

Charity Registration No. 703002

Company Registration No. 2506147 (England and Wales)

DRIVE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

CHARITY COMMISSION  
FIRST CONTACT

27 JUL 2018

ACCOUNTS  
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# **DRIVE**

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# DRIVE

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2018

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The trustees present their report and financial statements for the year ended 31 March 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016).

### Objectives and activities

Drive is a company limited by guarantee with charitable objectives, and a registered provider, enabling people with learning disabilities, physical disabilities, autism and mental health issues to live full and valued lives in their own homes in their local communities.

Drive's Mission Statement confirms our key purpose, to:

'enable people with disabilities to live full and valued lives.'

### Our Vision and Values

Drive believes that people who need our services should and can be supported to live in communities with full citizen's rights. We are committed to working in partnership to support people to:

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

Our Statement of Purpose outlines our aims to provide the appropriate level of support to encourage people to achieve:

- **Community Presence:** living with-in ordinary communities and developing or maintaining meaningful relationships with families and friends.
- **Choice:** expressing individuality and actively participating in decisions about daily life or life-defining matters.
- **Competence:** support to improve social and life skills in order to pursue interests, have fun and live more independently.
- **Dignity and Respect:** being valued by other people and experiencing valued roles at home and in the community.
- **Participation:** being able to join in with activities and events with others with the right level of support.

During 2017-18 we worked with staff and the people we support to implement the first year of our Business Plan. We also engaged with Local Authorities to discuss how to realise the key priorities in the Social Services and Wellbeing Act 2014, and the Well-being of Future Generations (Wales) Act 2015. Initiatives included developing wider support and service options for individuals, families and local communities, and reviewing needs assessment and planning processes to ensure that people have a stronger voice over the services that they receive.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

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**

### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2018**

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#### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

#### **Achievements and performance**

##### **Business Plan Strategic Aims**

##### **People we support lead the way**

Drive will work with people we support and their families to:

- Ensure they contribute to the governance of the organisation.
- Produce innovative service developments and flexible models of support that build on people's capabilities and shared interests.
- Ensure that people are listened to and that the organisation and services are developed and managed based on what people say.
- Develop different models of support in local communities.
- Promote and increase independence through positive risk taking, skills development and health and wellbeing.

##### **Long term financial stability is sustained**

Drive will work in partnership with relevant stakeholders to:

- Find innovative and efficient ways of managing our resources.
- Ensure Drive remains financially stable.
- Review our Business Development Strategy to plan for potential growth or service development.

##### **Staff deliver a quality service**

Drive's staff management systems will ensure that:

- Effective recruitment strategies are implemented.
- A healthy and open culture is maintained.
- Employees are empowered to actively participate in localised decision making.
- Effective training and development strategies are continued.
- The health and wellbeing of employees is promoted.

##### **The Organisation is well managed and governed**

A committed, diverse, effective management board and senior management team will ensure:

- The Supported Person Advisory Committee is empowered to represent the voice of people supported.
- Positive engagement and effective relationship management with all stakeholders (people supported, their families, Local Authority and Health Board professionals).
- Contractual and regulatory requirements are achieved.
- High quality service provision is evidenced.
- Health and safety systems meet legislative best practice.

All Departments will write work plans to implement our stated aims and objectives.

# **DRIVE**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2018***

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### **How We Have Performed**

Our 2016-17 Performance Report identified a number of aims which include:

#### **Operational Services**

- To design more community day time opportunities through the development of hubs in all Local Authority Areas.
- To support the Closer to Home initiative to support the relocation of people with complex challenging behaviour from out of area placements to local services closer to their families, and to prevent inappropriate placement of young adults to out of area services.
- To implement the new Information Management System, Carista across all services to improve planning and monitoring processes for supported people.
- Review the quarterly quality assurance process for individual services to incorporate the monitoring of outcomes and key performance indicators.

#### **Human Resources**

- Achieve the Investors in People Award under the new standards framework.
- Review the Supervision and Appraisal Policy and procedures to incorporate coaching and progress against.
- Improve our Communication Strategy.
- Add to our processes for getting feedback from staff.
- Review how we can improve Rewards and Recognition for staff.
- Design an action plan to achieve the silver award for the Corporate Health Standard.

#### **Finance**

- Review how Supported People's finances are managed through an external audit.
- Work with Local Authorities to achieve a sustainable financial agreement against legislative requirements for staff terms and conditions.

#### **Participation**

- Increase the number of supported people who provide training to staff.
- Design a video for recruitment and the website.
- Facilitate a supported persons Quality Assurance Group and create local area groups to talk about quality assurance and provide feedback on Drive's services.

We have achieved or made significant progress with all of the above, while working through a succession plan which has resulted in a significant restructuring of the Senior Management Team, due to the retirement of the Human Resources Director in March 2017, and the planned retirement of the Chief Executive in September 2018.

#### **Development and Maintenance of Service Provision**

We successfully maintained our targeted support services to families and individuals living independently, and the number of supported living services and utilisation of current voids has increased.

## DRIVE

### TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

At 31 March 2018:

| Number of supported persons 2016/2017 comparison |                  |         |                  |         |                      |         |
|--|------------------|---------|------------------|---------|----------------------|---------|
| Unitary Authority                                | Targeted Support |         | Supported Living |         | Total of Individuals |         |
|  | 2016-17          | 2017-18 | 2016-17          | 2017-18 | 2016-17              | 2017-18 |
| Bridgend   | 4                | 5       | 35               | 45      | 39                   | 50      |
| Merthyr  | 8                | 8       | 31               | 33      | 39                   | 41      |
| Monmouth   | 9                | 11      | 9                | 4       | 18                   | 15      |
| RCT  | 61               | 66      | 98               | 103     | 159                  | 169     |
| NPT  | 0                | 0       | 11               | 10      | 11                   | 10      |
| Totals   | 82               | 90      | 184              | 195     | 266                  | 285     |

Supported living services increased in Bridgend due to the development of a new Closer to Home service for five young men with Autistic Spectrum Disorders and behaviours that can challenge. All five moved in successfully during a planned, phased approach during 2017. We also worked with the Local Authority to support 2 people to move into existing voids.

