

# **West Midlands Special Needs Transport Limited**

## **Annual Report 2010/11**

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## West Midlands Special Needs Transport Limited

# REPORT AND FINANCIAL STATEMENTS 2010/11

### COMPANY INFORMATION AND PROFESSIONAL ADVISERS

Charity number 700370

Company registration number 2263123

#### ***HEAD OFFICE***

80 Park Road  
Aston  
Birmingham  
B6 5PL

#### ***SOLICITORS***

**Clarke Willmott**  
138 Edmund Street  
Birmingham  
B3 2ES

#### ***REGISTERED OFFICE***

80 Park Road  
Aston  
Birmingham  
B6 5PL

#### ***Martineau***

No. 1 Colmore Square  
Birmingham  
B4 6AA

#### ***BANKERS***

Unity Trust Bank Plc  
Nine Brindleyplace  
Birmingham  
B1 2HB

#### ***AUDITORS***

RSM Tenon Audit Limited  
Charterhouse  
Legge Street  
Birmingham  
B4 7EU

## **DIRECTORS/TRUSTEES AND EXECUTIVE STAFF**

### **Directors (Charity Trustees)**

Councillor S C Stacey - (Chair)  
Honorary Alderman Mrs RH Spector MBE, BSc(Econ) - (Vice Chair)  
Councillor RL Horton  
Mr PW Beecham MCIT  
Mr RJ Brooks BSc, MSc, C Eng, MICE, MCIT  
Mr I Pearson JP  
Mr R Laskey  
Mr B Shawdale (resigned 26 July 2010)  
Mr D Gutteridge JP BA(Hons) FCMA (resigned 24 February 2011)  
Ms J Robinson  
Lady C Zissman JP  
Councillor M A Hughes (to 28 June 2010)  
Councillor GE Richards OBE (to 28 June 2010)  
Councillor G Wilkes  
Councillor T G Ansell (appointed 28 June 2010)  
Councillor B Lines (appointed 28 June 2010 to 27 June 2011)  
Mr MG Kemp BA (Hons) CIPFA (appointed 27 July 2011)

*All Directors/Trustees are non-executive.*

### **EXECUTIVE STAFF CURRENTLY IN POST**

Chief Executive	Mr PJT Maggs CBE MloD
Company Secretary	Mr D J Frater ACMA
Operations Manager	Mr D Rogers FCIT
Finance Manager	Mr D J Frater ACMA
Personnel Manager	Mrs S McKeivitt Chartered MCIPD

### **DISTRICT MANAGERS**

East Birmingham and Solihull	Mr P Lakin
North Birmingham	Mr M Rolinson
South Birmingham	Mrs J Webb
Coventry	Mr M Barnes
Dudley and Sandwell	Mrs S Cozens
Walsall	Mr M Mew
Wolverhampton	Mr D Ashley
Accessible Transport Services	Ms K Cooper

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

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2011**

## **1. INTRODUCTION - OBJECTIVES AND ACTIVITIES**

The Trustees of **West Midlands Special Needs Transport (wmsnt)**, who are also the Directors of the Company, present their annual report and the audited financial statements for the year ended 31 March 2011, and confirm they comply with the requirements of the Charities Act 1993, as amended by the Charities Act 2006, and the Charities SORP 2005.

**wmsnt** delivers the following public benefits:

- A ***Ring and Ride*** service, the purpose of which is to improve the quality of life of people of all ages living in the West Midlands who find it difficult or impossible to use conventional public transport, by providing an effective and efficient door-to-door, fully accessible bus service;
- The provision of accessible transport services to local authorities and NHS trusts through **wmsnt *Accessible Transport***;
- Assistance to external bodies requiring specialist training to enable them to support people with disabilities through **wmsnt *Training***.

The Ring and Ride Service was instigated in 1983, and **West Midlands Special Needs Transport** was incorporated in 1988.

The Trustees reviewed the aims, objectives and future activities of the Charity in 2010, having had regard to the Charity Commission's guidance on public benefit. As a result, the Board confirmed the Vision, Mission and Strategy statements, which are also defined on the Charity's website ([www.wmsnt.org](http://www.wmsnt.org)), as follows:

- **Vision for wmsnt.** *Accessible mobility for all.*
- **Mission for wmsnt.** *To increase the social well-being of all the people of the West Midlands who find it difficult or impossible to use conventional public transport through being recognised by our stakeholders as the provider of first choice in meeting their accessible transport needs.*
- **Strategic Statement for wmsnt.** *To increase the availability of high quality and fully accessible transport in the West Midlands through advocacy for the improvement of support to people with mobility issues, and by forming and maintaining partnering arrangements with Centro/WMITA, local authorities, health bodies, and other appropriate organisations and passenger groups.*

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

## **2. LEGAL STRUCTURE, GENERAL BACKGROUND AND PRINCIPAL ACTIVITY**

The Company is limited by guarantee and therefore does not have share capital. The liability of members is limited and details of their guarantee are shown in the notes to the accounts.

The Charity is governed by its revised Articles of Association which were adopted on 22 September 2010.

The principal activity of the Company is to provide accessible transport services for people in the West Midlands who experience some mobility impairment. This is achieved primarily through door-to-door minibus services such as '*Ring and Ride*' and through specific operations under contract to Local Authorities, the NHS and other charities.

