

wmsnt accessible mobility for all

wmsnt (Holdings) Limited

**Annual Report
2014/15**

wmsnt (Holdings) Limited
(A company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2015

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wmsnt (Holdings) Limited

REPORT AND FINANCIAL STATEMENTS 2014/15

COMPANY INFORMATION AND PROFESSIONAL ADVISERS

Charity registration number 700370

Company registration number 02263123

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

EmmsGilmoreLiberson
Lancaster House
67 Newhall Street
Birmingham
B3 1NQ

BANKERS

Unity Trust Bank Plc
Nine Brindleyplace
Birmingham
B1 2HB

Barclays Bank Plc
1 Snowhill Queensway
Birmingham
B4 6GN

AUDITORS

Moore Stephens LLP
35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

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FOR THE YEAR ENDED 31 MARCH 2015

DIRECTORS/TRUSTEES AND EXECUTIVE STAFF

Directors and Trustees - wmsnt (Holdings)

Mr MG Kemp BA Econ (Hons), CPFA - (Chair) (to 17 June 2015)
Mr RJ Brooks BSc, MSc, C Eng, MICE, MCIT
Mr I Pearson JP (to 19 September 2014)
Ms J Robinson
Lady C Zissman JP (to 31 July 2014)
Mr A Aston BSc Econ (Hons), CIPR
Mr R Gist BA, MBA (to 11 August 2014)
Mrs J Robson
Mr F Green FCA – (Chair from 9 July 2015)
Mrs J Lucas BA, ACA
Mr P W Beecham MCIT (appointed 9 July 2015)
Mr N Hall-Palmer (appointed 9 July 2015)

All Directors/Trustees are non-executive

EXECUTIVE STAFF CURRENTLY IN POST

| | |
|--------------------|-----------------------------------|
| Chief Executive | Mr D Bermingham FCILT |
| Operations Manager | Mr D R Rogers FCILT |
| Personnel Manager | Mrs S E McKeivitt Chartered MCIPD |
| Finance Manager | Mrs A McQuinn ACMA |

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

INTRODUCTION - OBJECTIVES AND ACTIVITIES

The Trustees of **wmsnt (Holdings) Limited**, who are also the Directors of the Company, present their annual report and the audited financial statements for the year ended 31 March 2015, and confirm they comply with the requirements of the Companies Act 2006, the Charities Act 2011 and the Charities SORP 2005.

wmsnt (Holdings) Limited was incorporated originally as **West Midlands Special Needs Transport Limited** in 1988. On 10th May 2013, the members of **West Midlands Special Needs Transport Limited** changed its name to **wmsnt (Holdings) Limited**. Its main objective is the promotion of any charitable purpose for the benefit of the community and in particular the advancement of education and the relief of poverty, sickness, old age and distress through the provision of transport advice and assistance.

The principal activity of the **wmsnt** Group of companies is to provide accessible transport services for people in the West Midlands who experience mobility impairment or social isolation in urban and rural environments. This is achieved primarily through the provision of the *Ring and Ride*, door-to-door, minibus service, and through specific operations under contract to Transport and Local Authorities, the NHS and other charities.

On the formation of the **wmsnt** Group, **West Midlands Special Needs Transport** transferred the respective staff and operating assets to the new linked Charities which now operate the services and provide the following benefits:

- **Ring and Ride West Midlands Limited** provides a door-to-door, fully accessible bus 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;
- **wmsnt (Accessible Transport Services) Limited** provides special education needs transport services to local authorities, and tendered, subsidised community bus services to transport authorities.

As well as providing operational support to its linked charities, **wmsnt (Holdings)** provides assistance to external bodies requiring specialist training and advice to enable them to support people with disabilities and mobility impairment.

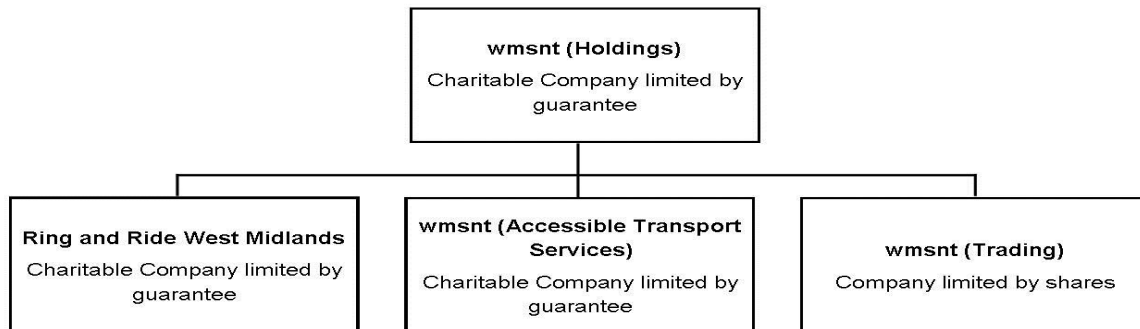
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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

wmsnt (Holdings) is a company 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. **wmsnt** (Holdings) is governed by Articles of Association which were adopted in September 2010, and which were amended with the change of structure which was implemented on 1st April 2013. The structure of the **wmsnt Group** with effect from 1st April 2013 is as shown below:



- **wmsnt (Holdings)** is the Group Holding company and holds all property assets; it provides the Head Office functions and management structure, and it delivers training and qualifications to the **wmsnt** Group's staff, and to external bodies which work for the benefit of people suffering social isolation.
- **Ring and Ride West Midlands** provides the *Ring and Ride* service in the seven metropolitan districts of the West Midlands: Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton.
- **wmsnt (Accessible Transport Services)** operates local authority contracts, primarily Special Education Transport contracts, health sector contracts and a number of tendered, subsidised Community Bus service contracts.

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

- **wmsnt (Trading)** (non-trading in 2014/15) intends to operate on a commercial basis tendering for contracts which fall outside of the charitable aims of the **wmsnt** Group.

The Board of Trustees comprises a range of individuals recruited from various backgrounds. New Trustees received an induction into the **wmsnt** Group before attending their first Board meeting. At each Annual General Meeting of the individual Charitable Companies, one third of the existing Trustees/Directors are required to submit themselves for re-election.

Two Trustees/Directors are appointed by **wmsnt** (Holdings) to be Trustees/Directors of Ring and Ride West Midlands, and they are also appointed as members holding a 51% proportion of the votes at Members' meetings. Three Trustees/Directors of the Board of Ring and Ride West Midlands are nominated by the West Midlands Integrated Transport Authority (WMITA) (from July 2014, by the Centro Transport Delivery Committee, Centro Members) in proportion to the political composition of the WMITA (Transport Delivery Committee).

wmsnt (Holdings) is the sole Member of **wmsnt** (Accessible Transport Services), and is the sole shareholder of **wmsnt** (Trading).