At the end of March 2018, we had in 3 voids in Bridgend, 3 in Merthyr, 1 in Neath, 2 in RCT, and 1 in Monmouth.

The numbers in Merthyr varied across the year due to individual's moving from supported living into targeted support, and vice a versa.

Monmouth figures were affected by the success of the skills teaching and confidence building from staff in the core and cluster scheme, resulting in the removal of the staff flat and sleep-in, converting the service from supported living to targeted support. We also had two voids in our supported living scheme, one of which was utilised by a new supported person who moved in from his family home following a stroke.

During 2017 we successfully tendered for another Closer to Home project for four individuals Cwm Avon, Neath. This is due to open in April 2018.

Other services provided:

| SERVICE PROVIDED      | 2016-17 | 2017-18      |
|-----------------------|---------|--------------|
| Respite Care          | 45      | 41           |
| Health and Wellbeing  | 31      | 29           |
| Horticultural project | 26      | 27           |
| Connect Hub Bridgend  | 30      | 50 (approx.) |
| Total                 | 132     | 147          |

The number of people supported at Respite Care reduced from 45 to 41. This was due to the Local Authority utilising one of the bed spaces for a family in crisis for the majority of the year.

Our Health and Wellbeing services in RCT continued to be very successful, with a number of people preparing to move on to more independent accommodation next year following successful skills teaching and monthly outcome focused planning reviews with keyworkers.

Bridgend Connect hub continued to thrive, with 23 people attending the music session, 13 joining the craft session, and between 15 – 20 enjoying Fit4Life. 8 people work each week at Card making, and the cinema was attended by between 11 to 15 people, providing an opportunity to watch films with friends, with a view to a number of people being able to access generic cinemas in the future.

## **DRIVE**

### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

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#### **Improvements to Service Delivery**

The implementation of our annual Outcomes Focused Reviews ensured that each supported person was encouraged to explore what is working or not working in key areas of their lives, for example community presence, building relationships, managing money, and experiencing new opportunities. This developed our person centred planning processes to ensure that progress with goals identified were measured and achieved with people.

Drive achieved our aim in the Development Strategy to expand our ability to support people with complex needs and behaviours that can challenge. We won contracts for two Closer to Home projects in 2 local authority areas and were accredited by the National Autistic society with a special commendation for person centred approaches.

We continue to plan to replicate Connect Hub to provide alternative community activities in all Local Authority areas during the day and at weekends. All areas held consultation meetings with staff and supported people to identify activities and opportunities that people would like to access.

Drive restructured to introduce a new Team Leader post in place of Senior Support Workers during 2016/17. These posts have additional responsibilities for supervision and coaching. We implemented a training program during 2017 that included coaching and mentoring, writing rotas and completing time sheets, and development of support plans including About Me and Risk Plans.

Drive implemented the aims of the Real Tenancy Test Wales, an assessment tool designed to ensure that adults with a learning disability living in supported accommodation enjoy the same rights, responsibilities, choice and control in their homes as any other tenants. This included phasing out the use of offices and equipment at people's homes and ensuring thorough compatibility processes are followed by Local Authorities for moving-in/moving-on. The Care Inspectorate Wales also assessed Organisations against the principles and commented on the positive improvements seen.

During 2017 Drive received a commendation for person centred approaches from the National Autistic Society for the Accreditation awarded in 2016. We were very proud to see the Team Managers from both services attending a national awards ceremony in November celebrating outstanding practice in supporting people with ASD.

#### **Development of Drive Connect Hubs**

The Cynon, Neath and Merthyr managers set targets to look at venues and design alternative opportunities for community activities during the day. This supported Local Authority strategies to provide initiatives for alternative day centre provision, replicating the Connect Hub which has been developed in Bridgend.

#### **Improvements to Quality Assurance processes**

A quality assurance group for people supported worked on a service review process to capture how peers experience the support provided by Drive. The group completed the questions they want to ask and practised how to conduct a review.

The introduction of Carista, a new software system, lead to a review of paper-based systems, and improved quality assurance processes through the implementation of key performance indicators for each person supported, and for each service. This has also improved the central monitoring of support plans, supervision and appraisal, and risk management.

The Operational Services Department reviewed how quarterly visits to every service are conducted this year, incorporating key performance indicators and improving feedback from staff and people supported.

## **DRIVE**

### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

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#### **Inspection and Standards**

##### **March 2017 – Short Term Care Inspection CSSIW**

Drive operates a five bedded Respite Care Home located in Brynsadler, Pontyclun. The service is registered as a small Residential Care Home under the Care Standards Act 2000. The Inspection concentrated on the areas of wellbeing, care and support, the environment, and leadership and management. The report was extremely positive with no compliance issues. The summary included comments that people are happy and enjoy positive relationships with staff, and the service is well led and clear about its values and roles. It also noted people using the service were actively involved in writing and reviewing information in their care documentation, and clearly felt involved and valued. The environment was described as warm and welcoming.

