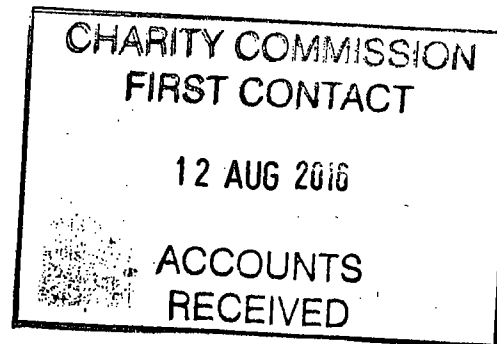


Company registration number: 2506147  
Charity registration number: 703002

**DRIVE**  
(A company limited by guarantee)

**TRUSTEES ANNUAL REPORT &  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**



**Broomfield & Alexander Limited**  
Statutory Auditors & Chartered Accountants  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

# **DRIVE**

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**DRIVE  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

The trustees are pleased to present their strategic and trustees report together with the financial statements of the charity for the year ending 31 March 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

## **STRATEGIC REPORT**

### **OBJECTIVES AND ACTIVITIES**

Drive is a company limited by guarantee with charitable objectives whose aim is to enable people with disabilities to live valued lives. Drive strives to achieve this by providing a range of services for people with a disability which promotes their valued status within their local community and supports their personal and social development as individual citizens.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Ensuring our work delivers our aims**

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcome of our work in the previous twelve months. The review also helps us to ensure our aims, objectives and activities remained focused on our stated objectives. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities, thus ensuring that it continues in its stated purpose.

#### **Achievement in the year**

Drive continues to achieve despite the financial climate, as we stay true to our aims and values, focusing on the needs of individuals, delivering the highest quality service for the best value for money:

Drive supports people to:

- Achieve their full potential;
- Exercise choice within all aspects of their lives; and
- Be actively engaged in all aspects of their lives.

We have continued to do this with our partners, now in five local authority areas, supporting over 345 people, working in a way that works well for each of those local authorities but with the focus on achieving the best results for the people that use our services. Where many providers are faced with the same financial challenges and the reduction in services, Drive has continued to adapt and grow.

In February 2016, Drive was informed of its success in being awarded the contract to provide Supported Living Services for Bridgend County Borough Council for the 40 people living in 16 different settings from April 2016. Drive was the current provider of these services and had supported some individuals for over 20 years and this success was testament to the high quality of service being provided by the teams in Bridgend.

**DRIVE**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2016**

We continue to work with our newest partners through a collaborative arrangement being undertaken by Bridgend County Borough Council, Abertawe Bro Morgannwg University Health Board, Neath Port Talbot County Borough Council and the City and County of Swansea, through the Closer to Home initiative having been successfully awarded a contract to support 4 individuals in Cwm Avon, Neath Port Talbot under this framework.

In October 2015, following a mini tender, Drive was asked to provide an additional specialist supported living services to four young people with a learning disability, autistic spectrum disorders and complex challenging behaviour moving to a new home in Britton Ferry, Neath Port Talbot.

Drive has also expanded Supported Living provision in existing local authority areas, with two new services in Merthyr that had been outsourced by the Local Authority.

Over the last three years, Drive has further developed its quality assurance policies and processes to ensure the highest quality services to enable people supported to thrive and achieve. Annual outcome focussed reviews, supporting people to review what is working and not working in key areas, linked to the Welsh Government's National Outcome Framework, is generating evidence of Drive's achievements.

In addition, a senior Drive manager is a qualified Assessor for the N.A.S Accreditation Programme and has been leading Drive through the National Autistic Society (NAS) accreditation process, which ensures continuous improvement to our specialist autism services. This provides a structured way of analysing and improving services and enhances Drive's Quality Assurance processes. The aim is to achieve full accreditation before December 2016.

Work also continues on our management information strategy to develop outcomes based reporting, which will help to demonstrate the impact we are making as an organisation, further evidencing the value we provide, and more importantly to an individual.

Contract monitoring reports in Bridgend, Neath Port Talbot and Rhondda Cynon Taff evidence consistent positive outcomes through our utilisation of person centred thinking strategies and active support programmes as creative ways to listen to people's wishes and aspirations in order to plan their support. Inspectors noted all contractual compliance standards were evidenced and met. The people we support are central to all of our work as outlined by our Participation Strategy. Feedback is provided through conferences and forums to contribute to our Business and Operational Plans. Our Advisory Group, which has a dedicated channel to Drive's Management Board, produced an accessible compliments and complaints procedure, reviewed health and safety checks and redesigned our customer satisfaction process.

Our strengths have been recognised in various external reports during the year. The Care Standards Inspectorate for Wales (CSSIW) inspected Drive's domiciliary support services under the provisions of the Care Standards Act 2000. The report reflected best practice throughout the organisation with no action plans required.

Participation by people supported and their families is an integral part of Drive, with people asked to give feedback about what is working or not working for them about any aspect of their support or the organisation through an annual stakeholder questionnaire.

**DRIVE  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

This showed:

- 100% of people thought their support was good or OK, with good staff support to complete tasks or activities being given as the main reason;
- 95% of relatives of people supported assessed the overall quality of support as good or better;
- 98% of relatives felt Drive treated the person supported with respect.

Drive's training and development strategy, and recruitment and retention strategy are very well established within the organisation and ensure legislative and best practice requirements are met. Drive utilizes staff matching tools to match staff and people supported to ensure positive interactions through similar interests and hobbies.

Support staff have accessed a comprehensive range of training opportunities, including both statutory core training and more specialist training to meet the complex needs of people supported. We have supported over 50% of our support staff, to gain the relevant level of QCF care qualification. This ensures staff are highly trained and competent to deliver a professional person-centred service.

We have continued to embed Positive Behavioural Support to minimise incidents of challenging behaviour and restrictive practice, enabling people to enjoy ordinary lives in local communities.

Drive has staff qualified in all 3 levels of the Positive Behaviour Management diploma and certificates and has 5 BILD accredited PBM trainers, to deliver training in reactive strategies and positive behaviour management theory.

Over 90% of managers have achieved QCF level 5 qualification in Management, supplemented by workshops on leadership, coaching and mentoring. These are all factors in Drive's very low level of turnover of staff which was only 11%, compared to the sector average of 23%, reflecting Drive's supportive culture of valuing staff, providing regular supervision and appraisal along with quality training, and ensuring Drive's culture of supporting independence rather than 'doing for' is maintained.