The Trustees/Directors of each entity take responsibility for the strategic direction of the **wmsnt** Group and its component parts, and delegate the day to day running of the operational outputs to the Chief Executive and the Senior Management Team. The Trustees/Directors of each of the entities of the Group hold formal Board meetings six times a year, which are supplemented by extraordinary meetings should the need arise. In addition, a Group Audit Committee has been established, the members of which are drawn from all of the entities of the Group. The Audit Committee directs the internal audits carried out by the Internal Auditor, and meets formally six times a year.

During the period 1st April 2014 to 31st March 2015, transport operations were run from eight depots across the metropolitan West Midlands, and one outstation.

Home to school accessible transport is provided for children with special educational needs and disabilities for a number of schools under contract to Birmingham City Council, Coventry City Council, Sandwell Metropolitan District Council, Wolverhampton City Council, Staffordshire County Council, Warwickshire County Council and Worcestershire County Council; this provision is overseen by a Contracts Manager, but most of the day to day management outside Birmingham is delegated to the **wmsnt** Group's respective District Managers who manage the depots from which the contracts operate. The **wmsnt** Group also operates a number of tendered, subsidised community bus services on behalf of Centro (WMITA) and Warwickshire County Council.

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

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

3. TRUSTEES AND THEIR RESPONSIBILITIES

a. TRUSTEES

The Board of Trustees comprises a range of individuals recruited from various backgrounds. The Board met at approximately two monthly intervals to review progress, and to discuss and agree strategy and policy, which the executive officers of the **wmsnt** Group then implemented. All Trustees give their time voluntarily and gain no financial benefit.

The Trustees who held office are set out on page 4 of the Report

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 **wmsnt** Group'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; and
- 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 **wmsnt** Group of companies 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 **wmsnt** Group 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, **wmsnt** has formed a Group Audit Committee. The Trustees have assessed

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

the corporate and strategic risks facing **wmsnt**, reviewed the vision, mission and strategy of the Charity, and continued the strategic partnership with the ITA through having three members of the Authority on the Ring and Ride West Midlands' Board.

4. FINANCIAL REVIEW

The **wmsnt** Group'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.

i. Reserves Policy: The Trustees have directed that the reserves be adequate to cover operational needs, that a minimum of £850,000 be held in respect of potential liabilities and that a minimum of £125,000 be held for specific contingency funds.

ii. Investment Policy: The Investment Policy is related to the Reserves Policy in that the Board has determined the form in which reserves should be held. As the prospects of a tangible return on investment through cash held in bank accounts have continued to be very low, the Trustees determined that the maximum amount of reserves possible should be held in investment accounts which generate capital growth and interest (preferably accounts where the funds can be reasonably accessible). The main investment vehicles used by **wmsnt** are 'Common Investment Funds' which are approved schemes designed to meet the requirements of charitable bodies.

As an 'operational' organisation engaged in the provision of road passenger transport, the **wmsnt** Group 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, directors or shareholders. It does, however, need to ensure that it manages its finances in such a way as to maintain working capital and to provide an adequate cash flow.

In 2014/15, neither charitable nor political contributions were made by the **wmsnt** Group, and it has previously not sought to fundraise other than in return for services provided. As a result, donations for 2014/15 form less than 0.01% of the **wmsnt** Group's income.

The WMITA grant provided to the Ring and Ride service was reduced to £8.5m from £10.5m the previous year, a reduction of 20%.

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

This decision necessitated a significant reduction in discretionary spending principally achieved through the cessation of the service on Sundays and bank holidays and a reduction in the vehicle and driving resource.

The **wmsnt** Group has actively and successfully increased its contracting operations with **wmsnt** (Accessible Transport Services) focused on home to school transport services on behalf of local authorities within the West Midlands and subsidised bus services, principally on behalf of Centro. Any surplus generated from these operations is agreed to be gifted to **wmsnt** (Holdings) for re-distribution to further the charitable aims of the **wmsnt** Group.

5. Strategic Review - THE wmsnt GROUP DURING 2014/15

a. The wmsnt Group'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.

The majority of **wmsnt**'s services are operated under the terms of Section 19 of the 1985 Transport Act (as amended), which necessitates the registration of Passengers and the advanced booking of journeys.

wmsnt has continued to expand its contracting activities in support of Local Authorities, predominantly for Special Educational Needs schools and tendered, subsidised community bus services. The 'Home to School' contracts provided **wmsnt** with additional resources and staff with which it was able to increase further the availability of transport for *Ring and Ride* passengers in 2014/15.

In addition to the formal/contractual relationships that **wmsnt** has with other agencies and authorities, it maintains on-going contacts with many other bodies and charities. **wmsnt** is a member of the Community Transport Association, and a member of the West Midlands Community Transport Forum.

wmsnt places a great deal of importance upon the quality of its staff training, and has longstanding relationship with Bournville College in Birmingham, which supports **wmsnt**'s programme of National Vocational Qualification (NVQ) accreditation.

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

b. Operational Review of Activities during 2014/15

The **wmsnt** Group'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 core activity which is delivered by Ring and Ride West Midlands, and it aims to improve the quality of life for the mobility-impaired people of the West Midlands. In the United Kingdom, there is no definitive existing standard 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.

The policies and operating practices of the *Ring and Ride* service are ultimately the responsibility of the 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 policies and practices for the *Ring and Ride* service. These include:

- **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 *Ring and Ride* service Management provide Users with information on operational performance, discussions take place on questions and issues raised by Users, and news and information about the *Ring and Ride* service is provided to supplement the contents of regular promotional and annual newsletters. Members of the respective local authorities are invited to attend, as are other interest groups who promote support to people with disabilities.
- **Telephone and Postal Surveys.** An on-going programme of telephone sampling takes place in all operating areas. *Ring and Ride* service staff telephone passengers who have recently used the service and obtain feedback on various aspects including staff attitudes, vehicle comfort and cleanliness, and booking system efficiency.
- **Presentations.** *Ring and Ride* service staff give presentations routinely and hold meetings with a variety of interest groups, in order to inform a wider body

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TRUSTEE'S REPORT (continued)

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of the population, and to publicise the assistance that the service provides.

In order to deliver the *Ring and Ride* service, the objective for 2014/15 was to provide 112 fully accessible minibuses on the road throughout the West Midlands metropolitan area every day, operating from 8am to 11pm Monday to Saturday. Due to the reduction in grant it was decided not to purchase any new vehicles during 2014/15.

***Ring and Ride* service funding for 2014/15.** In addition to the Grant of £8.5m provided by the WMITA, the fare was increased to £1.00 per single trip as from April 2014, although it is clear that the cost of the fare has, for many regular passengers, reduced the number of occasions on which they are able to travel each month, with obvious implications for their social, physical and mental wellbeing.