##### **December 2017 – Domiciliary Care Inspection Report**

Visits were conducted in July and August of 2017 and the organisation was found to be compliant in all areas. The inspectors stated that they had seen consistent evidence of excellent person-centred work across all six services visited. Good practice observations included that the organisation ensures people are actively involved in the reviewing and up-dating of their delivery plans, including planning of their daily activities. They also stated that people were found to have choice and influence over their lives; people spoken to said they are supported to pursue the lifestyles they choose and are consulted at all times.

##### **Customer Satisfaction**

Drive's Quality Assurance activities included a range of regular internal activities throughout the year to gather feedback from the people we support, as well as learning from feedback gathered during external annual monitoring from Local Authorities and Inspections from the Care Inspectorate for Wales. As many supported people are non-verbal or would find it difficult to complete a questionnaire, we ensured that opportunities for listening to people and observing and recording how they experienced support was built into daily diaries and individual reviews. Monthly house meetings were also used to capture any feedback and ensured that Area managers know about concerns or compliments raised.

Drive held two Customer Satisfaction events for supported people this year. People were supported to complete a Customer Satisfaction questionnaire at the Supported Person Conference in July, and individuals were visited at their homes by the Participation Officer. The results were published in a Customer Satisfaction Report 2017. These were the results of the first question which showed that 52 people (81%) were happy with their support from Drive.

Drive also conducts Annual Satisfaction Surveys with relatives from supported living and targeted support services. The administration team carried out a telephone survey to ascertain how relatives felt Drive was carrying out its role and what improvements could be made to the service provided. The interviews took place between May and July 2017, and a detailed report was submitted to the Management Board with key findings. The survey results showed that the service provided by Drive to Supported Living Services are highly regarded by relatives, for example 92% judged the support to be good or excellent, and 97% felt their relatives were treated with respect. Recommendations included more frequent up-dates about the work of the Organisation, and more accessible information about the service to be provided.



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### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

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92% of the targeted support services respondents were generally happy with the overall quality of support provided, and 92% were satisfied with the continuity of support. The findings for targeted support were an improvement on the previous year, where late invoicing and staff inconsistency were raised as key issues of concern. Satisfaction rates with these areas significantly improved during 2017.

We also piloted a new process for gathering feedback from supported people during 2017. Known as the 'Good Service Checker', it involved supported people visiting other individuals who use Drive services. They asked questions compiled by supported people within the Good Service Checker Group. The feedback is currently being analysed and the findings will be shared with the Advisory Committee and Board later in the year.

Drive has a clear Compliments and Complaints Procedure for supported people, families and key stakeholders to use. We responded to 10 complaints this year, compared to 8 in 2016 and received 12 compliments, in comparison to 8 in the previous year.

#### **Participation**

A new Participation Plan was created to generate increased involvement for the people we support in activities across the organisation. The plan included a range of initiatives, for example improving methods for involving more supported people in recruitment and training and increasing the opportunity to give feedback through local forums. 'Drive talking' groups captured local issues to enhance our strategic planning.

The Advisory Group to the Management Board met once a month to discuss what is important to people who use Drive's services, up-date each other with any news, discuss specific topics for information to the board and contribute to improvements to training and policy development. Three board members attended and presented information about what the Management Board had discussed. During 2017 the work of the group included what's working and not working to create the Participation Plan, contributions to a supported person quality assurance review process, and a review of the Positive Risk -Taking Policy.

Participation activities increased over the year due to the development of a new supported persons events planning committee. Events included a Red Nose Day fund-raising walk, a Bake - off competition, and the very popular Drive Aloud choir. The Aberdare Friendship Club continued to thrive each month, and an extremely successful and well attended Family Day that included a Drive in Bloom competition has become an annual date in the planning groups calendar.

Tenants at the Wellbeing flats were inspired to form a fund-raising group, who scaled Pen-Y-Fan and arranged an evening listening to Pontypridd Choir in order to raise money for Ty Hafan.

#### **Investors In People**

During 2017 we were assessed against the new Investor's in People Standards. As part of its strategy for involving and engaging staff in the running of the business, as well as assessing how well we communicate and develop people, Drive has carried out a number of Investors in People assessments since first obtaining the award in 2000. The IIP Standard has changed radically since Drive's last assessment in 2014 and is significantly more demanding than the previous award. The findings from this assessment are very positive. Drive achieved the Accredited (Developed) standard, with 20 out of 27 themes at Silver (Established) and 9 at Gold (Advanced).

The assessment motivated the development of a workplan to implement a range of initiatives, in particular to review our Communication Strategy with staff and supported people, and to develop coaching and mentoring strategies further through our training and supervision and appraisal process.

# **DRIVE**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

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### **Training and Development**

Drive invests significant resources into an internal training department that is run by Qualified trainers, providing training and development activities to ensure that staff are fully competent to provide quality services to the people that we support.

In 2017 Drive offered course-based staff training activity that totalled 2,458 places (278 days). In terms of the average number of course based training days per member of staff this continues to equate to more than 3 days. Alongside all the other non-course-based training and learning that happens within Drive this level of activity continues to meet/exceed the targets contained within the Care Standards Act.

An annual training needs analysis was undertaken at every service to ensure that all training activity remained relevant and focused on the needs of individual supported. Specialist external training is purchased as and when required. Evaluation findings of training delivered within Drive continue to remain extremely positive with more than 90% of respondents reporting that the training received had helped them perform significantly or a lot better in their job.

Drive has a well-established qualification strategy and policy to ensure standards of service delivery are continually improved and compliance with the targets contained within the Care Standards Act are achieved. Drive's Qualification and Credit Framework (QCF) is well established in the organisation and the quality of the work undertaken is constantly quality assured by City and Guilds via External Verifiers.