Drive has well established and robust arrangements to ensure positive approaches to risk taking and health and safety. Through effective succession planning, our new Health and Safety Co-ordinator has continued to work with Drive's Health and Safety Committee, which reports to Drive's management board to cement the positive health and safety culture that exists within Drive and ensure when assessing risk, the objective is not to limit what people do, but help them to do it as safely as possible.

In December 2015, Drive achieved the Welsh Governments Corporate Health Standard's bronze award which is the quality mark for workplace health promotion in Wales. In addition, we have used this initiative to work proactively with the people we support and there is now a monthly walking group and a healthy living group which meet on a regular basis.

Drive continues to deliver services at a cost level that is extremely challenging to manage, which bring increasing complexities for budget and operational management.

A number of rulings in Employment Appeal Tribunals, including hours worked providing sleep-in support being classified as working time, together with how annual leave is calculated and paid, together with increasing National Living Wage levels, are putting significant pressure on Drive's resources. There is, however, no immediate threat to Drive's financial viability due to Drive's robust balance sheet position.

**DRIVE  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

Drive has demonstrated its responsiveness to modernising services, working proactively with local authorities to work differently within limited and reducing resources. This work includes the establishment of the Friendly Club in Aberdare and Merthyr, and Connect in Bridgend, where service users come together to enjoy each other's company and explore opportunities to increase levels of independence, nurture talent and expand their social circles.

To support new ways of working, Drive created a Management Information Strategy Reserve in 2015 to invest in new management information systems. During the year, Drive developed an integrated system, Carista, which provides real-time management information to support decision-making in a more person-centred, cost effective way. Phase I, operations and support planning, will be 'live' in June 2016, with Phase II and III for HR and Learning and development due in July and October 2016 respectively. In addition, Drive implemented a new payroll software system, Frontier, to allow for organisational growth and streamline working processes.

In January 2012, Drive Enterprises (Mentrau) Limited, a wholly owned subsidiary of Drive, was set up to provide a vehicle to expand social enterprise services. The main activity that created the need for this vehicle ceased in June 2013. Drive is keeping the future of Drive Enterprises (Mentrau) Ltd under review.

Drive continues to be a leading provider of specialist care in the South Wales area, priding itself on its true engagement with the people it supports.

## **FINANCIAL REVIEW**

### **Results**

The net incoming unrestricted deficit for the year ended 31 March 2016 amounted to £100,734 (2015: net incoming unrestricted surplus £70,788). This deficit decreased the cumulative unrestricted funds to £3,572,771. The movements in the individual designated funds are shown in note 20.

The restricted funds include the monies received for the provision of care in the local authority areas in which the charity works. The total incoming resources from these sources amounted to £8,594,956 (2015: £7,931,765). Expenditure from restricted reserves of £8,663,328 (2015: £7,935,715) resulted in net outgoing resources of £68,372 (2015: £3,950).

All of the incoming resources have been applied to further the principal objects of the charity. The funding for the year continued to be received from those local authorities with whom the charity has a service level agreement. In addition, the charity received Supporting People Grant from those same local authorities as well as contributions from the service users in the form of housing benefit and other contributions. The principal cost for the year was staff salaries and related costs. The staff provide the level of care required to meet the charity's obligations under the service level agreements. In addition, the charity meets the cost of accommodation on behalf of its service users, including rent, housing associations charges and other housekeeping costs.

**DRIVE**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**PLANS FOR FUTURE PERIODS**

Through Drive's business planning process we review our aims, objectives and activities each year to ensure that our values are not diluted and that we continue to:

- Put people at the heart of everything we do;
- Seek continuous improvement in quality, staff development and service delivery; and
- Embrace innovation and positive risk taking.

The key priorities outlined in Drive's Business Plan are:

- Enhance co-ordination of Quality Assurance mechanisms;
- Strengthen service planning strategies and mechanisms;
- Improve and deliver strategy for positive behavioural support and support to people with autistic spectrum disorders;
- Ensure Drive's health and safety systems policies and procedures and wellbeing strategies meet best practice standards and are fit for purpose;
- Devise and implement strategies to improve performance;
- Devise and implement strategies to ensure financial viability;
- Implement strategies and initiatives to maximise the effectiveness of resources;
- Maximise the effectiveness of the workforce;
- Implement management information and IT strategy;
- Review and implement participation strategy;
- Promote innovation; and
- Review and implement development strategy.

It is pleasing to report that all areas are progressing with the involvement of service users and other key stakeholders.

The enthusiasm of service users, staff and board members to make this happen reflects Drive's values:

*Person-centred, reliable, empowering, innovative and coherent.*

Drive is currently reviewing its Business Plan and priorities for the period 2016-2019 to ensure we understand what success looks like for the people we support, for our staff and for the organisation, and that we continue to prioritise what is important.

**Public benefit**

As required by the Charities Act 2011, the Charity Commission issued guidance on meeting the Public Benefit requirements. We have considered the relevant guidance and are satisfied that we provide considerable public benefit as demonstrated in this report. We will refer to the guidance when reviewing our purpose and mission and in planning future activities.

**DRIVE**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**Reserves policy**

The trustees recognise the need to hold reserves to help to continue the principal objects of the charity should the level of funding fall. In addition, the need to establish a base reserve of unrestricted funds to build up the level equivalent to two months operating costs has been recognised by the trustees, to mitigate the risk of losing a specific grant funder. The level of unrestricted reserves at the balance sheet date was £3,572,771 (2015: £3,673,505), which is equivalent to two months operating costs. The level of available funds at the balance sheet date excluding the investment made in fixed assets and the amounts set aside into designated reserves, amounted to £1,775,131 (2015: £1,800,921).

The trustees use designated reserves to set funds aside for a specific purpose or project; the details of which are shown on note 20 of the financial statements.

**Investment powers**

Under the Memorandum and Articles of Association the charity has the power to invest for the furtherance of the charity's principal activity. All investments comply with the Charity Commission guidelines.

The trustees, having regard to the liquidity requirements of the charity have operated a policy of keeping surplus cash balances as liquid as possible and any surplus balances will be invested in fixed term deposit accounts.