The *Ring and Ride* Service performance for 2014/15 was as follows:

- **Active Registered Users** **20,110¹**
- **Total Journeys Completed** **1,010,848**
- **Daily Vehicle Resources** **120 minibuses**
- **Total Distance Travelled** **8,766,737 kilometres (5,447,398 miles)**

ii. Accessible Transport Service operations

As at 31st March 2015 **wmsnt** (Accessible Transport Services) operated 366 Special Education transport routes employing its own fleet of accessible minibuses through contracts with three local authorities: Birmingham City Council; Coventry City Council; Sandwell Metropolitan Borough Council; Warwickshire City Council and Wolverhampton City Council. During the year, the Company increased its portfolio to 383 routes.

Some of the vehicles, together with their drivers, provided additional resources between the morning and afternoon school journeys to supplement the *Ring and Ride* fleet. This enabled the provision of extra *Ring and Ride* trips in those respective Local Authority areas. Additionally, **wmsnt** Accessible Transport Services provided transport services under contract for other statutory bodies including social and health care. **wmsnt** (Accessible Transport Services) also increased its operation of tendered, subsidised Community Bus Service routes on contracts with Centro to 40, with a further 12 Community Bus Service routes on contract with Warwickshire

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

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

County Council; these are operated under the terms of Section 22 of the 1985 Transport Act (as amended) using a variety of single deck buses.

Accessible Transport Service performance for 2014/15 was as follows:

- **Total Journeys Completed** **2,180,559**
- **Total Distance Travelled** **7,242,504 kilometres (4,501,245 miles)**

iii. Training Services.

wmsnt 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, CPC training to its PCV Drivers, first aid, Health and Safety, customer care and fire marshal training. In addition, the Training Department provided a significant amount of training support to Local Authorities, including disability awareness and customer service training for taxi drivers, training to schools and community transport organisations, as well as training for the guides for the Birmingham City Council's schools contracts. Training has also provided a consultancy service to other transport providers with regards to their employees driving.

The Training Department has continued to assess driving staff working in all areas of the organisation for NVQs at level 2 in Road Passenger Vehicle Driving, and during 2014/15, a total of 70 driving staff achieved an NVQ, so that a total of 663 of the current driving staff have achieved this qualification. In addition, a total of 78 administrative staff and schedulers have achieved an NVQ level 2 in Operational Support in the Bus and Coach Industry. The NVQ process has been delivered through a partnering agreement with Bournville College in Birmingham. In a further collaboration with Bournville College **wmsnt** has been delivering Pre-Employment training to people currently unemployed, by doing this over 75% of the 50 plus trainees that attend have gained employment, many within **wmsnt**. Each person from this training employed by **wmsnt** represents a saving of £300 to the group.

During 2014/15, the Training Department continued to deliver Certificate of Professional Competence (CPC) training for bus and coach drivers. In addition to running courses for **wmsnt** (Accessible Transport Services) bus drivers, the Training Department has also delivered CPC training modules for external organisations.

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

c. Risk Management.

The Trustees have examined the major strategic and operational risks which the **wmsnt** Group faces and confirm that robust and consistent systems have been established across the **wmsnt** Group to enable the regular identification, assessment, response and assurance of risks; ensuring they are managed down to acceptable levels in order to achieve **wmsnt**'s objectives for all its users and sponsors.

During 2014/15, the **wmsnt** Group has continued to employ an enterprise wide risk management framework, based on best practice principles from ISO 31000. As a result, **wmsnt** has reviewed and updated:

- A comprehensive set of operational risk registers for each major business activity, which has been linked to both operational and strategic objectives. These risk registers have focused on both financial and non-financial risk exposures;
- Maintained a consistent risk assessment approach across the **wmsnt** Group, based on the likelihood of occurrence of each risk, combined with its possible impact, should the risk occur at both strategic and operational level. Risk reviews are now being re-assessed on a half-yearly basis and;
- Confirmed the level of residual risk (net risk after the application of controls and responses) that **wmsnt** is willing to accept. This assessment shows that the **wmsnt** Group has a very low level of tolerance of internal risks, especially those in relation to passengers' and staff health and safety, service delivery and in financial management.

Internal Audit has independently and objectively evaluated the Risk Management maturity of the **wmsnt** Group using the Chartered Institute of Internal Auditing risk maturity classification model. It has confirmed that **wmsnt** has continued to achieve the 'Risk Defined' level of Risk Management maturity, and the Trustees are therefore able to provide the assurance that, despite the challenging economic environment, **wmsnt** is well positioned to meet the risks, which could threaten the efficient and effective delivery of its services in order to meet stakeholders' needs. The greatest immediate risk facing the **wmsnt** Group is the level of funding to be awarded by WMITA for the provision of the Ring and Ride service for 2016/17 (and beyond), and the impact of the Living Wage which forms a controlled element of the Birmingham Business Charter.

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

d. wmsnt's Planning Process for 2015/16.

wmsnt proactively worked with Centro in preparing a range of scenarios for 2015/16 seeking to protect the scope of the service despite pressure to reduce discretionary spending further.

The WMITA confirmed in November 2014 that the grant for 2015/16 would be reduced by £700k to £7.8m. The trustees were able to confirm that the scope of the service would remain unchanged however delivering resources would be reduced with the cessation of using home to school contract vehicles during mid-day to perform Ring and Ride trips. Further cost savings would be achieved through consolidating the depot based scheduling activity into two customer service centres. A limited Sunday Service would be introduced with a fare of £2.00 per single trip and £2.00 fare would be introduced for single trips undertaken after 7pm Monday to Saturday. The programme was successfully delivered on time.

Plans for future periods. In order for it to operate, the *Ring and Ride* service is currently reliant on Grant funding from WMITA. The intent of the **wmsnt** Group is to become more self-sufficient in terms of funding its outputs, specifically in respect of the *Ring and Ride* service. The plan for the next five years is to expand the number of contracts for Special Education Transport and tendered, subsidised Community Bus services in the wider West Midlands region, and for its Trading arm to generate an increasing surplus through undertaking appropriate transport and other trading activities.

e. Employees.

As 31 March 2015, the **wmsnt** Group had 875 paid employees (487 on full-time and 388 on part-time employment contracts respectively) compared to 804 posts at 1 April 2014. This increase was as a result of winning additional contracts for 'home to school' transport for children with special educational needs and as well as the award of a number of new community bus routes. No volunteers work in **wmsnt** Group currently.

At the end of March 2015, 91 staff employed by wmsnt group faced the risk of redundancy as a result of the reduction in the WMITA Grant; however, the number finally made redundant was reduced significantly as a result the opportunity of those at risk of redundancy to take up part-time employment in **wmsnt** (Accessible Transport Services).