At December 2017 Drive had 48% of the workforce qualified, compared with 45% in December 2016. Some of progress towards the national target of 50% had been affected by a number of internal promotions, leading to Team Managers and Team Leaders being required to attain higher qualification levels. As of December 2017, we had 50 active candidates, 40 whom were supported through Drive's internal programme whilst the other 10 accessed free places with external providers which were Government funded.

To supplement the work undertaken to support people that can challenge services and people who have Autistic Spectrum Disorder staff were supported to achieve BTEC qualifications in Positive Behavioural Support. We currently have:

- 1 Team Manager who holds Level 5 BTEC Advanced Professional Diploma and 1 Manager currently working towards it.
- 9 Managers who hold Level 4 BTEC Professional Certificate and 4 working towards.
- 11 Support Staff have completed the BTEC Advanced Certificate whilst 18 others are currently working towards achieving it.

As set out in our aims for 2017-18 and recommended in our Investors in People assessment, Drive reviewed our Supervision and Appraisal Policy through workshops with managers and staff. Formats and processes were developed to include the Values set out in our Statement of Aims, providing evidence that support workers are thinking about how to improve outcomes for each person that we support.

### **Health and Safety**

Drive's Health and Safety Committee oversees the health and safety activity of the Organisation and met on a quarterly basis to review incident figures and discuss information issued by the Health and Safety Executive. Drive's comprehensive Health and Safety policies, procedures and training ensured as far as is reasonably practicable the safety and welfare of all employees and also any other person affected by Drive's activities e.g. supported people, visitors etc. Drive actively promotes a positive culture of healthy and safe working and this is effectively balanced with risk taking strategies that enables the people Drive supports to live full and valued lives.

All staff received health and safety training. This begins with induction training and is ongoing through a rolling program that ensures that staff are up-to-date with current legislation and good practice guidance.

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### TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

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Drive's professionally qualified trainers deliver the following courses:

|  |  |
|--|--|
| Fire Safety<br>First Aid<br>Positive Behaviour Management<br>Moving and Handling<br>Medication Awareness | Health and Safety<br>Risk Assessment<br>Stress Management<br>Wheelchair Safety<br>Food Hygiene<br>Epilepsy |
|--|--|

Drive's annual Health and Safety Report ensured the management Board receive a full account of Health and Safety activity throughout the year, including an analysis of accidents and incidents for the year, and incidents following behaviour that challenges from service users.

#### **Corporate Health Standard**

Drive actively develops initiatives to maintain and improve our Bronze award for the Corporate Health Standard. We have a dedicated working group looking at ideas to promote the health and wellbeing of staff and supported people. During 2017 we expanded the group to 10 members and there were a variety of regular activities in different areas benefiting both staff and supported people including Zumba, walking groups and active fundraising events for Charities.

#### **Management Information Systems and IT**

During 2018 we made strides to improve our Business Continuity and Disaster Recovery plans by moving our Infrastructure to the Cloud. Our Email system is now held in Office365 and we started to develop SharePoint as a Document Management system. We improved our telephony system by introducing a new Auto attendant system that greets customers in both Welsh and English.

With the new Team Leader role and the increase in Mobile phone users we started a new Bring Your Own Device scheme allowing eligible staff the ability to use their own smart phone for work purposes. We continued to make use of our Microsoft Charity Donation scheme and rolled out the latest Microsoft products to our company devices such as Windows 10 and Office365 ensuring our staff have the most secure and efficient tools to complete their work.

We increased traffic to our website by working with Indeed to create links that automatically post any of our vacancies directly to Indeed's website.

Drive maintained its Cyber Essentials Plus certification.

#### **Finance**

Drive reviewed and developed the Risk Assurance Framework in conjunction with the Management Board. External consultants were employed to train the Senior Management Team and Management Board to support this work.

A full audit of how supported people's finances are managed was conducted by an external consultant, Sayer Vincent. The report showed strong areas of good practice in place, with some recommendations to strengthen procedures further.

Drive introduced an Anti-Fraud Policy during 2017 and signed up to the Charity Finance Group Counter Fraud pledge in order to increase awareness and actively manage the risk of fraud across the Organisation.

During 2017 the Senior Management Team concentrated on our Total Rewards Strategy for all staff, reviewing salaries by commissioning external benchmarking reports, and investing in a staff rewards scheme. In May 2017 Drive introduced and rolled out to all its staff the Vectis Card. Benefits for this scheme include offering discounts to all employees including supermarkets, holidays, insurance and gym membership plus many more. Drive also signed up for a more effective and affordable cycle to work scheme and childcare voucher system which were adapted to suit our employees on lower salaries.

## **DRIVE**

### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

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#### **Achievements reported during staff forums for 2017-18**

Staff were asked to comment on achievements for 2017-18 during staff forums. Their comments included:

##### **Organisational**

- Good partnership working with Local Authorities resulting in new services with an expanded workforce. e.g. Neath Port Talbot, Bridgend County Borough Council CBC & Rhondda Cynon Taff.
- Carista has helped Team Manager's and Team Leaders manage complex workloads, streamlined working practices and reduced duplication. This has also included reviews of forms and indexes to enhance consistency.
- Training has been strengthened with increased range of training for specific needs.
- Autism Accreditation (and commendation) recognising the strength of service delivery in this area.
- The organisation and its reputation thrived despite financial pressures.
- Strengthened and innovative approaches to recruitment with media advertising, leaflet drops, posters, banners and more convenient venues for open days resulting in improved recruitment.
- Restructuring resulted in improved communication. The development of the Team Leader role resulted in improved communication, with Team Leaders feeling more involved and included. This strengthened management by improving support for Team Managers. This was supported by inhouse and external training e.g. step up to management.
- Increasing use of I.T - payslips, website, social media has improved efficiency and communication.