During the period April 2010 to March 2011, transport operations were run from depots across the metropolitan West Midlands, there being seven *Ring and Ride* depots, five of which also house Accessible Transport operations, one *Ring and Ride* outstation, and one depot which solely provides Accessible Transport. At each *Ring and Ride* depot there is a management and administrative structure as well as a Booking Office to enable users to book travel both within their local areas and to points further afield on the 'Cross-Boundary' service. Accessible Transport is managed by a Contracts Manager, providing 'home to school' accessible transport for children with special needs for a number of schools under contract to Birmingham City Council, Sandwell Metropolitan District Council and Wolverhampton City Council. The Charity also operates other Contract Services on behalf of other Local Authorities and Health Authorities.

The Charity has a Head Office at Aston, Birmingham where Departmental Heads are located together with the Finance and Training Departments.

## **3. TRUSTEES AND THEIR RESPONSIBILITIES**

### **a. TRUSTEES**

The Board of Trustees comprises a range of individuals recruited from various backgrounds, including several who are themselves Users of the Charity's services, and three who are nominated by West Midlands Integrated Transport Authority. They meet at approximately two monthly intervals to review progress and discuss and agree policy, which the executive officers of the Charity then implement. All Trustees give their time voluntarily and gain no financial benefit from the Charity.

The Trustees who held office during the year are set out on page 3.

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

**b. TRUSTEES' RESPONSIBILITIES**

Laws applicable to charitable companies in England and Wales require the trustees and directors to prepare financial statements for each financial year, which give a true and fair view of the Charity's financial activities during the year, and of its financial position at the end of the year. In preparing those financial statements, the Trustees are required to:

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

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

In order to enable Trustees to perform their duties effectively, the Charity has separated its distinct Corporate Governance and Audit committees. The Trustees have assessed the corporate and strategic risks facing the Charity, reviewed the vision, mission and strategy of the Charity, and continued the strategic partnership with the West Midlands Integrated Transport Authority through having three members of the Authority on the Charity's Board.

**4. HOW THE CHARITY COMPARES**

**wmsnt** is the largest provider of door-to-door transport services in the United Kingdom based on activity level, and is understood to be the largest non-statutory provider of such services in the world. The service is available to any individual, of any age, domiciled in the metropolitan West Midlands, who suffers a permanent or temporary disability, which makes it difficult or impossible for them to use conventional public transport.

In the UK, most metropolitan areas provide some form of dial-a-ride service for their populations, but these vary considerably in scale. Outside the metropolitan regions such as the West Midlands, London and Greater Manchester, the size of the dial-a-ride operations is very much smaller.

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

## **5. THE CHARITY DURING 2010/11**

### **a. Organisation and Structure of the Charity**

Overall responsibility for the Company's activities is vested in the Board, whose members also serve as the Charity's Trustees. The Trustees are non-executive and hold their posts for three years before having to present themselves for re-election, apart from those nominated by WMITA, who are currently appointed for one year only.

The Senior Management of the Charity is based at its Head Office in Aston, Birmingham. The Head Office also provides support services such as Health and Safety, Fleet Management, IT Support, Finance, Human Resources and Training Services, the Charity's Training Department being located on the site.

The policies and operating practices of the Charity are ultimately the responsibility of its Trustees and Management, but in order that it best services its beneficiaries, a number of systems exist to enable users to provide feedback and to discuss the Charity's policies and practices. These include:

**i. District Advisory Groups.** Each operating area has its own group which meets every 3 months and is open to any registered User to attend, transport to the venue being provided. At these meetings, local Charity Management provide Users with information on operational performance, discussions take place on questions and issues raised by Users, and news and information about the Charity is provided to supplement the contents of regular Newsletters. Council members of the respective local authorities are invited to attend, as are other interest groups who promote support to people with disabilities.

**ii. Telephone and Postal Surveys.** An ongoing programme of telephone sampling takes place in all operating areas. Charity staff telephone passengers who have recently used the Charity's services and obtain feedback on various aspects including staff attitudes, vehicle comfort and cleanliness, and booking system efficiency. In addition, more detailed postal surveys are sent out with the six-monthly Newsletters.

**iii. Presentations.** Charity staff make presentations routinely and hold meetings with a variety of interest groups, in order to inform a wider body of the population, and to publicise the services that the Charity provides.

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

**b. The Charity's involvement with other organisations and authorities**

**wmsnt** endeavours to assist an element of the community which potentially forms 10-12% of the population (those with mobility problems) and therefore it interacts with many other community organisations, as well as statutory bodies.

Much of the Charity's funding (approximately 71%) is provided in the form of a Grant from the West Midlands Integrated Transport Authority (WMITA), the statutory body responsible for transport planning in the region, whose Members are drawn from local metropolitan Borough Councils. The grant of £12,115,440 for 2010/11 was provided by WMITA to fund the larger part of the cost of the *Ring and Ride* service. The quantum was agreed under the terms of a three year Business Plan, signed in 2009, which also identifies key performance indicators, standards and the information that the Charity is required to provide to WMITA via its Executive Body, Centro.

