                           | <b>2008</b> | <b>2007</b> |
|---------------------------|-------------|-------------|
|                           | <b>£</b>    | <b>£</b>    |
| Fuel, oil and spare parts | 53,140      | 38,965      |
|                           | <hr/>       | <hr/>       |

**12. DEBTORS**

|  | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| <b>Amounts falling due within one year</b> |             |             |
| Trade debtors                              | 500,152     | 605,335     |
| Other debtors                              | 596,491     | 639,591     |
| Prepayments                                | 450,175     | 465,128     |
|  | <hr/>       | <hr/>       |
|  | 1,546,818   | 1,710,054   |
|  | <hr/>       | <hr/>       |

**13. INVESTMENTS**

|                                     | <b>Value at 1<br/>April<br/>2007</b> | <b>Additions<br/>in the<br/>year</b> | <b>Change in<br/>market<br/>value</b> | <b>Value at<br/>31 March<br/>2008</b> |
|-------------------------------------|--------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
|                                     | <b>£</b>                             | <b>£</b>                             | <b>£</b>                              | <b>£</b>                              |
| Investments in UK listed securities | 11,773                               | -                                    | -                                     | 11,773                                |
| Charity Common Investment funds     | 2,439,813                            | -                                    | (395,101)                             | 2,044,712                             |
|                                     | <hr/>                                | <hr/>                                | <hr/>                                 | <hr/>                                 |
|                                     | 2,451,586                            | -                                    | (395,101)                             | 2,056,485                             |
|                                     | <hr/>                                | <hr/>                                | <hr/>                                 | <hr/>                                 |

The UK listed securities investment comprises shares in banks and building societies acquired in 1998 as a result of free share issues.

The historical cost of investments in Charity Common Investment Funds as at 31 March 2008 was £2,000,000 (2007: £2,000,000).

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|  | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Trade creditors  | 325,611     | 805,369     |
| Other taxes and social security  | -           | 106         |
| Net obligations under finance leases and hire purchase contracts (see note 15) | 460,737     | 341,040     |
| Accruals   | 144,014     | 109,831     |
|  | 930,362     | 1,256,346   |
|  | 930,362     | 1,256,346   |

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|  | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|
|  | <b>£</b>    | <b>£</b>    |
| Net obligations under finance leases and hire purchase contracts | 601,342     | 1,062,079   |
|  | 601,342     | 1,062,079   |
|  | 601,342     | 1,062,079   |

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

|                            | <b>2008</b> | <b>2007</b> |
|----------------------------|-------------|-------------|
|                            | <b>£</b>    | <b>£</b>    |
| Due within one year        | 460,737     | 341,040     |
| Between two and five years | 601,342     | 1,062,079   |
|                            | 1,062,079   | 1,403,119   |
|                            | 1,062,079   | 1,403,119   |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**16. UNRESTRICTED FUNDS**

The reserves of the company are required for the purpose of working capital and to fund the cost of replacing operating assets, principally the fleet of buses, premises and equipment. The charity's trustees have designated the unrestricted funds to cover the following items.

|   | £                |
|---|------------------|
| The reserves of the company are represented by: |                  |
| Designated funds                                |                  |
| Vehicle Replacement Programme                   | 1,100,000        |
| Lease Dilapidations                             | 50,000           |
| Freehold Property Repairs                       | 250,000          |
| Leasehold Property Repairs                      | 75,000           |
| Information Technology and Scheduling System    | 1,000,000        |
| <br>  |                  |
| Disaster Recovery                               | 200,000          |
|   | <hr/>            |
|   | 2,675,000        |
| <br>  |                  |
| Fixed assets utilised by the business           | 2,690,095        |
|   | <hr/>            |
| <br>  |                  |
| Unrestricted designated funds                   | 5,365,095        |
| <br>  |                  |
| Unrestricted general funds                      | 862,924          |
|   | <hr/>            |
| <b>Total Funds</b>                              | <b>6,228,019</b> |
|   | <hr/> <hr/>      |

**Premises**

The company operates from eleven sites, including one small out-station. Two of these are owned and the rest are leased. The number of operational bases continues to be rationalised with one-off costs including lease termination and dilapidation expenses. This will result in additional expenditure on properties having to be met over the next one to two years.