##### **Service level**

- Impact of real tenancy test has been positive - more homely.
- More staffing available due to improved recruitment.
- Stronger focus on flexible staffing working between different services and shared support.
- Greater understanding and use of active support following training.
- More effective behaviour management resulting in reductions in incidents and as required medication.
- Good staff retention and less sickness generally - improving consistency of service delivery.
- More opportunities for community engagement for individuals with social clubs and hubs.
- Morale is strong and improving.

##### **Individuals**

- Supported people more involved in choosing their holidays.
- People going to the pub for the first time.
- KW going to dentist for first time.
- 2 supported people going on their first holiday for many years.
- Person centred tools used to support people to be more involved in making choices and decision making.
- Some supported people are Volunteering in the community for the first time.
- Carista has helped track where we are with individuals and where we are going.
- Maintaining family contact for people having emergency stays at Respite Care over Christmas.
- Individuals have been supported to pass away at home with palliative care.
- Increase in participation and involvement in the organisation with advisory group, fundraising events (Macmillan, red nose day, children in need, Drive in bloom, friendship club, connect).
- Individuals supported to self-administer medication for the first time.
- More people planning to move-on to live independently, particularly from the wellbeing service.

# **DRIVE**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2018***

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### **Financial review**

#### **Results**

The net incoming unrestricted surplus for the year ended 31 March 2018 amounted to £44,318 (2017: £138,928: surplus). This surplus increased the cumulative unrestricted funds to £3,756,017. The movements in the individual designated funds are shown in the notes to the financial statements.

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 £11,106,057 (2017: £9,932,922). Expenditure from restricted reserves of £11,110,203 (2017: £9,937,069 ) resulted in net outgoing resources of £4,146 (2017: £4,147).

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.

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 £3,756,017 (2017: £3,711,699), 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 £2,179,302 (2017: £2,076,647).

The trustees use designated reserves to set funds aside for a specific purpose or project; the details of which are shown in the notes to 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.

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### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

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#### **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 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.

# **DRIVE**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 MARCH 2018**

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### **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.

### **Plans for the future**

Through our business plan review process with the people we support, our staff and our board, the key theme is to continue to work innovatively to provide diverse support models, with reduced funding. We have seen successes with people we support leading the way on this, together with commissioners and other partners this work will continue. The following key aims were identified for 2018/19:

#### **People we Support Lead the Way**

- Review the Participation Plan with the Advisory Group and Drive Talking Groups.
- Consult with local groups of supported people and families about providing alternative options for day time activities.
- Develop the Family Days and encourage more people to attend.
- Develop an accessible information leaflet about Drive for families and supported people.
- Design a video about Drive for the recruitment process and website.
- Develop 6 monthly feedback for the Management Board from the Good Service Checking Group.
- Train and share good practice through Inclusive Communication Champions in each patch.

#### **Long Term Financial Sustainability is maintained**

- Research opportunities for fund raising.
- Work with supported people to explore the benefits of assistive technology.
- Establish Connect Hubs with supported people in all Local Authority areas.

#### **Staff deliver a quality service**

- Improve and implement our Communication Strategy.
- Introduce mixed staff forums every year to celebrate achievements and consult on aims for the following year.
- Review Appraisal processes in line with Investors In People, including developing career paths with staff at all levels.

#### **The Organisation is well managed and governed**

- Conduct an external audit for Health and Safety.
- Complete our Risk Assurance Framework.
- Implement workshops to ensure compliance with and understanding of the Regulation and Inspection of Social Care Act (Wales) 2017.
- Review our Development Strategy.

### **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.

#### **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**

### **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

***FOR THE YEAR ENDED 31 MARCH 2018***

---

#### **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.

#### **Key management personnel**

The Management Board sets the remuneration of key management personnel, see notes to the financial statements. Key management personnel are defined as the charity's senior management team, which comprises of the Chief Executive, Deputy Chief Executive, Director of Finance, Assistant Director of Operational Services and Senior HR Manager, 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.



# DRIVE

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

| REFERENCE AND ADMINISTRATIVE DETAILS |   |
|--------------------------------------|---|
| Charity Name                         | Drive   |
| Charity Number                       | 703002  |
| Company Number                       | 2506147   |
| Principal office                     | Unit 8<br>Cefn Coed<br>Parc Nantgarw<br>Treforest<br>RCT<br>CF15 7QQ  |
| Registered Office                    | Unit 8<br>Cefn Coed<br>Parc Nantgarw<br>Treforest<br>RCT<br>CF15 7QQ  |
| Company Secretary                    | Mr B Gallagher  |
| Trustees                             | Mr Geoff Lake<br>Ms Jean Gregson<br>Ms Janet Sheldon<br>Mr John Minkes<br>Mr Hugh Irwin<br>Ms Jennifer Jones<br>Mr Karmeno Gauci<br>Mr Anthony Isingrini<br>Mrs Katrina Kurowski<br>Ms Margot Hopwood - appointed 4 July 2017<br>Mr Dan O'Grady - appointed 4 July 2017 |
| Co-opted Member                      | Mr Chris Kitching appointed 28 November 2017  |
| Solicitors                           | Hugh James<br>3rd Floor<br>Aribee House<br>Greyfriars Road<br>Cardiff   |

## DRIVE

### TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2018

|                      |   |
|----------------------|---|
| Independent Auditors | MHA Broomfield Alexander  |
|                      | Ty Drew<br>Lime Tree Court<br>Cardiff Gate Business Park<br>Cardiff<br>CF23 8AB |
| Bankers              | Barclays  |
|                      | PO Box 52   |
|                      | Cardiff   |
|                      | CF1 4XR   |
|                      |   |
|                      |   |
|                      |   |

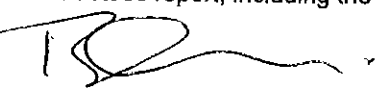
#### Funds held as custodian trustee

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.

#### Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report, including the strategic report, was approved by the Board of Trustees.

  
.....  
B Gallagher - Secretary

Dated: .....18/7/2018

# **DRIVE**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

### ***FOR THE YEAR ENDED 31 MARCH 2018***

---

The trustees, who are also the directors of Drive for the purpose 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 judgements 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 charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# DRIVE

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRIVE

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### Opinion

We have audited the financial statements of Drive (the 'charity') for the year ended 31 March 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources, 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees report have been prepared in accordance with applicable legal requirements.

# DRIVE

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF DRIVE

---

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees report.

We have nothing to report in respect of the following matters in relation to which 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.

### Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Sarah Case FCA DChA (Senior Statutory Auditor)  
for and on behalf of MHA Broomfield Alexander

18/7/18

Chartered Accountants  
Statutory Auditor

Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
CARDIFF  
UK  
CF23 8AB

# DRIVE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

|   | Notes | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2018<br>£ | Total<br>2017<br>£ |
|---|-------|----------------------------|--------------------------|--------------------|--------------------|
| <b><u>Income and endowments from:</u></b>                               |       |                            |                          |                    |                    |
| Donations and legacies  | 3     | 1,218                      | -                        | 1,218              | -                  |
| Charitable activities   | 4     | 3,625,775                  | 11,106,057               | 14,731,832         | 13,499,111         |
| Investments   | 5     | 5,281                      | -                        | 5,281              | 6,515              |
| Other income  | 6     | 11,100                     | -                        | 11,100             | -                  |
| <b>Total Income</b>   |       | <b>3,643,374</b>           | <b>11,106,057</b>        | <b>14,749,431</b>  | <b>13,505,626</b>  |
| <b><u>Expenditure on:</u></b>   |       |                            |                          |                    |                    |
| Charitable activities   | 7     | 3,599,056                  | 11,110,203               | 14,709,259         | 13,370,845         |
| <b>Net Income/(expenditure) for the year/<br/>Net movement in funds</b> |       | <b>44,318</b>              | <b>(4,146)</b>           | <b>40,172</b>      | <b>134,781</b>     |
| Fund balances at 1 April 2017   |       | 3,711,699                  | 91,615                   | 3,803,314          | 3,668,533          |
| <b>Fund balances at 31 March 2018</b>                                   |       | <b>3,756,017</b>           | <b>87,469</b>            | <b>3,843,486</b>   | <b>3,803,314</b>   |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

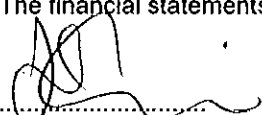
# DRIVE

## BALANCE SHEET

AS AT 31 MARCH 2018

|  | Notes | 2018<br>£               | £ | 2017<br>£               | £ |
|--|-------|-------------------------|---|-------------------------|---|
| <b>Fixed assets</b>  |       |                         |   |                         |   |
| Tangible assets  | 13    | 1,154,890               |   | 1,181,904               |   |
| Investments  | 14    |                         | 1 |                         | 1 |
|  |       | <u>1,154,891</u>        |   | <u>1,181,905</u>        |   |
| <b>Current assets</b>  |       |                         |   |                         |   |
| Debtors  | 17    | 1,803,489               |   | 1,772,838               |   |
| Cash at bank and in hand                                       |       | <u>2,229,870</u>        |   | <u>2,611,399</u>        |   |
|  |       | 4,033,359               |   | 4,384,237               |   |
| <b>Creditors: amounts falling due within one year</b>          | 18    | <u>(1,164,564)</u>      |   | <u>(1,529,970)</u>      |   |
| Net current assets   |       | 2,868,795               |   | 2,854,267               |   |
| <b>Total assets less current liabilities</b>                   |       | <u>4,023,686</u>        |   | <u>4,036,172</u>        |   |
| <b>Creditors: amounts falling due after more than one year</b> | 21    | (180,200)               |   | (232,858)               |   |
| <b>Net assets</b>  |       | <u><u>3,843,486</u></u> |   | <u><u>3,803,314</u></u> |   |
| <b>Income funds</b>  |       |                         |   |                         |   |
| Restricted funds   | 23    | 87,469                  |   | 91,615                  |   |
| <u>Unrestricted funds</u>                                      |       |                         |   |                         |   |
| Designated funds   | 27    | 485,304                 |   | 520,773                 |   |
| General unrestricted funds                                     |       | <u>3,270,713</u>        |   | <u>3,190,926</u>        |   |
|  |       | 3,756,017               |   | 3,711,699               |   |
|  |       | <u><u>3,843,486</u></u> |   | <u><u>3,803,314</u></u> |   |

The financial statements were approved by the Trustees on 18-7-18.....