**Disabled employees**

The charity operates a policy of equal opportunities for employment which includes disabled employees. This policy gives full and fair consideration to applications for employment by the charity made by disabled persons, having regard to their particular aptitude and abilities, for continuing the employment of, and for arranging appropriate training for, employees of the charity who have become disabled persons during the periods when they were employed by the charity and otherwise, for the training, career development and promotion of disabled persons employed by the charity.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Legal status**

The organisation is a company limited by guarantee, registration number 2506147, and is governed by its Memorandum and Articles of Association. Drive is also registered with the Charity Commission, number 703002. The trustees are also directors of the charitable company.

**Organisation**

The organisation is managed by a voluntary Management Board whose role is to set the overall objectives for Drive and to ensure that the organisation is keeping within its legal and moral obligations. The Management Board holds the ultimate power and responsibility for Drive.

**Appointment, induction and training of new trustees**

Board members are drawn from a wide background, bringing together professional, commercial parent/carer and local experience. The Board are elected by the members at the annual general meeting. New Board members are given training by the Company Secretary. The Board meets on a regular basis through the year and establishes ad hoc Task and Finish Groups to look into specific areas, as required.



**DRIVE**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**Financial controls**

The Management Board is responsible for the organisations' strategy and policy framework. It delegates the day to day management and implementation of that framework to the Chief Executive Officer, Barry Gallagher, and other senior managers (the Senior Management Team).

There have been no material changes in policy during the year.

**Risks**

The approach to risk management, set out in policy and guidelines, has been approved by the board. The approach allocates responsibility for risk management and established a framework in which risks are identified and evaluated so that an appropriate response can be determined and affected.

To co-ordinate this process, the approach combines oversight by the audit committee and senior management, tasked with preparing a register for the specific risks and controls relating to organisation functions. The register will form the basis for action plans designed to address weaknesses in controls identified, and mitigate risks where this is considered to be desirable.

The Chief Executive and Directors are expected to:

- Establish clear objectives for their area of operation and identify and evaluate the key risks to achieving those objectives;
- Incorporate risk responses into a system of internal control which is designed to address opportunities, facilitate effective and efficient operations, protect Drive's interests and ensure compliance with applicable law and guidance;
- Follow Drive's guidelines and standards relating to particular types of risk and ensure that emerging risks are identified and an appropriate response is effected;
- Monitor the effectiveness of the systems for risk and internal control and report significant weaknesses or non-compliance to the senior management team (SMT);
- Ensure that the risk management system is communicated to staff and embedded in operational processes; and
- Assign responsibility for managing risks within boundaries agreed by the SMT and the audit committee.

In its broadest sense, responsibility for the ongoing management of risk rests with all staff in their respective area of operation.

Specific risks faced by the charity are:

- Financial instability created by legislation/case law such as the National Living Wage, Welfare Reform, definition of working time etc., together with the impact of the way services are being commissioned;
- Balancing continuity and change in an unstable financial environment that requires new models of service for the benefit of the people we support; and
- Dilution of Drive's values/principles due to pressures in the external environment that are not aligned with Drive's Mission.

**DRIVE  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

Drive has an internal control system which incorporates risk management and is designed to provide reasonable assurance that we will achieve our overall mission and objectives. Drive continues to work on a new approach to internal controls and risk management with consultants Sayer Vincent to enhance its risk and assurance framework.

**Key management personnel**

The Management Board sets the remuneration of key management personnel, see note 7. Key management personnel is defined as the charity's senior management team, which comprises of the Chief Executive, Director of Operational Services, Director of HR and Director of Finance, together with its Trustees. Drive has a Total Reward Strategy and the remuneration of key management personnel is part of that process. No formal benchmarks, parameters or criteria are used to generate automatic pay increases, and decisions for all staff are made to reflect the financial position of the organisation within the current economic climate. Trustees do not receive any remuneration for their role, although they are entitled to claim expenses.

**REFERENCE AND ADMINISTRATIVE DETAILS**

|                                    |  |
|------------------------------------|--|
| <b>Charity name</b>                | Drive  |
| <b>Charity registration number</b> | 703002   |
| <b>Company registration number</b> | 2506147  |
| <b>Principal office</b>            | Unit 8<br>Cefn Coed<br>Parc Nantgarw<br>Treforest<br>RCT<br>CF15 7QQ   |
| <b>Registered office</b>           | Unit 8<br>Cefn Coed<br>Parc Nantgarw<br>Nantgarw<br>CF15 7QQ   |
| <b>Trustees</b>                    | Mr Geoff Lake<br>Ms Jean Gregson<br>Ms Janet Sheldon<br>Mr John Minkes<br>Ms Karen Rix<br>Mr George Kitcher - resigned 21 September 2015<br>Ms Jo Rees - resigned 23 February 2016<br>Mr Hugh Irwin<br>Ms Jennifer Jones |
| <b>Secretary</b>                   | Mr B Gallagher   |

**DRIVE  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

**Solicitors**

Hugh James  
3<sup>rd</sup> Floor  
Aribee House  
Greyfriars Road  
Cardiff

Passmores  
31 Tynwydd Road  
Barry  
CF62 8HB

**Bankers**

Barclays  
PO Box 52  
Cardiff  
CF1 4XR

**Auditors**

Broomfield & Alexander Limited  
Statutory Auditors & Chartered Accountants  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

**FUNDS HELD AS CUSTODIAN TRUSTEE**

The charity manages money on behalf of its services users. This service included paying expenditure on their behalf; detailed records are kept to ensure that the charity is able to identify amounts owed to/by each individual.

**DRIVE  
REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 MARCH 2016**

**RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

The trustees (who are also directors of Drive for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 5/7/16 and signed on its behalf by:



.....  
**Mr B Gallagher**  
**Secretary**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DRIVE  
FOR THE YEAR ENDED 31 MARCH 2016**

We have audited the financial statements of Drive for the year ended 31 March 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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. 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 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 auditor**

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.

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 Financial Reporting Council'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' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016, 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DRIVE  
FOR THE YEAR ENDED 31 MARCH 2016**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report (including the Strategic 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:

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



**Ian Thomas FCA DChA**  
Senior Statutory Auditor  
For and on behalf of  
**Broomfield & Alexander Limited**  
Chartered Accountants and Statutory Auditors  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

Date ..... *20 July 2016* .....