Employees by Grade

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

The actual number of staff by grade employed by the **wmsnt** Group on 31st March 2015 was:

| | |
|-------------------|-------------------|
| Management | 17 |
| Supervisory | 30 |
| Trainers | 2 |
| Schedulers | 1 |
| Customer Service | 28 |
| Administration | 32 |
| Drivers & Escorts | 764 |
| Apprentices | 2 |
| Total | <u>876</u> |

wmsnt has a union recognition agreement with UNITE, and bi-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.

wmsnt maintains an Equal Opportunities Policy, both in terms of its employees and the representation of Trustees/Directors of the Boards of **wmsnt** (Holdings), and its group subsidiaries.

wmsnt has reviewed its access arrangements in order to ensure compliance with the provisions of the Equality Act and where appropriate has made reasonable adjustments to facilitate the employment of people with disabilities. The work **wmsnt** carries out involves contact with 'vulnerable' groups including children; because of this all employees undergo enhanced Disclosure and Barring Service (DBS) checks (previously CRB checks). **wmsnt** also acts as an umbrella body and undertakes DBS 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. The importance and quality of the training provided is such that **wmsnt** has been able to offer its training services to external bodies such as local authorities and

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TRUSTEE'S REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2015

other voluntary sector bodies, and participates fully with People 1st - the Sector Skills Council for the Passenger Transport Industry.

f. Funds held as Custodian Trustee on behalf of others.

No such funds are held.

g. Public Benefit.

The Trustees confirm that they have complied with their duty to have due regard to the guidance on Public Benefit in exercising their powers and duties.

h. Declaration.

The Trustees declare that there were no serious incidents or other matters relating to the **wmsnt** Group over the financial year that should have been brought to the attention of the Charity Commission but have not.

Approved by the Board on 30th September 2015 and signed on its behalf by:

**D Bermingham
Chief Executive**

**F Green
Chairman**

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INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 MARCH 2015

Independent Auditor's Report to the members of wmsnt (Holdings) Limited

We have audited the financial statements of wmsnt (Holdings) Limited for the year ended 31 March 2015 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Parent Charitable Company Balance Sheet, the Consolidated Cash Flow Statement 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 and section 144 of the Charities Act 2011. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 trustees and auditors

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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

**wmsnt (Holdings) Limited
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INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 MARCH 2015

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the group's and the charitable parent company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nicholas Simkins (Senior Statutory Auditor)
for and on behalf of MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor
Birmingham

Date:

Moore Stephens LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

wmsnt (Holdings) Limited
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2015

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2015 Total Funds £ | 2014 Total Funds £ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| Incoming resources | | | | | |
| Activities for generating funds: | | | | | |
| Investment income | 4 | 40,567 | - | 40,567 | 45,457 |
| Incoming resources from charitable activities: | | | | | |
| Grant income | | 8,500,000 | - | 8,500,000 | 10,500,000 |
| Concessionary fares | | 1,039,632 | - | 1,039,632 | 508,412 |
| Bus service operator's grant | | 795,149 | - | 795,149 | 602,819 |
| Fares on vehicles | | 1,478,149 | - | 1,478,149 | 1,027,282 |
| Contract income | | 9,106,016 | - | 9,106,016 | 6,682,396 |
| Sundry income | | 22,398 | - | 22,398 | 6,007 |
| Other incoming resources: | | | | | |
| Surplus on disposal of fixed assets | | (5,184) | - | (5,184) | 162,291 |
| Total incoming resources | 10 | 20,976,727 | - | 20,976,727 | 19,534,664 |
| Resources expended | | | | | |
| Charitable activities: | | | | | |
| Provision of public transport services | 6 | 21,204,172 | 64,265 | 21,268,437 | 19,751,984 |
| Governance costs | 8 | 10,189 | - | 10,189 | 29,319 |
| Total resources expended | | 21,214,361 | 64,265 | 21,278,626 | 19,781,303 |
| Net outgoing resources before gains/(losses) on investments | 9 | (237,634) | (64,265) | (301,899) | (246,639) |
| Other recognised gains/(losses) | | | | | |
| Realised gains on investments | 15 | 17,826 | - | 17,826 | 17,203 |
| Unrealised gains on investments | 15 | 46,440 | - | 46,440 | 88,703 |
| Net movement in funds | | (173,368) | (64,265) | (237,633) | (140,733) |
| Total funds at 1 April 2014 | | 6,292,770 | 144,589 | 6,437,359 | 6,578,092 |
| Total funds carried forward at 31 March 2015 | 28 | 6,119,402 | 80,324 | 6,199,726 | 6,437,359 |

The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 24 to 41 form part of these financial statements.

wmsnt (Holdings) Limited
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible | 11 | 6,590,006 | 7,350,067 |
| Investments | 12 | 1 | 1 |
| | | <u>6,590,007</u> | <u>7,350,068</u> |
| Current assets | | | |
| Stocks | 13 | 61,809 | 63,873 |
| Debtors | 14 | 3,096,932 | 2,336,800 |
| Investments | 15 | 872,955 | 908,689 |
| Cash at bank and in hand | | 607,518 | 142,120 |
| | | <u>4,639,214</u> | <u>3,451,482</u> |
| Creditors: amounts falling due within one year | 16 | <u>(3,263,231)</u> | <u>(2,684,399)</u> |
| Net current assets | | <u>1,375,983</u> | <u>767,083</u> |
| Total assets less current liabilities | | 7,965,990 | 8,117,151 |
| Creditors: amounts falling due after more than one year | 17 | (1,766,264) | (1,679,792) |
| Net assets | | <u><u>6,199,726</u></u> | <u><u>6,437,359</u></u> |
| Represented by: | | | |
| Restricted funds | 28 | 80,324 | 144,589 |
| Unrestricted funds: | | | |
| Designated funds | 28 | 6,119,402 | 6,292,770 |
| General funds | 28 | - | - |
| | | <u><u>6,199,726</u></u> | <u><u>6,437,359</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30th September 2015.

F Green Chairman

J Lucas Director

Company registration number: 02263123

The notes on pages 24 to 41 form part of these financial statements.

wmsnt (Holdings) Limited
(A company limited by guarantee)

CHARITABLE COMPANY BALANCE SHEET
AT 31 MARCH 2015

| | Notes | 2015 £ | 2014 £ |
|--|-------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible | 11 | 3,261,809 | 3,320,550 |
| Investments | 12 | 1 | 1 |
| | | <u>3,261,810</u> | <u>3,320,551</u> |
| Current assets | | | |
| Stocks | 13 | 6,211 | 8,605 |
| Debtors | 14 | 1,356,810 | 1,018,285 |
| Investments | 15 | 872,955 | 908,689 |
| Cash at bank and in hand | | 2,651 | 27,323 |
| | | <u>2,238,627</u> | <u>1,962,902</u> |
| Creditors: amounts falling due within one year | 16 | <u>(1,373,525)</u> | <u>(1,055,719)</u> |
| Net current assets | | <u>865,102</u> | <u>907,183</u> |
| Total assets less current liabilities | | 4,126,912 | 4,227,734 |
| Creditors: amounts falling due after more than one year | 17 | (1,084,709) | (1,160,577) |
| Net assets | | <u>3,042,203</u> | <u>3,067,157</u> |
| Represented by: | | | |
| Restricted funds | 28 | - | - |
| Unrestricted funds: | | | |
| Designated funds | 28 | 3,042,203 | 3,067,157 |
| General funds | 28 | - | - |
| | | <u>3,042,203</u> | <u>3,067,157</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30th September 2015.