**Information technology and communications**

Additional costs will be incurred during the forthcoming years with regard to computerised transport scheduling systems, computing and other essential communication enhancements.

**17. CAPITAL COMMITMENTS**

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

|                                 | <b>2008</b> | <b>2007</b> |
|---------------------------------|-------------|-------------|
|                                 | <b>£</b>    | <b>£</b>    |
| <b>Capital commitments</b>      |             |             |
| Contracted for but not provided | 961,520     | 510,143     |
|                                 | 961,520     | 510,143     |

**18. FINANCIAL COMMITMENTS**

**Operating lease commitments**

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows:

|                                   | <b>2008</b> | <b>2007</b> |
|-----------------------------------|-------------|-------------|
|                                   | <b>£</b>    | <b>£</b>    |
| Land and buildings:               |             |             |
| Expiring within one year          | -           | -           |
| Expiring within two to five years | 58,260      | 24,500      |
| Expiring after five years         | 269,580     | 269,580     |
|                                   | 327,840     | 294,080     |
|                                   | 327,840     | 294,080     |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**19. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

|  | <b>2008</b>      | <b>2007</b>      |
|--|------------------|------------------|
|  | <b>£</b>         | <b>£</b>         |
| Net incoming / (outgoing) resources for the year | 130,802          | (265,015)        |
| Interest receivable                              | (181,937)        | (154,953)        |
| Interest payable                                 | 61,790           | 85,311           |
| Operating surplus/(deficit)                      | <u>10,655</u>    | <u>(334,657)</u> |
| Depreciation                                     | 1,651,923        | 1,696,111        |
| Profit on sale of fixed assets                   | (137,500)        | (125,150)        |
| Increase in stocks                               | (14,175)         | (6,574)          |
| Decrease in debtors                              | 163,236          | 154,825          |
| Decrease in creditors                            | (445,681)        | (57,362)         |
| Net cash inflow from operating activities        | <u>1,228,458</u> | <u>1,327,193</u> |

**20. ANALYSIS OF NET FUNDS**

|                                 | <b>2007</b>      | <b>Cash flow</b> | <b>Other</b>     | <b>2008</b>      |
|---------------------------------|------------------|------------------|------------------|------------------|
|                                 | <b>£</b>         | <b>£</b>         | <b>changes</b>   | <b>£</b>         |
|                                 |                  |                  | <b>£</b>         |                  |
| Cash at bank and in hand        | 913,284          | 499,901          | -                | 1,413,185        |
|                                 | <u>913,284</u>   | <u>499,901</u>   | <u>-</u>         | <u>1,413,185</u> |
| Debt:                           |                  |                  |                  |                  |
| Finance and hire purchase       | (1,403,119)      | 341,040          | -                | (1,062,079)      |
| Other current asset investments | 2,451,586        | -                | (395,101)        | 2,056,485        |
| Total net funds                 | <u>1,961,751</u> | <u>840,941</u>   | <u>(395,101)</u> | <u>2,407,591</u> |

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED 31 MARCH 2008**

**21. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET FUNDS**

|   | <b>2008</b> | <b>2007</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| Increase/(decrease) in cash in the year                     | 499,901     | (1,009,282) |
| Cash outflow from decrease in lease finance                 | 341,040     | 318,769     |
| Cash outflow from changes in liquid resources               | -           | 1,000,000   |
|   | 840,941     | 309,487     |
| Movement in net funds resulting from cash flows in the year | 840,941     | 309,487     |
| New finance and hire purchase agreements                    | -           | -           |
| Other non cash changes                                      | (395,101)   | 118,999     |
|   | 445,840     | 428,486     |
| Movement in net funds in the year                           | 445,840     | 428,486     |
| Net funds at start of year                                  | 1,961,751   | 1,533,265   |
|   | 2,407,591   | 1,961,751   |
| Net funds at end of year                                    | 2,407,591   | 1,961,751   |

The non-cash transactions are in relation to unrealised losses of £395,101 (2007: £118,999 gain) on the market value of current asset investments.

**22. CONTROLLING PARTY**

There is no controlling party as defined by Financial Reporting Standard 8.

**23. PENSION CONTRIBUTIONS**

The pension cost charge represents contributions payable by the company to the fund and amounted to £310,249 (2007: £313,785). There were contributions payable to the fund at the year-end of £nil (2007: £nil).