**DRIVE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 MARCH 2016**

|                                    | Note  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>2016<br>£ | Total<br>funds<br>2015<br>£ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b> |       |                            |                          |                             |                             |
| Donations and legacies             | 2     | 6,700                      | -                        | 6,700                       | 196                         |
| Charitable activities              | 3     | 3,520,714                  | 8,594,956                | 12,115,670                  | 11,384,609                  |
| Investments                        | 4     | 10,536                     | -                        | 10,536                      | 19,184                      |
| <b>Total income and endowments</b> |       | <u>3,537,950</u>           | <u>8,594,956</u>         | <u>12,132,906</u>           | <u>11,403,989</u>           |
| <b>Expenditure on:</b>             |       |                            |                          |                             |                             |
| Charitable activities              | 5     | 3,638,684                  | 8,663,328                | 12,302,012                  | 11,337,151                  |
| <b>Total expenditure</b>           |       | <u>3,638,684</u>           | <u>8,663,328</u>         | <u>12,302,012</u>           | <u>11,337,151</u>           |
| <b>Net movement in funds</b>       | 6     | (100,734)                  | (68,372)                 | (169,106)                   | 66,838                      |
| Total funds brought forward        | 19,20 | 3,673,505                  | 164,134                  | 3,837,639                   | 3,770,801                   |
| <b>Total funds carried forward</b> | 19,20 | <u>3,572,771</u>           | <u>95,762</u>            | <u>3,668,533</u>            | <u>3,837,639</u>            |

All of the net incoming resources are from continuing activities.

The company has no recognised gains or losses other than the above.

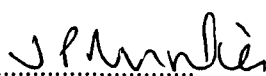
The notes on pages 16 - 30 form part of the financial statement

**DRIVE  
BALANCE SHEET  
AT 31 MARCH 2016**

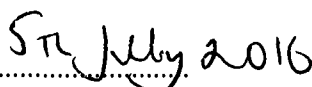
|   | Notes | 2016             | 2016                    | 2015             | 2015                    |
|---|-------|------------------|-------------------------|------------------|-------------------------|
|   |       | £                | £                       | £                | £                       |
| <b>Fixed assets:</b>                                    |       |                  |                         |                  |                         |
| Tangible assets   | 10    |                  | 1,224,270               |                  | 1,265,869               |
| Investments   | 11    |                  | <u>1</u>                |                  | <u>1</u>                |
|   |       |                  | <b>1,224,271</b>        |                  | <b>1,265,870</b>        |
| <b>Current assets:</b>                                  |       |                  |                         |                  |                         |
| Debtors   | 12    | 1,267,801        |                         | 943,847          |                         |
| Cash at bank and in hand                                |       | <u>2,632,459</u> |                         | <u>2,610,514</u> |                         |
|   |       | <b>3,900,260</b> |                         | <b>3,554,361</b> |                         |
| <b>Liabilities:</b>                                     |       |                  |                         |                  |                         |
| Creditors: Amounts falling due within one year          | 13    |                  | <u>(1,171,143)</u>      |                  | <u>(646,978)</u>        |
| Net current assets                                      |       |                  | <u><b>2,729,117</b></u> |                  | <u><b>2,907,383</b></u> |
| <b>Total assets less current liabilities</b>            |       |                  | <b>3,953,388</b>        |                  | <b>4,173,253</b>        |
| Creditors: Amounts falling due after more than one year | 14    |                  | <b>(284,855)</b>        |                  | <b>(335,614)</b>        |
| <b>Net assets</b>                                       |       |                  | <u><b>3,668,533</b></u> |                  | <u><b>3,837,639</b></u> |
| <b>The funds of the charity:</b>                        |       |                  |                         |                  |                         |
| Restricted income funds                                 | 19    |                  | 95,762                  |                  | 164,134                 |
| Unrestricted income funds                               | 20    |                  | <u>3,572,771</u>        |                  | <u>3,673,505</u>        |
| <b>Total charity funds</b>                              | 21    |                  | <u><b>3,668,533</b></u> |                  | <u><b>3,837,639</b></u> |

Signed on behalf of the board of directors

John Minkes - Chair .....



Approved by the board on.....



The notes on pages 16 - 30 form part of the financial statements



**DRIVE  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2016**

|   | 2016<br>£        | 2015<br>£        |
|---|------------------|------------------|
| Net cash provided by/(used in) operating activities   | <u>74,730</u>    | <u>392,748</u>   |
| <b><i>Cash flows from investing activities:</i></b>   |                  |                  |
| Dividends, interest and rents from investments  | 10,536           | 19,184           |
| Purchase of property plant and equipment  | <u>(12,562)</u>  | <u>(8,454)</u>   |
| Net cash provided by (used in) investing activities   | <u>(2,026)</u>   | <u>10,730</u>    |
| <b><i>Cash flows from financing activities:</i></b>   |                  |                  |
| Repayments of borrowing   | <u>(50,759)</u>  | <u>(50,009)</u>  |
| Net cash provided by (used in) financing activities   | <u>(50,759)</u>  | <u>(50,009)</u>  |
| <br>  |                  |                  |
| Change in cash and cash equivalents in the reporting period   | 21,945           | 353,469          |
| Cash and cash equivalents at the beginning of the reporting period                                  | 2,610,514        | 2,257,045        |
| Cash and cash equivalents at the end of the reporting period  | <u>2,632,459</u> | <u>2,610,514</u> |
| <br>  |                  |                  |
| <b><u>Reconciliation of net income/(expenditure) to net cash flow from operating activities</u></b> |                  |                  |
| Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)    | (169,106)        | 66,838           |
| <b><i>Adjustments for:</i></b>  |                  |                  |
| Depreciation charges  | 54,161           | 56,077           |
| Dividends, interest and rents from investments  | (10,536)         | (19,184)         |
| (Increase)/decrease in debtors  | (323,954)        | 362,707          |
| Increase/(decrease) in creditors  | <u>524,165</u>   | <u>(73,690)</u>  |
| Net cash provided by/(used in) operating activities   | <u>74,730</u>    | <u>392,748</u>   |
| <br>  |                  |                  |
| <b><u>Analysis of Cash and Cash Equivalents</u></b>   |                  |                  |
| Cash in hand  | <u>2,632,459</u> | <u>2,610,514</u> |
| Total Cash and Cash Equivalents   | <u>2,632,459</u> | <u>2,610,514</u> |

The notes on pages 16 - 30 form part of these financial statements

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the charity's financial statements.

**Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

**Rounding**

Figures contained in the financial statements have been rounded to the nearest pound.

**Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

**Transition to FRS 102**

The opening fund balances at the date of transition were not required to be restated in making the transition to FRS 102. The transition date was 1 April 2014.

**Presentation of the accounts on a going concern basis**

The charity reported a net outflow of £169,106 for the year. This charity has sufficient free reserves and is monitoring results on a frequent basis. The trustees are of the view that on this basis the charity is a going concern and there are no material uncertainties about the charity's ability to continue as a going concern.

**Fund accounting**

Unrestricted funds are general funds that are available for use at the discretion of the trustees in furtherance of the objectives of the charity.

Restricted funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Designated funds are unrestricted funds set aside at the discretion of the trustees for specific future purposes.

Further details of each fund are disclosed in notes 19-21.

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**Income**

Donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Investment income is recognised on a receivable basis.

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- a) Housing benefit claimed on behalf of all service users is accounted for on a receivable basis.
- b) Grants of a revenue nature are credited direct to the revenue account in the period to which they relate. A provision for estimated grant clawback has been made in the financial statements where there is an indication a clawback will be made. Capital grants received to fund the purchase of fixed assets are brought into the restricted funds via the statement of financial activities and reduced annually by the charge for depreciation.

**Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises these costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Governance costs**

Governance costs include costs of the preparation and examination of the statutory accounts, the costs of trustees meetings and the cost of any legal advice to trustees on governance or constitutional matters.

**Support costs**

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

**Fixed assets**

Individual fixed assets costing £1,000 or more are initially recorded at cost.

All tangible fixed assets (other than the horticultural building which is held at valuation – open market value) are included at cost.

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

|                        |              |
|------------------------|--------------|
| Freehold property      | 2% on cost   |
| Fixtures and fittings  | 15% on cost  |
| Motor Vehicles         | 25% on cost  |
| Horticultural building | 2.5% on cost |

**Debtors**

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

**Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**Creditors and provisions**

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

**Financial instruments**

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

**Liabilities policy**

Liabilities are recognised in the Statement of Financial Activities as they become payable.

**Operating leases**

Rentals payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

**Pensions**

The charity operates three types of pension schemes being defined contribution, auto enrolment pension and defined benefit, depending on Terms and Conditions of employees. Contributions are charged in the Statement of Financial Activities as they become payable in accordance with the rules of the scheme.

The defined contribution scheme is a stakeholder pension. For employees that started before July 2014 employer contributions are made on behalf of employees at a rate of 6% of employee's basic salary. The amount paid and accrued relating to employees basic pay during the financial year are charged to the Statement of Financial Activities. These contributions are invested separately from the assets of the charity.

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

From July 2014 the charity operated an auto enrolment pension scheme for new employees and to supplement the defined contribution scheme to comply with the Pension Act 2014.

The charity has also entered into a defined benefit pension scheme in respect of 6 employees that transferred under TUPE from Monmouthshire County Borough Council in 2008. The charity has paid amounts as defined under the admission agreement between Torfaen County Borough Council and Monmouthshire County Borough Council under The Local Government Pension Scheme (Benefit, Membership and Contributions) Regulations 2007, and The Local Government Pension Scheme (Administration) Regulations 2008. The charity is in negotiation regarding an admission agreement with Rhondda Cynon Taff Council pension fund following a TUPE transfer of staff in January 2016 from Merthyr County Borough Council.

**2. DONATIONS AND LEGACIES**

|           | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Donations | 6,700                      | -                        | 6,700              | 196                |
|           | <u>6,700</u>               | <u>-</u>                 | <u>6,700</u>       | <u>196</u>         |

**3. INCOME FROM CHARITABLE ACTIVITIES**

|                                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Other income                    | 260,720                    | -                        | 260,720            | 269,452            |
| Rent and service charges        | 1,630,332                  | -                        | 1,630,332          | 1,549,516          |
| Health and local authority      | -                          | 7,524,590                | 7,524,590          | 6,752,943          |
| Supporting People Grant         | -                          | 1,070,366                | 1,070,366          | 1,175,016          |
| ILF and targeted support income | 1,629,662                  | -                        | 1,629,662          | 1,633,876          |
| Big Lottery                     | -                          | -                        | -                  | 3,806              |
|                                 | <u>3,520,714</u>           | <u>8,594,956</u>         | <u>12,115,670</u>  | <u>11,384,609</u>  |

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**4. INCOME FROM INVESTMENTS**

|                           | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Interest on cash deposits | 10,536                     | -                        | 10,536             | 19,184             |
|                           | <u>10,536</u>              | <u>-</u>                 | <u>10,536</u>      | <u>19,184</u>      |

**5. EXPENDITURE ON CHARITABLE ACTIVITIES**

|                                       | Charitable<br>activities<br>£ | Governance<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|---------------------------------------|-------------------------------|-----------------|--------------------|--------------------|
| <b>Direct costs</b>                   |                               |                 |                    |                    |
| Advertising and promotion             | 14,941                        | -               | 14,941             | 22,039             |
| Auditors remuneration                 | -                             | 7,956           | 7,956              | 7,656              |
| Bad debt expense                      | 1,991                         | -               | 1,991              | 145                |
| Depreciation of tangible fixed assets | 54,141                        | -               | 54,141             | 56,077             |
| Employment costs                      | 9,883,973                     | -               | 9,883,973          | 9,106,479          |
| Food, cleaning, health and safety     | 47,773                        | -               | 47,773             | 40,080             |
| Interest and bank charges             | 71,403                        | -               | 71,403             | 65,547             |
| Legal and professional costs          | 158,590                       | -               | 158,590            | 134,677            |
| Office expenses                       | 200,441                       | -               | 200,441            | 215,392            |
| Participation                         | 14,523                        | -               | 14,523             | 10,955             |
| Rent and utilities                    | 1,141,261                     | -               | 1,141,261          | 1,038,340          |
| Repairs, maintenance and renewals     | 230,078                       | -               | 230,078            | 189,927            |
| Travel and vehicle costs              | 208,380                       | -               | 208,380            | 195,515            |
|                                       | <u>12,027,495</u>             | <u>7,956</u>    | <u>12,035,451</u>  | <u>11,082,829</u>  |
| <b>Support costs</b>                  |                               |                 |                    |                    |
| Bank charges                          | 420                           | -               | 420                | 420                |
| Employment costs                      | 187,807                       | -               | 187,807            | 200,640            |
| Establishment costs                   | 78,334                        | -               | 78,334             | 53,262             |
|                                       | <u>266,561</u>                | <u>-</u>        | <u>266,561</u>     | <u>254,322</u>     |
| <b>Total</b>                          | <u>12,294,056</u>             | <u>7,956</u>    | <u>12,302,012</u>  | <u>11,337,151</u>  |