The majority of the Charity's services are enabled to operate under the terms of Section 19 of the 1985 Transport Act (as amended), which necessitates the registration of Users and the advanced booking of journeys. A small proportion of the Charity's non-*Ring and Ride* activities are run as registered Local Bus Services (eg. 'Taxibus' through Meriden between Solihull and Coventry) with vehicles and staff subject to Passenger Carrying Vehicle (PCV) rules and standards; as a result, the Charity has an Operators' Licence to enable it to run such services.

Some years ago, the Charity broadened its activities beyond running the *Ring and Ride* service, and now operates a number of contracts for Local Authorities, predominantly for Special Educational Needs schools. This has provided the Charity with additional vehicles and staff with which, between school runs, it is able to further increase the availability of transport for *Ring and Ride* Passengers.

In addition to the formal/contractual relationships that the Charity has with other agencies and authorities, it maintains ongoing contacts with many other bodies and charities. **wmsnt** is a member of the Community Transport Association, of which the chief executive is a Trustee and Director. **wmsnt** is a member of the 'here2help' consortium of charities established in Coventry, an associate member of Regional Action West Midlands, and a member of the West Midlands Community Transport Forum. The Charity is represented at all meetings of the West Midlands' Transport Users Forums for Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.

The Charity places a great deal of importance upon the quality of its staff training, the Chief Executive has been appointed to the Community Transport Industry Board of 'GoSkills', the Passenger Transport Industry Sector Skills Council.

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

**c. Operational Review of Activities during 2010/11**

The Charity's activities can be summarised in terms of:

- The *Ring and Ride* service;
- Accessible Transport Services;
- Training Services.

**i. The *Ring and Ride* Service**

The *Ring and Ride* service is the activity which forms the core of the Charity's efforts, and is aimed at improving the quality of life for the mobility-impaired people of the West Midlands. In the United Kingdom, there are no existing standards of mobility for the population as a whole against which to judge the mobility levels enjoyed by disabled people as compared to the rest of the population.

In order to deliver the *Ring and Ride* service, the Charity aims to provide 131 fully accessible minibuses on the road throughout the West Midlands metropolitan area every day, operating 8am to 11pm (apart from Christmas day when a more limited service operates). As part of its ongoing policy of providing a quality service, the vehicle replacement programme ensures that vehicles are operated for no longer than five years on the *Ring and Ride* service.

The *Ring and Ride* Service performance for 2010/11 was as follows:

- **Total Registered Users**                    **88,998**
- **Active Registered Users<sup>1</sup>**            **32,852**
- **Total Trips Completed**                **1,733,805**
- **Daily Vehicle Resources**              **131 minibuses**
- **Total Distance Travelled**            **7,871,916 kilometres**  
**(4,880,588 miles)**

***Ring and Ride service funding for 2011/12.*** From 1st April 2011, the Charity will be charging a fare of 60p per journey for the *Ring and Ride* service due to a reduction in the element of the levy paid by the seven local authorities of the West Midlands to Centro to fund the *Ring and Ride* service for 2011/12. The grant has been reduced by 20% from £12.418million, previously agreed as the minimum in the Three Year Business Plan, to £10million, a shortfall of £2.418million.

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<sup>1</sup> Passengers who have used the service regularly in the 12 months covered by the Annual Report.

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

The Charity will provide £1.5million from its reserves, and raise the remaining shortfall from the implementation of fares. Unlike most other similar operators, **wmsnt** has not previously charged a fare for concessionary bus pass and disability pass holders. Before the decision to charge fares was taken, a consultation exercise was conducted jointly with Centro in January 2011, and over 30,000 regular passengers were canvassed on the options of either a reduction in service, or a choice between an annual subscription of £36 or a fare of 60p per trip. Some 15,500 passengers responded, with only 10% content to see a reduction in the service level, 34% wishing to pay an annual subscription and 56% opting to pay a fare.

**ii. wmsnt Accessible Transport operations**

Throughout 2010/11, the Charity continued to provide the 'Taxibus' daily Local Bus Service in the rural area of Meriden under contract from Centro.

In addition to providing 131 minibuses daily to the *Ring and Ride* Service, the Charity ended the 2010/11 financial year operating a further 189 minibuses in support of a number of Special Educational Needs (SEN) schools through contracts with three local authorities: Birmingham City Council; Sandwell Metropolitan Borough Council; and Wolverhampton City Council. These vehicles, together with their drivers, provided additional resources for the Charity between the morning and afternoon school journeys to supplement the *Ring and Ride* fleet. This enabled the Charity to provide extra *Ring and Ride* trips in those respective Local Authority areas. Additionally, the Charity provided transport services under contract for other statutory bodies including social and health care.

During the reporting year, the Charity tendered for and won a significant number of additional Home to SEN School transport routes in support of Birmingham City Council, which it started operating at the beginning of the new school term at the end of April 2011. This has led to an increase in the Accessible Transport operations fleet to over 220 vehicles, and the recruitment of an additional 40 local staff.