F Green Chairman

J Lucas Director

Company registration number: 02263123

The notes on pages 24 to 41 form part of these financial statements.

wmsnt (Holdings) Limited
(A company limited by guarantee)

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015

| | Notes | 2015 £ | 2014 £ |
|--|-----------|------------------|------------------|
| Net cash inflow from operating activities | 21 | 1,048,658 | 1,380,899 |
| Capital expenditure and financial investment | | | |
| Payments to acquire tangible fixed assets | (367,480) | (1,537,169) | |
| Proceeds from sales of tangible fixed assets | - | 358,033 | |
| Proceeds from sales of investments | 100,000 | 200,000 | |
| | | <u>(267,480)</u> | <u>(979,136)</u> |
| Net cash inflow/(outflow) before management of liquid resources and financing | | 781,178 | 401,763 |
| Financing | | | |
| Finance lease payments | (257,717) | (240,468) | |
| Loan repayments | (93,891) | (99,545) | |
| Management of liquid resources | | | |
| Interest received | 40,567 | 45,457 | |
| Interest paid | (86,463) | (71,912) | |
| | | <u>(397,504)</u> | <u>(366,468)</u> |
| Increase in cash | 22 | 383,674 | 35,295 |

The notes on pages 24 to 41 form part of these financial statements.

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. COMPANY STATUS

The charitable company is limited by guarantee and does not have share capital. The members of the company are the trustees named on page 4. The liability of each member 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.

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. However, as of 1 April 2013, certain operations were transferred to subsidiary companies.

Consolidation

The financial statements of the company and its group undertakings have been consolidated to 31 March 2015 on a line by line basis. The Statement of Financial Activities of the company is not presented as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

Fund accounting

The group maintains various types of 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.

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, for which they must be used. 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 group is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fares on vehicles are recognised on a cash basis.

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

2. ACCOUNTING POLICIES (Continued)

Revenue Grants

The group 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.

Concessionary fares

The group participates in the Concessionary Travel arrangements operated by Centro and Warwickshire County Council. With regard to the Meridian Taxi Bus Service only, the group is reimbursed for the cost of providing travel facilities to concessionary pass holders, in accordance with an agreed formula.

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 the use of the resources.

Costs of activities in furtherance of the objects of the group, costs of managing and administering the group and governance costs

Costs of activities in furtherance of the group's objects comprise expenditure directly relating to the objects of the group 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 group and costs of managing and administering the group. The group does not incur costs of generating funds.

Costs of managing and administering the group relate to expenditure incurred on the management of the group's assets and organisational administration.

Governance costs include costs primarily associated with the constitutional and statutory requirements of the group.

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:

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

2. ACCOUNTING POLICIES (Continued)

| | |
|---|-----------------|
| Freehold buildings | 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 | 5 to 10 years |
| Fixtures and fittings | 5 years |

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance leases are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all the benefits and risks of ownership are assumed by the group. 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 group operates a defined contribution pension scheme and the pension charge represents the amount payable by the group to the funds in respect of the year. The assets of the scheme are held separately from those of the group 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.

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

3. EMPLOYEE INFORMATION

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

During the year the total expenses reimbursed to the trustees amounted to £439 (2014: £1,456). This comprised reimbursed travelling expenses incurred in the management of the group's affairs. Director's Liability Insurance of £1,166 (2014: £1,166) was paid by the group.

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

| | 2015 | 2014 |
|---------------------------|---------------|---------------|
| | Number | Number |
| Between £70,000 - £80,000 | 1 | 1 |

Pension contributions paid on behalf of the above employee totalled £4,324 for the year (2014: £4,181).

Staff costs during the year

| | 2015 | 2014 |
|-----------------------|-------------|-------------|
| | £ | £ |
| Wages and salaries | 11,193,437 | 10,374,906 |
| Social security costs | 658,402 | 646,005 |
| Pension costs | 383,669 | 382,917 |
| | <hr/> | <hr/> |
| | 12,235,508 | 11,403,828 |
| | <hr/> <hr/> | <hr/> <hr/> |

Average number of persons employed

| | 2015 | 2014 |
|-----------------|---------------|---------------|
| | Number | Number |
| Drivers/Escorts | 753 | 628 |
| Administration | 73 | 87 |
| Supervisory | 35 | 36 |
| Management | 18 | 16 |
| | <hr/> | <hr/> |
| | 879 | 767 |
| | <hr/> <hr/> | <hr/> <hr/> |

Included within the above are 388 part time employees (2014: 298)

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

4. INVESTMENT INCOME

| | 2015 | 2014 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Interest on bank and term deposits | 40,567 | 45,457 |
| | <u> </u> | <u> </u> |

5. INTEREST PAYABLE

| | 2015 | 2014 |
|--|-------------------|-------------------|
| | £ | £ |
| Interest on finance leases and hire purchase contracts | 55,715 | 38,824 |
| Bank loan interest | 30,748 | 32,952 |
| | <u> </u> | <u> </u> |
| | 86,463 | 71,776 |
| | <u> </u> | <u> </u> |

6. PROVISION OF PUBLIC TRANSPORT SERVICES

| | 2015 | 2014 |
|---|-------------------|-------------------|
| | £ | £ |
| Employee costs | 11,605,553 | 10,727,920 |
| Vehicle costs | 3,975,979 | 3,474,057 |
| Fuel costs | 2,339,131 | 2,119,231 |
| Premises costs | 771,228 | 781,724 |
| Office and administration | 430,518 | 467,590 |
| Depreciation | 1,122,357 | 1,179,156 |
| Interest payable (note 5) | 86,463 | 71,776 |
| Management and administration of the charity (note 7) | 937,208 | 930,530 |
| | <u> </u> | <u> </u> |
| | 21,268,437 | 19,751,984 |
| | <u> </u> | <u> </u> |

7. MANAGEMENT AND ADMINISTRATION OF THE CHARITY

| | 2015 | 2014 |
|------------------------|-------------------|-------------------|
| | £ | £ |
| Employee costs | 879,599 | 877,567 |
| Premises costs | 31,284 | 29,354 |
| General administration | 26,325 | 23,609 |
| | <u> </u> | <u> </u> |
| | 937,208 | 930,530 |
| | <u> </u> | <u> </u> |

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

8. GOVERNANCE COSTS

| | 2015 | 2014 |
|------------------------|-------------|-------------|
| | £ | £ |
| Employee costs | - | 17,910 |
| Auditor's remuneration | 9,750 | 9,750 |
| Trustees' expenses | 439 | 1,659 |
| | 10,189 | 29,319 |
| | 10,189 | 29,319 |