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**6. NET (EXPENDITURE)/INCOME FOR THE YEAR**

This is stated after charging:

|                              | 2016<br>£    | 2015<br>£    |
|------------------------------|--------------|--------------|
| Depreciation of owned assets | 54,141       | 56,077       |
| Auditors remuneration:       |              |              |
| Audit fees                   | <u>7,956</u> | <u>7,656</u> |

**7. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL**

Staff costs were as follows:

|                     | 2016<br>£         | 2015<br>£        |
|---------------------|-------------------|------------------|
| Wages and salaries  | 9,119,592         | 8,391,280        |
| Social security     | 603,149           | 576,570          |
| Other pension costs | 349,039           | 339,269          |
|                     | <u>10,071,780</u> | <u>9,307,119</u> |

**Trustees' remuneration and expenses**

During the year no trustees received reimbursement of expenses (2015: 1 trustee was reimbursed £98). No trustee received any remuneration during the current or previous year.

**Senior employees**

During the year, the number of senior employees who received emoluments falling within the following range was:

|                   | 2016<br>No. | 2015<br>No. |
|-------------------|-------------|-------------|
| £60,000 - £70,000 | <u>1</u>    | <u>1</u>    |

During the year, defined contribution pension contributions on behalf of the above employee amounted to £4,052 (2015: £4,012).

**Senior management remuneration**

The key management personnel of the charity are as detailed in the Trustees report. The total employee benefits (including salary, employer's national insurance, pension and benefits in kind) of the key management personnel of the charity were £263,826 (2015: £249,548).

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**8. STAFF NUMBERS**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

|                               | 2016<br>No. | 2015<br>No. |
|-------------------------------|-------------|-------------|
| Care and administration staff | <u>477</u>  | <u>452</u>  |
|                               | <u>477</u>  | <u>452</u>  |

**9. TAXATION**

As a registered charity, Drive is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

Drive Enterprises (Mentrau Drive) Ltd's Corporation Tax liability for the year amounted to £nil (2015: £nil).

**10. TANGIBLE FIXED ASSETS**

|                        | Freehold<br>interest in<br>land and<br>buildings<br>£ | Plant and<br>machinery<br>including<br>motor<br>vehicles<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£       |
|------------------------|---|---|---|------------------|
| <b>Cost</b>            |   |   |   |                  |
| As at 1 April 2015     | 1,441,307   | 216,538   | 662,521                                     | 2,320,366        |
| Additions              | -   | -   | 12,562                                      | 12,562           |
| Disposals              | -   | (138,010)   | (283,964)                                   | (421,974)        |
| As at 31 March 2016    | <u>1,441,307</u>                                      | <u>78,528</u>   | <u>391,119</u>                              | <u>1,910,954</u> |
| <b>Depreciation</b>    |   |   |   |                  |
| As at 1 April 2015     | 244,177   | 202,334   | 607,986                                     | 1,054,497        |
| Charge for the year    | 24,807  | 8,798   | 20,556                                      | 54,161           |
| Eliminated on disposal | -   | (138,010)   | (283,964)                                   | (421,974)        |
| As at 31 March 2016    | <u>268,984</u>  | <u>73,122</u>   | <u>344,578</u>                              | <u>686,684</u>   |
| <b>Net Book Value</b>  |   |   |   |                  |
| As at 31 March 2016    | <u>1,172,323</u>                                      | <u>5,406</u>  | <u>46,541</u>                               | <u>1,224,270</u> |
| As at 31 March 2015    | <u>1,197,130</u>                                      | <u>14,204</u>   | <u>54,535</u>                               | <u>1,265,869</u> |



**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**11. INVESTMENTS**

|   | <b>2016</b>     | <b>2015</b>     |
|---|-----------------|-----------------|
|   | <b>£</b>        | <b>£</b>        |
| Investments in subsidiary Drive Enterprises (Mentrau Drive) Ltd | <u><b>1</b></u> | <u><b>1</b></u> |

The charity holds the entire issued share capital of 1 ordinary share of £1 in Drive Enterprises (Mentrau Drive) Ltd, a company incorporated in England and Wales. The company was incorporated on 25 January 2012 and at this point it commenced trading. Company number 07923294. Registered office, Unit 8 Cefn Coed, Parc Nantgarw, Nantgarw, CF15 7QQ.

A summary of its trading position is shown below.

|   | <b>Year ended<br/>31 March 2016</b> | <b>Year ended<br/>31 March 2015</b> |
|---|-------------------------------------|-------------------------------------|
|   |                                     | <b>£</b>                            |
| <b>Summary profit and loss account:</b> |                                     |                                     |
| Income                                  | -                                   | -                                   |
| Cost of sales                           | -                                   | -                                   |
| Operating profit                        | -                                   | -                                   |
| Administrative expenses                 | -                                   | (477)                               |
| <b>Result for the period</b>            | <u>-</u>                            | <u>(477)</u>                        |

**The assets and liabilities of the subsidiary were:**

|  |                   |            |
|--|-------------------|------------|
| Current assets   | <b>564</b>        | 564        |
| Current liabilities: Amounts falling due within one year | -                 | -          |
| <b>Net assets</b>  | <u><b>564</b></u> | <u>564</u> |

|   |                   |            |
|---|-------------------|------------|
| Share capital                                 | <b>1</b>          | 1          |
| Reserves                                      | <b>563</b>        | 563        |
| <b>Aggregate share capital &amp; reserves</b> | <u><b>564</b></u> | <u>564</u> |