**iii. Training Services.**

The Charity has continued to run internal training, ranging from induction courses for all newly appointed staff, refresher training for all driving staff which is carried out at three yearly intervals, to first aid, Health and Safety, customer care and fire marshal training. The Charity has continued to assess staff driving both on Accessible Transport contracts and the *Ring and Ride* service for an NVQ level 2 in Road Passenger Vehicle Driving, and to date 243 staff have received NVQ level 2 accreditation. The aim for 2011/12 is to enable all remaining driving staff to gain an NVQ. In addition, the Training Department provided a significant amount of training support to Local Authorities, including disability awareness and manual handling

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

training for taxi drivers, PCV training to schools and community transport organisations, as well as training to the guides for the Birmingham City Council's schools contracts.

**d. Computerised Scheduling Project.**

As a result of rigorous trialling throughout the summer and autumn of 2010, it was recognised that further development work of the software designed to provide the computerised scheduling system was required. The system is needed to maximise the utilisation of the Charity's vehicles to increase the number of journeys that can be delivered each day. The work which has been undertaken since the end of 2010 has now enabled the first depot to commence the installation of new servers and fresh software, and it is planned to roll out the implementation of the new system to all depots throughout 2011/12. A capital grant was requested from and agreed by Centro, which has made possible the purchase of 150 'tablet' PCs to enable the Ring and Ride fleet to be equipped with 'in-cab' information and navigation systems, and the development of associated software. In addition, all 150 vehicles in the *Ring and Ride* fleet are now fitted with tracking devices which enable real time information to be collated, and will provide accurate road movement speeds to the computerised scheduling system. Once development and implementation is complete, it is planned to offer a brokerage service employing the computerised scheduling system's spare capacity to other transport operators in the UK.

**e. Financial Policies and Review.**

**wmsnt's** primary purpose is the *provision* of accessible transport for people who find it difficult or impossible to use conventional public transport. Whilst it actively co-operates with other organisations and service providers in pursuit of that aim, it is not engaged in making grants to third parties, indeed there are restrictions on its prime source of income (the WMITA Grant) which would make such payments inappropriate.

As an 'operational' charity engaged in the provision of road passenger transport, **wmsnt** shares many of the financial constraints and limitations which commercial organisations experience, with the key exception that it does not make provision for the payment of dividends or other forms of remuneration to investors or shareholders. It does, however, need to ensure that it maintains its finances in such a way as to maintain working capital and to provide an adequate cash flow.

A non-contractual, three year Business Plan had been negotiated with West Midlands Integrated Transport Authority's executive, Centro, in 2009/10, and the level of the grant for 2010/11 was awarded as negotiated in the plan. However, this did not reflect the significant increase in motoring costs, particularly fuel, insurance and servicing that have caused the Charity to have to reduce costs in other areas.

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

In addition, the National economic situation and the resulting reduction in the Government's Revenue Support Grant to local authorities has resulted in a reduction in the Charity's grant to provide the *Ring and Ride* service for 2011/12 as described above.

**i. Reserves Policy:** The Trustees have reviewed the level of reserves that they require to be held for the purposes of working capital, to fund the cost of replacing operating assets (principally the fleet of vehicles), and maintaining the Charity's premises and equipment. They have required that £500,000 be held available as being the working capital required to enable the Charity to conduct its everyday business; that £660,000 be held as designated funds in respect of the potential liabilities in connection with the operation of Accessible School Transport; that £980,00 be set against vehicles under construction for delivery in 2011/12 ( to be funded from the sale of Investments held); and that there be specific contingency funds of £125,000 as expressed in note 17 to the Annual Accounts. In the financial circumstances facing the West Midland local authorities in 2011/12, the Trustees have agreed to release £1.5million from reserves to provide additional resources for the Charity's operations in 2011/12.

**ii. Investment Policy:** The Charity's Investment Policy is related to its Reserves Policy in that the Board has determined the form in which reserves should be held. Some reserves are needed in the form of liquid assets in order to provide working capital and to maintain cash flow. The balance of reserves needs to be available to enable the Charity to continue to function in the event of unforeseen circumstances. In recognition of this, the Board has determined that sufficient funds are kept in current accounts to meet the first obligations whilst the balance can be invested in investment accounts which generate capital growth and interest (preferably accounts where the funds can be reasonably accessible). The main investment vehicles used by the Charity are 'Common Investment Funds' which are approved schemes designed to meet the requirements of charitable bodies. The level of investments will be reduced by some £1.5million during 2011/12 to provide additional resources to fund the Charity's operations.

The Charity does not actively seek to fundraise other than in return for services provided. As a result donations form a minor part of **wmsnt's** income - just £1,459 in the year (less than 0.01% of income). Neither charitable nor political contributions were made by the Charity.

**iii. Risk Management:** The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

**iv. Review:** During the year, the Charity applied the above policies to its operational development. As a result, care was taken to provide for asset replacement and to secure agreements which make the Charity's financial position as safe as possible.

An analysis of costs and revenues attributable to the Charity's main activities is shown in the notes to the financial statements.

**f. wmsnt's Planning Process.**

The Charity agreed a three year Business Plan in concert with its main funder, WMITA's executive, Centro, for the period from 2009 to 2012, with a minimum increase in the grant, year on year for 2010/11 and 2011/12 respectively. However, it became abundantly clear in May 2010, that the funding for 2011/12 would not be forthcoming even to the minimum level agreed in the Business Plan. Therefore, the Trustees carried out a number of scenario planning meetings in addition to the normal Board meetings in order to identify and have costed a series of options to deal with the potential reduction in the grant for 2011/12. As a part of the 2011/12 process, the leaders of the District Councils asked that Centro conduct a review into the provision of 'accessible transport' throughout the West Midlands with the aim of identifying how to better provide a coherent and coordinated service in the future.