9. NET OUTGOING RESOURCES

| | 2015 | 2014 |
|--|-------------|-------------|
| | £ | £ |
| Net outgoing resources is stated after charging/(crediting): | | |
| Depreciation – owned assets | 943,624 | 1,012,463 |
| Depreciation – assets held under hire purchase | 178,733 | 166,693 |
| (Profit)/loss on sale of fixed assets | 5,184 | (162,291) |
| Rentals under operating leases – land and buildings | 572,758 | 522,073 |
| Auditor's remuneration – audit fees | 9,750 | 9,750 |

10. INCOMING RESOURCES BY MAIN ACTIVITIES

| | 2015 | | | 2014 | |
|------------------------------|---|--|----------------------|--------------------|--------------------|
| | Ring & Ride and Single Vehicle Contracts £ | Multiple Vehicle Contracts and Others £ | Central £ | Total £ | Total £ |
| Centro grant income | 8,500,000 | - | - | 8,500,000 | 10,500,000 |
| Concessionary fares | - | 1,039,632 | - | 1,039,632 | 508,412 |
| Bus service grant | 262,048 | 533,101 | - | 795,149 | 602,819 |
| Fares income | 1,006,317 | 471,832 | - | 1,478,149 | 1,027,282 |
| Contract income | 17,849 | 9,000,515 | 87,652 | 9,106,016 | 6,682,396 |
| Interest received | - | - | 40,567 | 40,567 | 45,457 |
| Other income | 6,482 | 13,293 | 2,623 | 22,398 | 168,298 |
| Profit on disposal of assets | - | (5,184) | - | (5,184) | - |
| | 9,792,696 | 11,053,189 | 130,842 | 20,976,727 | 19,534,664 |
| | 9,792,696 | 11,053,189 | 130,842 | 20,976,727 | 19,534,664 |

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

11. TANGIBLE FIXED ASSETS

Group

| | Freehold property £ | Improvement of short leasehold premises £ | Buses £ | Computer equipment £ | Fixtures & fittings £ | Total £ |
|-----------------------|------------------------------------|--|--------------------|-------------------------------------|--|--------------------|
| Cost | | | | | | |
| At 1 April 2014 | 3,206,098 | 439,552 | 11,853,886 | 939,359 | 440,762 | 16,879,657 |
| Additions | 21,172 | 4,904 | 270,926 | 35,213 | 35,265 | 367,480 |
| Disposals | - | (19,000) | (36,991) | - | - | (55,991) |
| At 31 March 2015 | <u>3,227,270</u> | <u>425,456</u> | <u>12,087,821</u> | <u>974,572</u> | <u>476,027</u> | <u>17,191,146</u> |
| Depreciation | | | | | | |
| At 1 April 2014 | 211,381 | 344,427 | 7,997,873 | 589,281 | 386,628 | 9,529,590 |
| Charge for the year | 38,472 | 12,390 | 920,362 | 123,079 | 28,054 | 1,122,357 |
| Disposals | - | (19,000) | (31,807) | - | - | (50,807) |
| At 31 March 2015 | <u>249,853</u> | <u>337,817</u> | <u>8,886,428</u> | <u>712,360</u> | <u>414,682</u> | <u>10,601,140</u> |
| Net book value | | | | | | |
| At 31 March 2015 | <u>2,977,417</u> | <u>87,639</u> | <u>3,201,393</u> | <u>262,212</u> | <u>61,345</u> | <u>6,590,006</u> |
| At 31 March 2014 | <u>2,994,717</u> | <u>95,125</u> | <u>3,856,013</u> | <u>350,078</u> | <u>54,134</u> | <u>7,350,067</u> |

Included within the cost of freehold property is land with a cost of £1,300,000 (2014: £1,300,000) which is not depreciated.

Included within buses are assets held under finance leases with net book value of £792,648 (2014: 729,946). Included within fixtures & fittings are assets held under finance leases with net book value of £23,380 (2014: £nil).

Included within computer equipment and fixtures and fittings are assets funded through the capital fund grant with an original cost of £401,648. The net book value of these assets at the year end was £80,324 (2014: £144,589).

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

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Charity

| | Freehold property £ | Improvement of short leasehold premises £ | Buses £ | Computer equipment £ | Fixtures & fittings £ | Total £ |
|------------------------|------------------------------------|--|--------------------|-------------------------------------|--|--------------------|
| Cost | | | | | | |
| At 1 April 2014 | 3,206,098 | 439,552 | 115,141 | 495,985 | 408,956 | 4,665,732 |
| Additions | 21,172 | 4,904 | 7,000 | 4,966 | 35,265 | 73,307 |
| Disposals | - | (19,000) | - | - | - | (19,000) |
| At 31 March 2015 | <u>3,227,270</u> | <u>425,456</u> | <u>122,141</u> | <u>500,951</u> | <u>444,221</u> | <u>4,720,039</u> |
| Depreciation | | | | | | |
| At 1 April 2014 | 211,381 | 344,427 | 91,312 | 332,105 | 365,957 | 1,345,182 |
| Charge for the year | 38,472 | 12,390 | 9,112 | 44,420 | 27,654 | 132,048 |
| Disposals | - | (19,000) | - | - | - | (19,000) |
| At 31 March 2015 | <u>249,853</u> | <u>337,817</u> | <u>100,424</u> | <u>376,525</u> | <u>393,611</u> | <u>1,458,230</u> |
| Net book value | | | | | | |
| At 31 March 2015 | <u>2,977,417</u> | <u>87,639</u> | <u>21,717</u> | <u>124,426</u> | <u>50,610</u> | <u>3,261,809</u> |
| At 31 March 2014 | <u>2,994,717</u> | <u>95,125</u> | <u>23,829</u> | <u>163,880</u> | <u>42,999</u> | <u>3,320,550</u> |

Included within the cost of freehold property is land with a cost of £1,300,000 (2013: £1,300,000) which is not depreciated.

Included within fixtures & fittings are assets held under finance leases with net book value of £23,380 (2014: £nil).