**12. DEBTORS**

|                                | <b>2016</b>             | <b>2015</b>    |
|--------------------------------|-------------------------|----------------|
|                                | <b>£</b>                | <b>£</b>       |
| Debtors                        | <b>1,132,997</b>        | 924,070        |
| Other debtors                  | -                       | 16,761         |
| Prepayments and accrued income | <b>134,804</b>          | 3,016          |
|                                | <u><b>1,267,801</b></u> | <u>943,847</u> |

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

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

|                              | 2016             | 2015           |
|------------------------------|------------------|----------------|
|                              | £                | £              |
| Bank loan                    | 56,236           | 56,236         |
| Creditors                    | 233,392          | 160,556        |
| Other creditors              | 128,882          | 52,242         |
| Accruals and deferred income | 605,658          | 244,278        |
| Taxation and social security | 146,975          | 133,666        |
|                              | <u>1,171,143</u> | <u>646,978</u> |

Creditors amounts falling due within one year includes the following, on which security has been given by the charity:

|           | 2016          | 2015          |
|-----------|---------------|---------------|
|           | £             | £             |
| Bank Loan | <u>56,236</u> | <u>56,236</u> |

The loan relates to a mortgage covering the office at Parc Nantgarw, the term of which totals 25 years. The loan is secured on the property to which it relates.

Mortgage interest is charged at 1% above the prevailing bank's base rate and is due to be repaid in full in 2022.

**14. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Creditors, amounts falling due after more than one year, include the following liability, on which security has been given by the charity:

|           | 2016           | 2015           |
|-----------|----------------|----------------|
|           | £              | £              |
| Bank loan | <u>284,855</u> | <u>335,614</u> |

The loan relates to a mortgage covering the offices at Parc Nantgarw, the term of which totals 25 years. The loan is secured on the property to which it relates.

Mortgage interest is charged at 1% above the prevailing bank's base rate and is due to be repaid in full in 2022.

Included in the creditors are the following amounts due after more than 5 years:

|   | 2016          | 2015           |
|---|---------------|----------------|
|   | £             | £              |
| After more than five years by instalments | <u>59,911</u> | <u>110,669</u> |

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**15. FINANCIAL INSTRUMENTS**

|   | <b>2016</b>             | <b>2015</b>             |
|---|-------------------------|-------------------------|
|   | <b>£</b>                | <b>£</b>                |
| <b>Carrying amount of financial assets</b>      |                         |                         |
| Debt instruments measured at amortised cost     | <u><b>3,900,260</b></u> | <u><b>3,554,361</b></u> |
| <b>Carrying amount of financial liabilities</b> |                         |                         |
| Measured at amortised cost                      | <u><b>1,455,998</b></u> | <u><b>982,592</b></u>   |

**16. MEMBERS LIABILITY**

The charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £nil towards the assets of the charity in the event of liquidation.

**17. OPERATING LEASE COMMITMENTS**

As at 31 March 2016 the charity had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

|                      | <b>2016</b>         | <b>2015</b>          |
|----------------------|---------------------|----------------------|
|                      | <b>£</b>            | <b>£</b>             |
| Less than one year   | <b>6,892</b>        | <b>7,304</b>         |
| Between 2 to 5 years | <u><b>2,866</b></u> | <u><b>9,758</b></u>  |
|                      | <u><b>9,758</b></u> | <u><b>17,062</b></u> |

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**18. PENSION SCHEMES**

|                       | <b>2016</b>           | <b>2015</b>    |
|-----------------------|-----------------------|----------------|
|                       | <b>£</b>              | <b>£</b>       |
| Contributions payable | <b>349,039</b>        | 339,269        |
| Due at the year end   | <b><u>49,421</u></b>  | <u>41,067</u>  |
|                       | <b><u>398,460</u></b> | <u>380,336</u> |

The charity's staff are members of defined contribution pension schemes, with the exception of 4 staff which have TUPE rights to a defined benefit pension scheme. The assets of both the schemes are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions payable by the charity and amounted to £398,460 (2015: £380,336). At the year-end £49,421 (2015: £41,067) is held in creditors pending debit by the pension companies.

The Chief Executive is a member of Drive's defined contribution pension scheme. The charity makes contributions of 6% of salary, in accordance with the charity's Terms and Conditions of Employment. No enhanced or special terms apply. The amount contributed by the charity for 2016 was £4,052 (2015: £4,012).

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**19. RESTRICTED FUNDS**

|  | At 1 April<br>2015<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At 31 March<br>2016<br>£ |
|--|-------------------------|------------------|--------------------|----------------|--------------------------|
| Building Fund                          | 48,491                  | -                | (3,415)            | -              | 45,076                   |
| Thomas Bailey Trust Fund               | 12,429                  | -                | (732)              | -              | 11,697                   |
| The Horticultural Fund                 | 15,000                  | -                | -                  | -              | 15,000                   |
| The Progress Housing Trust<br>Fund     | 23,989                  | -                | -                  | -              | 23,989                   |
| Local Authority Funding                | -                       | 8,594,956        | (8,594,956)        | -              | -                        |
| The Big Lottery (People and<br>Places) | 64,225                  | -                | (64,225)           | -              | -                        |
|  | <u>164,134</u>          | <u>8,594,956</u> | <u>(8,663,328)</u> | <u>-</u>       | <u>95,762</u>            |

**Building Fund** has been set up to meet the cost of maintenance and dilapidations of Drive central offices.

**Thomas Bailey Trust Fund** was received as a contribution towards a new building at the horticultural project. The building has been capitalised and the fund will be charged with the depreciation.

**The Horticultural Fund** is in respect of a donation from a charitable entity, which has been used to purchase land for the horticultural project. The land has been capitalised.

**The Progress Housing Trust Fund** was received to fund welfare or other services.

**Local Authority Funding** – monies received to fund the costs of care of residents in each Local Authority area. The restriction arises because of the geographical boundaries.

**The Big Lottery (People and Places)** – this income was used to fund social enterprise development providing employment training and work experience to people with disabilities.