***Plans for future periods.*** The outcome of the Accessible Transport Review will help drive the planning for future periods, and with this in mind the aim is to export the successful Birmingham City Council model for the delivery of Home to School transport for children with special educational needs to other authorities in the wider region. We also propose to work in consortium with other charities, where appropriate, to deliver a more comprehensive care and transport outcome for the people of the West Midlands.

**g. Property.**

The Trustees agreed to the sale of the former Head Office and North Birmingham Depot site at Windsor Street, Nechells, Birmingham, and this was completed in accordance with section 36 of the Charities Act 1993 in July 2011.

**h. Employees.**

As at the year end, the Charity's total number of paid employees, all of whom have either full or part time contracts, had increased to 665. This increase was as a result of winning additional contracts with Birmingham City Council for 'home to school' transport for children with special educational needs. By the end of April 2011, the number of staff had further increased to 699, as a result further contracting success. No volunteers work in the Charity due to the need for all employees to undergo full (and costly) training – it is felt that volunteers

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

would also need to undergo such training but transport services could not be delivered if they failed to make themselves available for scheduled work.

***Employees by Grade (as at the end of March 2011)***

(The figures shown are the establishment at Head Office, 8 Depots and 1 outstation)

Management	15
Supervisory	39
Administration	25
Schedulers	49
Trainers	4
Drivers & Escorts	<u>533</u>

**Total** **665**

**wmsnt** has a union recognition agreement with UNITE, and monthly liaison meetings are held with elected shop stewards from the various operating centres. This body is responsible for negotiating conditions of employment including agreed Disciplinary and Grievance procedures, and liaising over Health and Safety issues.

The Charity maintains an Equal Opportunities Policy and because of the increasing numbers of disabled people from ethnic minority communities registering with it, values the contribution of employees with similar backgrounds.

**wmsnt** has reviewed its access arrangements in order to ensure compliance with the provisions of the Equality Act and where appropriate has made reasonable adjustment to facilitate the employment of people with disabilities.

The work the charity does involve contact with 'vulnerable' groups including children, because of this all employees undergo enhanced CRB checks. The charity also acts as an umbrella body and undertakes CRB checks for external companies.

All new employees receive extensive induction training covering issues such as customer care and disability awareness, and programmes of refresher training are also in place. Following the induction training, all drivers are invited to undertake a ROSPA Driving Assessment; around 50% of all *Ring and Ride* Drivers have successfully completed the course to date. The importance and quality of the training provided is such that the Charity has been able to offer its training services to external bodies such as local authorities and other voluntary sector bodies, and participates fully with GoSkills—the Sector Skills Council for the Passenger Transport Industry .

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**TRUSTEES' REPORT *continued***

**FOR THE YEAR ENDED 31 MARCH 2011**

**i. Funds held as Custodian Trustee on behalf of others**

No such funds are held.

**j. Auditors**

RSM Tenon Audit Limited  
Statutory Auditor  
Charterhouse  
Legge Street  
Birmingham  
B4 7EU

**Approved by the Board on 28<sup>th</sup> September 2011 and signed on its behalf by:**

**PJT Maggs  
Chief Executive**

**SC Stacey  
Chariman**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

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

We have audited the financial statements of West Midlands Special Needs Transport for the year ended 31 March 2011 which comprise; the Statement of Financial Activities, the Balance Sheet and the 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, under section 43 of the charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charitable 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described on pages 5-6 the trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

#### **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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 requirements of the Companies Act 2006 and charities Act 1993;

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

**OPINION ON OTHER MATTERS PRESCRIBED BY THE APPLICABLE LAW AND ACCOUNTING STANDARDS**

In our opinion the information given in the Trustees' 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 Act 1993 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Melanie Crooks**  
**Senior Statutory Auditor**  
**For and on behalf of RSM Tenon Audit Limited, Statutory**  
**Auditors**

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

**Date.....**

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
(A company limited by guarantee) (Company number: 2263123)

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

**FOR THE YEAR ENDED 31 MARCH 2011**

	Note	Unrestricted funds 2011 £	Restricted funds 2011 £	Total funds 2011 £	Total funds 2010 £
<b>Incoming resources</b>					
Activities for generating funds:					
Investment income	4	103,416	-	103,416	97,054
Incoming resources from charitable activities:					
Grant income	2, 9	12,115,440	-	12,115,440	11,850,000
Bus service operators grant		676,383	-	676,383	622,885
Fares on vehicles		78,329	-	78,329	86,402
Contract income		4,102,724	-	4,102,724	3,760,316
Sundry income		1,460	-	1,460	2,953
Centro restricted funding		-	401,648	401,648	-
Other incoming resources:					
Surplus on disposal of fixed assets		82,441	-	82,441	47,500
<b>Total incoming resources</b>	9	17,160,193	401,648	17,561,841	16,467,110
<b>Resources expended</b>					
Charitable activities:					
Interest payable	5	16,640	-	16,640	78,197
Provision of public transport services	6	16,044,865	64,265	16,109,130	15,169,371
Management and administrative expenses	7	891,110	-	891,110	-
<b>Total charitable activities and total resources expended</b>	9	16,952,615	64,265	17,016,880	16,126,037
<b>Net incoming resources before losses on investments</b>	8	207,578	337,383	544,961	341,073
<b>Other recognised losses</b>					
Unrealised gains/(losses) on investments	13	55,675	-	55,675	398,314
<b>Net movement in funds</b>		263,253	337,383	600,636	739,387
<b>Total funds at 1 April 2010</b>		6,778,761	-	6,778,761	6,039,374
<b>Total funds carried forward at 31 March 2011</b>	17	7,042,014	337,383	7,379,397	6,778,761