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

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

12. FIXED ASSET INVESTMENTS

Charity

| | Investment in Subsidiaries £ |
|-----------------------------------|---|
| Cost and Net Book Value | |
| At 1 April 2014 and 31 March 2015 | 1 |

The investment in subsidiaries represents:

| Name | Holding | Company Type | Net Assets £ | Share Capital £ |
|-------------------------|----------------|---------------------|-------------------------|----------------------------|
| wmsnt (Trading) Limited | 100% | Non-trading | 1 | 1 |

The charitable company is also the parent company of two charitable subsidiary companies which are limited by guarantee.

| Name | Holding | Company Type | Net Assets £ | Guarantee £ |
|---|----------------------|--|-------------------------|------------------------|
| Ring & Ride West Midlands Limited | Limited by guarantee | Provision of public transport services | 2,210,149 | 1 |
| wmsnt (Accessible Transport Services) Limited | Limited by guarantee | Provision of public transport services | 1,145,374 | 1 |

A summary of the results of the subsidiaries is set out below:

| | Ring & Ride West Midlands Limited £ | wmsnt (accessible Transport services) Limited £ | Total £ |
|-----------------------------------|--|--|--------------------|
| Incoming resources | 10,021,209 | 11,058,373 | 21,079,582 |
| Resources expended | (10,233,888) | (11,058,373) | (21,292,261) |
| Net (outgoing)/incoming resources | (212,679) | - | (212,679) |

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

13. STOCK

| | Group | | Charity | |
|----------------------------|---------------|---------------|--------------|--------------|
| | 2015 £ | 2014 £ | 2015 £ | 2014 £ |
| Fuel and other consumables | 61,809 | 63,873 | 6,211 | 8,605 |
| | <u>61,809</u> | <u>63,873</u> | <u>6,211</u> | <u>8,605</u> |

14. DEBTORS

| | Group | | Charity | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | 2015 £ | 2014 £ | 2015 £ | 2014 £ |
| Trade debtors | 968,725 | 708,952 | 25,585 | 13,631 |
| Other debtors | 326,378 | 346,131 | 152,983 | 26,129 |
| Prepayments and accrued income | 1,801,829 | 1,281,717 | 1,165,144 | 807,684 |
| Amounts due from group companies | - | - | 13,098 | 170,841 |
| | <u>3,096,932</u> | <u>2,336,800</u> | <u>1,356,810</u> | <u>1,018,285</u> |

15. CURRENT ASSET INVESTMENTS

| | Group and charity | | | Value at 31 March 2015 £ |
|-------------------------------------|----------------------------------|---|-----------------------------------|-----------------------------------|
| | Value at 1 April 2014 £ | Additions /(Sales) in the year £ | Change in market value £ | |
| Investments in UK listed securities | 5,942 | - | (565) | 5,377 |
| Charity Common Investment Funds | 902,747 | (100,000) | 64,831 | 867,578 |
| | <u>908,689</u> | <u>(100,000)</u> | <u>64,266</u> | <u>872,955</u> |

The UK listed securities investments comprise 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 2015 was £721,972 (2014: £802,352).

There was a withdrawal and a deposit to investments during the year and the movement in value comprises of realised and unrealised gains.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Charity | |
|--|--------------|-------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Bank overdraft | 81,724 | - | 81,724 | - |
| Trade creditors | 1,938,462 | 1,916,220 | 1,086,473 | 877,755 |
| Other taxes and social security | 168,957 | 168,455 | 24,677 | 25,574 |
| Net obligations under finance leases and hire purchase contracts (see note 18) | 243,151 | 153,761 | 4,853 | - |
| Bank loans (see note 18) | 124,639 | 124,639 | 124,639 | 124,639 |
| Accruals | 706,298 | 321,324 | 51,159 | 27,751 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 3,263,231 | 2,684,399 | 1,373,525 | 1,055,719 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | Group | | Charity | |
|--|--------------|-------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Net obligations under finance leases and hire purchase contracts (see note 18) | 699,578 | 519,215 | 18,023 | - |
| Bank loans (see note 18) | 1,066,686 | 1,160,577 | 1,066,686 | 1,160,577 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,766,264 | 1,679,792 | 1,084,709 | 1,160,577 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

18. MATURITY OF BORROWINGS

Group

| As at 31 March 2015 | Bank loans £ | Hire purchase and finance leases £ | Total £ |
|----------------------------|------------------------|--|-------------------|
| In one year or less | 124,639 | 243,151 | 367,790 |
| Between one and two years | 124,639 | 259,397 | 384,036 |
| Between two and five years | 373,917 | 440,181 | 814,098 |
| After more than five years | 568,130 | - | 568,130 |
| | <hr/> | <hr/> | <hr/> |
| | 1,191,325 | 942,729 | 2,134,054 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

| As at 31 March 2014 | Bank loans £ | Hire purchase and finance leases £ | Total £ |
|----------------------------|------------------------|--|-------------------|
| In one year or less | 124,639 | 153,761 | 278,400 |
| Between one and two years | 124,639 | 164,009 | 288,648 |
| Between two and five years | 373,917 | 355,206 | 729,123 |
| After more than five years | 662,021 | - | 662,021 |
| | <hr/> | <hr/> | <hr/> |
| | 1,285,216 | 672,976 | 1,958,192 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Charity

| As at 31 March 2015 | Bank loans £ | Hire purchase and finance leases £ | Total £ |
|----------------------------|------------------------|--|-------------------|
| In one year or less | 124,639 | 4,853 | 129,492 |
| Between one and two years | 124,639 | 4,853 | 129,492 |
| Between two and five years | 373,917 | 13,170 | 387,087 |
| After more than five years | 568,130 | - | 568,130 |
| | <hr/> | <hr/> | <hr/> |
| | 1,191,325 | 22,876 | 1,214,201 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

wmsnt (Holdings) Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

| As at 31 March 2014 | Bank loans | Hire purchase and finance leases | Total |
|----------------------------|-------------------|---|--------------|
| | £ | £ | £ |
| In one year or less | 124,639 | - | 124,639 |
| Between one and two years | 124,639 | - | 124,639 |
| Between two and five years | 373,917 | - | 373,917 |
| After more than five years | 662,021 | - | 662,021 |
| | <hr/> | <hr/> | <hr/> |
| | 1,285,216 | - | 1,285,216 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

19. CAPITAL COMMITMENTS

| | Group and charity 2015 | 2014 |
|---|-----------------------------------|-------------|
| | £ | £ |
| Capital commitments contracted for but not provided (in respect of vehicles) | 679,960 | - |
| | <hr/> | <hr/> |

20. FINANCIAL COMMITMENTS

Operating lease commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

| | Group | | Charity | |
|-----------------------------------|--------------|-------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Land and buildings: | | | | |
| Expiring within two to five years | 173,000 | 136,400 | 173,000 | 136,400 |
| Expiring after five years | 340,264 | 399,264 | 340,264 | 399,264 |
| Motor vehicles: | | | | |
| Expiring within two to five years | 1,479,527 | 763,807 | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,992,791 | 1,299,471 | 513,264 | 535,664 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

21. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 2015 | 2014 |
|---|-------------|-------------|
| | £ | £ |
| Net outgoing resources for the year | (292,338) | (246,639) |
| Interest receivable | (40,567) | (45,457) |
| Interest payable | 86,463 | 71,912 |
| | <hr/> | <hr/> |
| Operating deficit | (246,442) | (220,184) |
| Depreciation | 1,122,357 | 1,179,156 |
| (Surplus)/deficit on sale of fixed assets | 5,184 | (162,291) |
| (Increase)/decrease in stocks | 2,064 | (204) |
| (Increase)/decrease in debtors | (760,132) | (344,067) |
| Increase/(decrease) in creditors | 925,627 | 928,489 |
| | <hr/> | <hr/> |
| Net cash inflow from operating activities | 1,048,658 | 1,380,899 |
| | <hr/> <hr/> | <hr/> <hr/> |