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**20. UNRESTRICTED FUNDS**

|                                 | At 1 April<br>2015      | Income                  | Expenditure               | Transfers       | At 31 March<br>2016     |
|---------------------------------|-------------------------|-------------------------|---------------------------|-----------------|-------------------------|
|                                 | £                       | £                       | £                         | £               | £                       |
| <b>Designated funds</b>         |                         |                         |                           |                 |                         |
| Tenant Welfare and Move On      | 32,512                  | -                       | -                         | 25,492          | 58,002                  |
| Cyclical Maintenance            | 29,666                  | -                       | -                         | -               | 29,666                  |
| Internal Replacement Reserve    | 197,768                 | 9,325                   | (29,084)                  | (11,223)        | 166,786                 |
| Furniture Replacement Reserve   | 190,894                 | 8,393                   | (42,735)                  | (10,076)        | 146,476                 |
| Laundry Reserve                 | 19,185                  | 8,636                   | (3,415)                   | (3,483)         | 20,923                  |
| Planned Maintenance             | 19,764                  | -                       | -                         | -               | 19,764                  |
| Garden Maintenance              | 2,341                   | 712                     | (4,052)                   | (710)           | (1,709)                 |
| Garden Maintenance STC          | 1,000                   | -                       | -                         | -               | 1,000                   |
| Household Reserve               | 3,729                   | 6,791                   | (18,118)                  | -               | (7,598)                 |
| Management Information Strategy | 150,000                 | -                       | (38,170)                  | -               | 111,830                 |
| Redundancy Reserve              | 100,000                 | -                       | -                         | -               | 100,000                 |
|                                 | <u>746,859</u>          | <u>33,857</u>           | <u>(135,574)</u>          | <u>-</u>        | <u>645,142</u>          |
| <b>General funds</b>            |                         |                         |                           |                 |                         |
| General funds                   | <u>2,926,646</u>        | <u>3,542,263</u>        | <u>(3,541,280)</u>        | <u>-</u>        | <u>2,927,629</u>        |
| <b>Total unrestricted</b>       | <u><u>3,673,505</u></u> | <u><u>3,576,120</u></u> | <u><u>(3,676,854)</u></u> | <u><u>-</u></u> | <u><u>3,572,771</u></u> |

**Tenant Welfare Reserve and Move On** has been set up to assist service users to move on to more suitable/independent accommodation, and to enable the trustees to respond to a tenant's needs outside the constraints of the budget.

**Cyclical Maintenance Reserve** has been established to meet the cost of future cyclical maintenance, being the charity's liability to maintain its property in accordance with a planned programme of works.

**Internal Replacement Reserve** has been set up to meet the cost of future internal decorations, being the charity's liability to maintain the décor of its internal communal areas in accordance with a planned programme of works.

**Furniture Replacement Reserve** has been established to meet the cost of furniture replacement in accordance with a planned programme for future replacement in addition to those items which need to be replaced each year.

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**20. UNRESTRICTED FUNDS (continued)**

**Laundry Reserve** has been set up to meet the cost of future laundry expenditure, being the charity's liability to maintain and replace laundry equipment.

**Planned Maintenance Reserve** has been established to meet the cost of future planned large scale maintenance, above and beyond that carried out as part of the annual programme, being the charity's liability to maintain its property in accordance with a planned programme of works.

**Garden Maintenance Reserve** has been established to meet future garden maintenance being the charity's liability in accordance with programme of works.

**Household Reserve** has been established to meet the cost of small household items that need to be replaced on a cyclical basis.

**Redundancy Reserve** has been established to meet any liability that may arise from restructuring central services.

**Management Information Strategy Reserve** has been established to invest in Drive's management information systems.

**General Funds** are funds that are available for use at the trustees' discretion in furtherance of the objectives of the charity.

**21. NET ASSETS BY FUND**

|   | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>Funds<br>£ |
|---|----------------------------|--------------------------|---------------------|
| Fixed assets and investments                            | 1,152,498                  | 71,773                   | 1,224,271           |
| Current assets  | 3,876,271                  | 23,989                   | 3,900,260           |
| Creditors: amounts falling due within one year          | (1,171,143)                | -                        | (1,171,143)         |
| Creditors: amounts falling due after more than one year | (284,855)                  | -                        | (284,855)           |
| <b>Net assets</b>                                       | <u>3,572,771</u>           | <u>95,762</u>            | <u>3,668,533</u>    |

**DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**

**22. RELATED PARTIES TRANSACTIONS**

Barry Gallagher who is the Chief Executive Officer and Company Secretary of the charity is also a director of Cefn Coed Management Ltd. During the year Drive paid the company management fees totalling £1,494 (2015: £1,395). At the year end the charity owed the company £646 (2015: £609).

Jenny Jones, who is a trustee of the charity, is also a director of Morgan Denton Jones Limited. During the year, Drive paid the company professional fees totalling £3,240 (2015: £2,880). At the year end the charity owed the company £2,100 (2015: £nil).

Drive Enterprises (Mentrau Drive) Ltd is a trading subsidiary of Drive – See Note 10.

Drive owns one, £1 ordinary share in the company.

As at the year end Drive Enterprises Ltd owed the charity £nil (2015: £nil).

As at 31 March 2016 the charity owed Drive Enterprises Ltd £1 (2015: £1).

**23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

|                                    | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>funds<br>2015<br>£ |
|------------------------------------|----------------------------|--------------------------|-----------------------------|
| <b>Income and endowments from:</b> |                            |                          |                             |
| Donations and legacies             | 196                        | -                        | 196                         |
| Charitable activities              | 3,452,844                  | 7,931,765                | 11,384,609                  |
| Investments                        | 19,184                     | -                        | 19,184                      |
| <b>Total income and endowments</b> | <u>3,472,224</u>           | <u>7,931,765</u>         | <u>11,403,989</u>           |
| <b>Expenditure on:</b>             |                            |                          |                             |
| Charitable activities              | 3,401,436                  | 7,935,715                | 11,337,151                  |
| <b>Total expenditure</b>           | <u>3,401,436</u>           | <u>7,935,715</u>         | <u>11,337,151</u>           |
| <b>Net movement in funds</b>       | 70,788                     | (3,950)                  | 66,838                      |
| Total funds brought forward        | 3,602,717                  | 168,084                  | 3,770,801                   |
| <b>Total funds carried forward</b> | <u>3,673,505</u>           | <u>164,134</u>           | <u>3,837,639</u>            |