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the statement of financial activity.

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee) (Company number: 2263123)**

**BALANCE SHEET**

**AS AT 31 MARCH 2011**

		2011		2010	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	10		6,268,617		5,995,532
<b>Current assets</b>					
Stocks	11	63,999		61,856	
Debtors	12	1,891,062		956,115	
Investments	13	1,608,027		1,795,921	
Cash at bank and in hand		446,875		718,970	
		4,009,963		3,532,862	
<b>Creditors:</b> Amounts falling due within one year	14	(1,024,586)		(816,304)	
<b>Net current assets</b>			2,985,377		2,716,558
<b>Total assets less current liabilities</b>			9,253,994		8,712,090
<b>Creditors:</b> Amounts falling due after more than one year	15		(1,874,597)		(1,933,329)
<b>Net assets</b>			7,379,397		6,778,761
<b>Represented by:</b>					
Designated Assets	17		6,933,617		5,859,532
Restricted funds	17		337,383		-
General funds	17		108,397		919,229
<b>Total Net Assets of the charity</b>			7,379,397		6,778,761

These financial statements were approved by the Board of Trustees on 28<sup>th</sup> September 2011 and signed on its behalf by:

.....  
S C Stacey  
Chairman

.....  
P W Beecham  
Director

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee) (Company number: 2263123)**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2011**

	Notes	2011		2010	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	20		883,512		1,748,430
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(1,177,269)		(914,657)	
Proceeds from sales of tangible fixed assets		96,650		47,500	
Return on investments		-		(344)	
			<u>(1,080,619)</u>		<u>(867,501)</u>
<b>Net cash inflow before increase in liquid resources and financing</b>			(197,107)		880,929
<b>Financing</b>					
Finance lease payments		(405,331)		(462,757)	
<b>Management of liquid resources</b>					
Interest received		103,415		97,054	
Interest payable		(16,640)		(78,197)	
Encashment of investments		243,568		-	
			<u>(74,988)</u>		<u>(443,900)</u>
<b>(Decrease) / increase in cash</b>	21		<u>(272,095)</u>		<u>437,029</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2011**

**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 60(5) of the Companies Act 2006 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.

Restricted funds represent amounts which have a specific capital purpose, which they must be used for. These funds are amortised over the useful life of the asset it has funded.

**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.

**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 Integrated Transport Authority), since service specifications are in accordance with the policies of the West Midlands Integrated Transport Authority.

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**2. ACCOUNTING POLICIES (Continued)**

**Concessionary fares**

The company participates in the Concessionary Travel arrangements operated by Centro. With regard to the Meridian Taxi Bus Service only, 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 assets are stated at cost less depreciation. Vehicles are all subject to a Residual Value of 10% of cost, which is estimated to be their saleable value after their useful life. 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	50 years
Land is not depreciated	
Improvement of short leasehold premises	Length of lease
Buses:	
Ring and Ride fleet	5 years
Contract fleet	7 years
Computer equipment:	
Hardware	5 years
Software	Length of useful life
Fixtures and fittings	3 years

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**2. ACCOUNTING POLICIES (Continued)**

**Assets in construction**

Capital asset expenditure is to be capitalised and included within tangible fixed assets only when the assets are in a position for their intended use within the business. Expenditure incurred on partly completed vehicles which are not available for use at the year end will be treated as prepayments and included within debtors. Expenditure incurred on software development is capitalised as incurred due to parts of the system being delivered in a functional format to an agreed time and payment schedule.

**Finance costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised and included in the Balance Sheet at cost and written off to the Statement of Financial Activities over the respective loan period concerned.

**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.

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**2. ACCOUNTING POLICIES (Continued)**

**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.

**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 13 directors amounted to £1,036 (2010: £640). This principally represents reimbursed travelling and subsistence expenses incurred in the management of the charity's affairs. Directors Liability insurance of £1,380 (2010: £1,450) was also paid by the charity.