22. ANALYSIS OF NET DEBT

| | 2014 | Cash flow | Other | 2015 |
|----------------------------------|-------------|------------------|----------------|-------------|
| | £ | 2015 | changes | 2015 |
| | | £ | 2015 | £ |
| | | | £ | |
| Cash at bank and in hand | 142,120 | 465,398 | - | 607,518 |
| Bank overdraft | - | (81,724) | - | (81,724) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 142,120 | 383,674 | - | 525,794 |
| Current asset investments | 908,689 | (100,000) | 64,266 | 872,955 |
| Debt: | | | | |
| Loan finance | (1,285,216) | 93,891 | - | (1,191,325) |
| Finance leases and hire purchase | (672,976) | 257,717 | (527,470) | (942,729) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net debt | (907,383) | 635,282 | (463,204) | (735,305) |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

wmsnt (Holdings) Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

23. RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT

| | 2015 | 2014 |
|---|------------------|------------------|
| | £ | £ |
| Increase/(decrease) in cash in the year | 383,674 | 35,295 |
| Cash outflow from decrease in finance lease & hire purchase | 257,717 | 240,468 |
| Cash inflow from investment encashment | (100,000) | (200,000) |
| Cash outflow from decrease in loan finance | 93,891 | 99,545 |
| | <hr/> | <hr/> |
| Movement in net debt resulting from cash flows in the year | 635,282 | 175,308 |
| New finance lease and hire purchase agreements | (527,470) | (454,970) |
| Other non cash changes | 64,266 | 105,906 |
| | <hr/> | <hr/> |
| Movement in net debt in the year | 172,078 | (173,756) |
| Net debt at the start of the year | (907,383) | (733,627) |
| | <hr/> | <hr/> |
| | (735,305) | (907,383) |
| | <hr/> <hr/> | <hr/> <hr/> |

The non cash transactions are in relation to investment movements of £64,266 (2014: £105,906).

24. CONTROLLING PARTY

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

25. RELATED PARTY TRANSACTIONS

At the discretion of the Trustees, surpluses generated from **wmsnt** (Accessible Transport Services) operations may be gifted to **wmsnt** (Holdings) for re-distribution to further the charitable aims of the **wmsnt** Group, but taking into account the needs of **wmsnt** (Accessible Transport Services) to meet its operational objectives. During the year, a total from **wmsnt** (Accessible Transport Services) of £228,513 (2014: £207,124) was gifted to **wmsnt** (Holdings) who then re-distributed this to Ring and Ride West Midlands.

26. PENSION CONTRIBUTIONS

The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £383,669 (2014: £382,917). There were no contributions payable to the fund at the year-end (2014: £nil).

wmsnt (Holdings) Limited
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

27. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted Funds £ | Total 2015 £ |
|-----------------------------------|----------------------------|--------------------------|--------------------|
| Tangible fixed assets | 6,509,682 | 80,324 | 6,590,006 |
| Investments | 1 | - | 1 |
| Current assets | 4,639,214 | - | 4,639,214 |
| Current liabilities | (3,263,231) | - | (3,263,231) |
| Long term liabilities | (1,766,264) | - | (1,766,264) |
| Total net assets at 31 March 2014 | <u>6,119,402</u> | <u>80,324</u> | <u>6,199,726</u> |

28. FUNDS

| Group | At 1 April 2014 £ | Incoming Resources £ | Resources / Expended £ | Other gains (losses) or transfers £ | At 31 March 2015 £ |
|---------------------|-------------------------|----------------------------|------------------------------|--|--------------------------|
| Restricted funds | 144,589 | - | (64,265) | - | 80,324 |
| Unrestricted funds: | | | | | |
| General funds | - | 20,981,911 | (21,219,545) | 237,634 | - |
| Designated funds | 6,292,770 | - | - | (173,368) | 6,119,402 |
| Total net funds | <u>6,437,359</u> | <u>20,981,911</u> | <u>(21,283,810)</u> | <u>64,266</u> | <u>6,199,726</u> |

Restricted funds

This relates to the Capital funding grant made by Centro for the purpose of PC tablets and fixtures regarding the CAB Transit project. To comply with SORP this must be treated as a restricted fund. This is being amortised over the life of the assets.

Designated funds

This relates to funds that have been put aside at the discretion of the Trustees and includes the tangible fixed assets required for delivering services, the working capital and contracting resource of the charity and also specific contingencies.

wmsnt (Holdings) Limited
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

Charity

| | At 1 April 2014 | Incoming Resources | Resources / Expended | Other gains (losses) or transfers | At 31 March 2015 |
|---------------------|--------------------|-----------------------|-------------------------|---|---------------------|
| | £ | £ | £ | £ | £ |
| Restricted funds | - | - | - | - | - |
| Unrestricted funds: | | | | | |
| General funds | - | 130,842 | (520,062) | 389,220 | - |
| Designated funds | 3,067,157 | - | - | (324,954) | 2,742,203 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total net funds | 3,067,157 | 130,842 | (520,062) | 64,266 | 2,742,203 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Restricted funds

This relates to the Capital funding grant made by Centro for the purpose of PC tablets and fixtures regarding the CAB Transit project. To comply with SORP this must be treated as a restricted fund. This is being amortised over the life of the assets.

Designated funds

This relates to funds that have been put aside at the discretion of the Trustees and includes the tangible fixed assets required for delivering services, the working capital and contracting resource of the charity and also specific contingencies.

29. DONATED ASSETS

On the formation of the **wmsnt** Group on 1st April 2013, the parent charity, **wmsnt** (Holdings) Limited, transferred the identifiable assets and liabilities and the operation of Accessible Transport Services to **wmsnt** (Accessible Transport Services) Limited and the identifiable assets and liabilities and the operation of the Ring and Ride service to Ring and Ride West Midlands Limited for £nil consideration. This was a one off donation resulting from the formation of the **wmsnt** Group on 1st April 2013.

The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2015

The following table sets out the fair values of the identifiable assets and liabilities transferred:

| | Accessible Transport Services | Ring and Ride Service | Total Funds £000 |
|---------------------------|--|--------------------------------------|---------------------------------|
| Tangible fixed assets | | | |
| Buses | 845,436 | 2,066,471 | 2,911,907 |
| Computer equipment | 17,993 | 207,626 | 225,619 |
| Fixtures & fittings | 1,600 | 14,904 | 16,504 |
| Stock | - | 58,561 | 58,561 |
| Debtors | 764,890 | 780,391 | 1,545,281 |
| Cash balances | - | - | - |
| Creditors within one year | (196,439) | (671,213) | (867,652) |
| Creditors over one year | (288,106) | - | (288,106) |
| | <hr/> | | |
| Net assets | 1,145,374 | 2,456,740 | 3,602,114 |
| | <hr/> | | |