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Between £70,000 - £80,000	1	1

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	9,895,030	9,700,326
Social security costs	769,699	759,503
Pension costs	362,965	353,200
	11,027,694	10,813,029

**Average number of persons employed**

	<b>Number</b>	<b>Number</b>
Drivers/Escorts	533	521
Administration	78	78
Supervisory	39	39
Management	15	16
	665	654

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**4. INVESTMENT INCOME**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Interest on bank and term deposits	103,416	97,054

**5. INTEREST PAYABLE**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Interest on finance leases and hire purchase contracts	(13,761)	47,805
Bank loan interest	30,401	30,392
	16,640	78,197

**6. PROVISION OF PUBLIC TRANSPORT SERVICES**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Employee costs	10,471,760	10,217,087
Vehicle expenses	2,007,958	1,645,583
Fuel costs	1,598,803	1,352,099
Premises costs	635,616	575,030
Office and administration	446,699	378,954
Depreciation	948,294	1,000,618
	16,109,130	15,169,371

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Employee costs	819,335	803,269
Premises costs	35,550	38,300
General administration	36,225	34,400
Depreciation	-	2,500
	891,110	878,469

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**8. OPERATING SURPLUS**

	2011 £	2010 £
Operating surplus/deficit is stated after charging/(crediting):		
Depreciation – owned assets	849,336	810,741
Depreciation – assets held under hire purchase	98,958	192,377
Profit on sales of fixed assets	82,441	47,500
Rentals under operating leases – land and buildings	353,885	365,237
Auditors' remuneration – audit fees	7,500	7,500
	849,336	1,423,895

**9. INCOMING RESOURCES BY MAIN ACTIVITIES**

	2011				2010
	Ring & Ride and Single Vehicle Contracts	Multiple Vehicle Contracts and Others	Central	Total	Total
	£	£	£	£	£
Centro grant income	12,115,440	-	-	12,115,440	11,850,000
Centro restricted funding	401,648	-	-	401,648	
Bus service operators grant income	507,288	169,095	-	676,383	622,885
Fares income	78,329	-	-	78,329	86,402
Contract income	-	4,102,724	-	4,102,724	3,760,316
Interest received	-	-	103,416	103,416	97,054
Other income	83,901	-	-	83,901	50,453
	13,186,607	4,271,819	103,416	17,561,841	16,467,110

The restricted fund relates to additional funding from Centro in 2010/2011 which was used to acquire specific assets for the Cabtransit Scheduling System and in order to facilitate the collection of cash fares within Ring and Ride. In order to comply with the SORP (Statement of Recommended Practice) this has to be treated as a restricted fund which will be amortised over the length of life of the assets it funded.

**EXPENDED RESOURCES BY MAIN ACTIVITIES**

	2011 £	2010 £
Interest payable (note 5)	16,640	78,197
Provision of public transport services (note 6)	16,109,130	15,169,371
Management and administration of the charity (note 7)	891,110	878,469
	17,016,880	16,126,037

**WEST MIDLANDS SPECIAL NEEDS TRANSPORT**  
**(A company limited by guarantee)**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**10. TANGIBLE FIXED ASSETS**

	Freehold Property	Improvement of short leasehold premises	Buses	Computer equipment	Fixtures & fittings	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2010	3,697,229	456,691	9,214,351	730,396	436,279	14,534,946
Additions	18,180	75,794	689,867	384,279	67,465	1,235,585
Disposals	-	(134,859)	(786,931)	(254,493)	-	1,176,283
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	3,715,409	397,626	9,117,287	860,182	503,744	14,594,248
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>						
At 1 April 2010	325,205	325,580	7,103,968	398,885	385,776	8,539,414
Charge for the year	45,001	39,639	713,112	115,509	35,031	948,292
Disposals	-	(120,651)	(786,931)	(254,493)	-	1,162,075
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	370,206	244,568	7,030,149	259,901	420,807	8,325,631
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>						
At 31 March 2011	3,345,203	153,058	2,087,138	600,280	82,937	6,268,617
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2010	3,372,024	131,111	2,110,383	331,511	50,503	5,995,532
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Included within buses are assets held under finance leases with net book value of £358,148 (2010: £739,983).

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

Included with computer equipment are assets funded through the capital fund grant of £401,648. The net book value of these assets at year end is £337,384.

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**11. STOCK**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Fuel, oil and spare parts	63,999	61,856
	63,999	61,856

**12. DEBTORS**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Trade debtors	693,269	384,974
Other debtors	512,916	406,553
Prepayments	684,877	164,588
	1,891,062	956,115

Included within prepayments is £Nil (2010: £850) in respect of buses in construction not ready for their intended use at the year end. Also included are loan arrangement fees totalling £7,000 (2010: £8,000) which are being amortised over the repayment period of the loans concerned.

**13. INVESTMENTS**

	<b>Value at 1 April 2010</b>	<b>Additions /(Sales) in the year</b>	<b>Change in market value</b>	<b>Value at 31 March 2011</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in UK listed securities	8,280	-	(1,502)	6,778
Charity Common Investment Funds	1,787,641	(243,569)	57,177	1,601,249
	1,795,921	(243,569)	55,675	1,608,027

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 2011 was £1,715,980 (2010: £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 2011**

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	441,215	190,361
Other taxes and social security	203,861	-
Net obligations under finance leases and hire purchase contracts (see note 16)	114,606	402,887
Accruals	264,904	223,056
	1,024,586	816,304
	1,024,586	816,304

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts (see note 16)	274,597	333,329
Bank loans (see note 16)	1,600,000	1,600,000
	1,874,597	1,933,329
	1,874,597	1,933,329

The bank loans are secured over the industrial premises and land at Park Road.

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**16. MATURITY OF BORROWINGS**

Amounts repayable are as follows:

As at 31 March 2011	<b>Bank loans</b>	<b>Hire purchase and finance leases</b>	<b>Total</b>
	£	£	£
In one year or less on demand	-	114,606	114,606
Between one and two years	500,000	126,428	626,428
Between two and five years	385,000	148,169	533,169
After more than five years	715,000	-	715,000
	1,600,000	389,203	1,989,204
	1,600,000	389,203	1,989,204
As at 31 March 2010	<b>Bank loans</b>	<b>Hire purchase and finance leases</b>	<b>Total</b>
	£	£	£
In one year or less on demand	-	402,887	402,887
Between one and two years	500,000	107,767	607,767
Between two and five years	385,000	225,562	610,562
After more than five years	715,000	-	715,000
	1,600,000	736,216	2,336,216
	1,600,000	736,216	2,336,216

The bank loans are secured and are subject to interest at 1.4% over Base Rate.

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**17. Application of resources**

The Net asset value of the charity is represented by the total worth of what it owns less the cost of what it owes to third parties. The resources of the charity are represented by the following assets and commitments.

		£
Total net asset value of the charity as at 31 <sup>st</sup> March 2011		<b>7,379,397</b>
Required by and required for :		
Value of tangible assets required to deliver services	4,668,617	
Working capital requirement of the charity	500,000	
Contracting resource	660,000	
Vehicles under construction for delivery in 2011/12	980,000	
Specific contingencies:-		
Disaster recovery	50,000	
Lease dilapidations	75,000	
	_____	
Total value of designated assets held at 31 <sup>st</sup> March 2011		(6,933,617)
Potential Unrestricted funds		445,780
Less: funds which are restricted in use being given to the charity for a specific purpose		(337,383)
Value of Net assets of the charity as yet unallocated		<b>108,397</b>

**Premises**

The Charity currently operates from seven Ring and Ride Depots across the West Midlands, five of which also house accessible transport operations, one Ring and Ride outstation and one solely provides accessible transport.

The charity completed the sale of the Windsor Street property in July 2011.

**Working Capital requirement**

The represents the value of liquid resources to enable the Charity to conduct its everyday business.

**Restricted Funds**

This relates to the Capital funding grant made by Centro, for the purchase of PC tablets regarding CABTransit project, to comply with SORP this must be treated as restricted fund. This will be amortised over the life of the assets.

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**18. CAPITAL COMMITMENTS**

	<b>2011</b>	<b>2010</b>
	£	£
<b>Capital commitments</b>		
Contracted for but not provided (in respect of vehicles)	980,000	699,852
	980,000	699,852

**19. FINANCIAL COMMITMENTS**

**Operating lease commitments**

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	<b>2011</b>	<b>2010</b>
	£	£
<b>Land and buildings:</b>		
Expiring within one year	-	-
Expiring within two to five years	192,640	189,080
Expiring after five years	217,040	105,500
<b>Motor vehicles:</b>		
Expiring after five years	600,281	-
	1,009,961	294,580

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

	<b>2011</b>	<b>2010</b>
	£	£
Net incoming resources for the year	544,961	341,073
Interest receivable	(103,415)	(97,054)
Interest payable	16,640	78,197
Operating surplus	458,186	322,216
Loss on disposal of leaseholds	14,208	-
Depreciation	948,294	1,003,118
Profit on sale of fixed assets	(96,650)	(47,500)
Increase in stocks	(2,144)	(1,349)
Decrease in debtors		378,730
Increase in creditors	496,562	93,215
Increase in debtors	(934,944)	-
	883,512	1,748,430
Net cash inflow from operating activities	883,512	1,748,430

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**21. ANALYSIS OF NET FUNDS**

	2010 £	Cash flow 2011 £	Other changes 2011 £	2011 £
Cash at bank and in hand	718,970	(272,095)	-	446,875
	718,970	(272,095)	-	446,875
Debt:				
Loan finance	(1,600,000)	-	-	(1,600,000)
Finance and hire purchase	(736,216)	405,331	(58,319)	(389,204)
Other current asset investments	1,795,921	(243,569)	55,675	1,608,027
Total net funds	178,675	(110,333)	(2,644)	65,698

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

	2011 £	2010 £
(Decrease)/increase in cash in the year	(272,095)	437,373
Cash (inflow)/outflow from (increase)/decrease in debt and lease finance	405,331	462,757
Cash inflow from investment encashment	(243,569)	-
Movement in net funds resulting from cash flows in the year	(110,333)	900,130
New finance and hire purchase agreements	(58,319)	(249,094)
Other non cash changes	55,675	398,314
Movement in net funds in the year	(112,977)	1,049,350
Net funds at start of year	178,675	(870,675)
Net funds at end of year	65,698	178,675

The non-cash transactions are in relation to unrealised gains of £55,675 (2010: £398,314) on the market value of current asset investments.

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

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

**FOR THE YEAR ENDED 31 MARCH 2011**

**23. CONTROLLING PARTY**

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

**24. PENSION CONTRIBUTIONS**

The pension cost charge represents contributions payable by the company to the fund and amounted to £362,965 (2010: £353,200). There were no contributions payable to the fund at the year-end (2010: £nil).