  
 .....  
 Mr Hugh Irwin - Chair  
 Trustee

Company Registration No. 2506147

## DRIVE

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2018

|   | Notes | 2018<br>£ | £                | 2017<br>£ | £                |
|---|-------|-----------|------------------|-----------|------------------|
| <b>Cash flows from operating activities</b>         |       |           |                  |           |                  |
| Cash (absorbed by)/generated from operations        | 32    |           | (331,210)        |           | 29,391           |
| <b>Investing activities</b>                         |       |           |                  |           |                  |
| Purchase of tangible fixed assets                   |       | (14,042)  |                  | (4,969)   |                  |
| Proceeds on disposal of tangible fixed assets       |       | 11,100    |                  | -         |                  |
| Interest received                                   |       | 5,281     |                  | 6,515     |                  |
| <b>Net cash generated from investing activities</b> |       |           | 2,339            |           | 1,546            |
| <b>Financing activities</b>                         |       |           |                  |           |                  |
| Repayment of bank loans                             |       | (52,658)  |                  | (51,997)  |                  |
| <b>Net cash used in financing activities</b>        |       |           | (52,658)         |           | (51,997)         |
| <b>Net decrease in cash and cash equivalents</b>    |       |           | (381,529)        |           | (21,060)         |
| Cash and cash equivalents at beginning of year      |       |           | 2,611,399        |           | 2,632,459        |
| <b>Cash and cash equivalents at end of year</b>     |       |           | <u>2,229,870</u> |           | <u>2,611,399</u> |



# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

---

### 1 Accounting policies

#### Charity Information

Drive is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 8, Cefn Coed, Parc Nantgarw, NANTGARW, CF15 7QQ, UK.

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the charity's Memorandum and Articles and Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Further details of each fund are disclosed in the notes.

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

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:

Housing benefit claimed on behalf of all service users is accounted for on a receivable basis.

# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

---

### 1 Accounting policies (Continued)

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.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

#### 1.5 Resources expended

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 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 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.

#### 1.6 Tangible 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|   |              |
|---|--------------|
| Freehold interest in land and buildings | 2% on cost   |
| Fixtures, fittings and equipment        | 15% on cost  |
| Motor vehicles                          | 25% on cost  |
| Horticultural building                  | 2.5% on cost |

#### 1.7 Fixed asset investments

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

---

### 1 Accounting policies (Continued)

#### 1.8 Impairment of fixed assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.10 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

## DRIVE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

---

#### 1 Accounting policies (Continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 1 Accounting policies (Continued)

#### 1.11 Retirement benefits

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.

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.

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations and legacies

|                     | 2018  | 2017 |
|---------------------|-------|------|
|                     | £     | £    |
| Donations and gifts | 1,218 | -    |

# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 4 Charitable activities

|                                  | 2018<br>£         | 2017<br>£         |
|----------------------------------|-------------------|-------------------|
| ILF and targeted support income  | 1,592,211         | 1,554,164         |
| Supporting People grant          | 737,245           | 808,217           |
| Health and local authority       | 10,368,812        | 9,124,705         |
| Rent and service charges         | 1,798,856         | 1,790,721         |
| Other income                     | 234,708           | 221,304           |
|                                  | <u>14,731,832</u> | <u>13,499,111</u> |
| Analysis by fund                 |                   |                   |
| Unrestricted funds               | 3,625,775         |                   |
| Restricted funds                 | <u>11,106,057</u> |                   |
|                                  | <u>14,731,832</u> |                   |
| For the year ended 31 March 2017 |                   |                   |
| Unrestricted funds               |                   | 3,566,189         |
| Restricted funds                 |                   | <u>9,932,922</u>  |
|                                  |                   | <u>13,499,111</u> |

### 5 Investments

|                     | 2018<br>£    | 2017<br>£    |
|---------------------|--------------|--------------|
| Interest receivable | <u>5,281</u> | <u>6,515</u> |

### 6 Other Income

|   | 2018<br>£     | 2017<br>£ |
|---|---------------|-----------|
| Net gain on disposal of tangible fixed assets | <u>11,100</u> | <u>-</u>  |

# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 7 Charitable activities

|   | 2018<br>£         | 2017<br>£         |
|---|-------------------|-------------------|
| Staff costs                             | 12,026,147        | 10,755,967        |
| Depreciation of fixed assets            | 9,191             | 13,922            |
| Recruitment                             | 40,612            | 29,573            |
| Food, cleaning, health and safety       | 36,475            | 31,325            |
| Interest and bank charges               | 80,545            | 74,789            |
| Legal and professional costs            | 219,131           | 251,381           |
| Office expenses                         | 169,131           | 148,327           |
| Participation                           | 14,077            | 13,788            |
| Rent and utilities                      | 1,268,605         | 1,196,483         |
| Repairs, maintenance and renewals       | 100,886           | 135,641           |
| Travel and vehicle costs                | 201,896           | 188,037           |
| Establishment costs                     | 61,384            | 55,790            |
|   | <u>14,228,080</u> | <u>12,895,023</u> |
| Share of support costs (see note 8)     | 392,377           | 404,489           |
| Share of governance costs (see note 8)  | 88,802            | 71,333            |
|   | <u>14,709,259</u> | <u>13,370,845</u> |
| <b>Analysis by fund</b>                 |                   |                   |
| Unrestricted funds                      | 3,599,056         |                   |
| Restricted funds                        | 11,110,203        |                   |
|   | <u>14,709,259</u> |                   |
| <b>For the year ended 31 March 2017</b> |                   |                   |
| Unrestricted funds                      |                   | 3,433,776         |
| Restricted funds                        |                   | 9,937,069         |
|   |                   | <u>13,370,845</u> |

# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 8 Support costs

|                                   | Support costs<br>£ | Governance costs<br>£ | 2018<br>£      | 2017<br>£      | Basis of allocation |
|-----------------------------------|--------------------|-----------------------|----------------|----------------|---------------------|
| Staff costs                       | 191,339            | 80,087                | 271,426        | 254,716        | Time spent          |
| Depreciation                      | 31,865             | -                     | 31,865         | 33,412         | Time spent          |
| Bank charges                      | 4,077              | -                     | 4,077          | 4,704          | Time spent          |
| Establishment costs               | 2,052              | -                     | 2,052          | 2,108          | Time spent          |
| Recruitment                       | 2,400              | -                     | 2,400          | 17,862         | Time spent          |
| Food, cleaning, health and safety | 15,271             | -                     | 15,271         | 16,892         | Time spent          |
| Office expenses                   | 93,629             | -                     | 93,629         | 91,963         | Time spent          |
| Rent & utilities                  | 16,859             | -                     | 16,859         | 19,360         | Time spent          |
| Repairs & maintenance             | 19,829             | -                     | 19,829         | 10,945         | Time spent          |
| Travel & vehicle costs            | 15,056             | -                     | 15,056         | 15,904         | Time spent          |
| Audit fees                        | -                  | 8,230                 | 8,230          | 7,956          | Governance          |
| Legal and professional            | -                  | 485                   | 485            | -              | Governance          |
|                                   | <u>392,377</u>     | <u>88,802</u>         | <u>481,179</u> | <u>475,822</u> |                     |
| Analysed between                  |                    |                       |                |                |                     |
| Charitable activities             | <u>392,377</u>     | <u>88,802</u>         | <u>481,179</u> | <u>475,822</u> |                     |

Governance costs Includes payments to the auditors of £8,230 (2017- £7,956) for audit fees.

### 9 Net movement in funds

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| Net movement in funds is stated after charging/(crediting)                                |           |           |
| Fees payable to the company's auditor for the audit of the company's financial statements | 8,230     | 7,956     |
| Depreciation of owned tangible fixed assets   | 41,056    | 47,334    |
| Profit on disposal of tangible fixed assets   | (11,100)  | -         |

### 10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year, other than Mr Hugh Irwin who received £650 for consultancy work on behalf of the charity.



## DRIVE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

#### 11 Employees

##### Number of employees

The average monthly number of employees during the year was:

|                               | 2018<br>Number | 2017<br>Number |
|-------------------------------|----------------|----------------|
| Care and administration staff | 641            | 629            |

The average number of employees during the year, calculated on the basis of full-time equivalents was 506 (2017: 497).

| Employment costs      | 2018<br>£  | 2017<br>£  |
|-----------------------|------------|------------|
| Wages and salaries    | 11,060,540 | 9,886,498  |
| Social security costs | 868,346    | 741,864    |
| Other pension costs   | 368,687    | 382,321    |
|                       | 12,297,573 | 11,010,683 |

The number of employees whose annual remuneration was £60,000 or more were:

|                   | 2018<br>Number | 2017<br>Number |
|-------------------|----------------|----------------|
| £60,000 - £70,000 | -              | 1              |

During the previous year, defined contribution pension contributions on behalf of the above employee amounted to £3,875.

##### 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 £303,522 (2017: £253,509).

#### 12 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 purpose only.

Drive Enterprises (Mentrau Drive) Ltd's Corporation Tax liability for the year amounted to £nil (2017: £nil).

## DRIVE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

#### 13 Tangible fixed assets

|                                    | Freehold<br>interest in land<br>and buildings<br>£ | Plant and<br>machinery<br>including<br>motor vehicles<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£ |
|------------------------------------|--|--|---|------------|
| <b>Cost</b>                        |  |  |   |            |
| At 1 April 2017                    | 1,441,307  | 78,527   | 396,088                                     | 1,915,922  |
| Additions                          | -  | 10,492   | 3,550                                       | 14,042     |
| Disposals                          | -  | (22,500)   | -   | (22,500)   |
| At 31 March 2018                   | 1,441,307  | 66,519   | 399,638                                     | 1,907,464  |
| <b>Depreciation and Impairment</b> |  |  |   |            |
| At 1 April 2017                    | 293,750  | 78,527   | 361,741                                     | 734,018    |
| Depreciation charged in the year   | 24,766   | 875  | 15,415                                      | 41,056     |
| Eliminated in respect of disposals | -  | (22,500)   | -   | (22,500)   |
| At 31 March 2018                   | 318,516  | 56,902   | 377,156                                     | 752,574    |
| <b>Carrying amount</b>             |  |  |   |            |
| At 31 March 2018                   | 1,122,791  | 9,617  | 22,482                                      | 1,154,890  |
| At 31 March 2017                   | 1,147,557  | -  | 34,347                                      | 1,181,904  |

#### 14 Fixed asset investments

|                          | Other<br>Investments |
|--------------------------|----------------------|
| <b>Cost or valuation</b> |                      |
| At 1 April 2017          | 1                    |
| At 31 March 2018         | 1                    |
| <b>Carrying amount</b>   |                      |
| At 31 March 2018         | 1                    |
| At 31 March 2017         | 1                    |

|                             | Notes | 2018<br>£ | 2017<br>£ |
|-----------------------------|-------|-----------|-----------|
| Other investments comprise: |       |           |           |
| Investments in subsidiaries | 15    | 1         | 1         |

# DRIVE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2018

#### 15 Subsidiaries

Details of the charity's subsidiaries at 31 March 2018 are as follows:

| Name of undertaking                   | Registered office                                    | Nature of business | Class of shares held | % Held |          |
|---------------------------------------|--|--------------------|----------------------|--------|----------|
|                                       |  |                    |                      | Direct | Indirect |
| Drive Enterprises (Mentrau Drive) Ltd | Unit 8, Cefn Coed, Parc Nantgarw, Nantgarw, CF15 7QQ | Dormant            | Ordinary Shares      | 100.00 |          |

The aggregate capital and reserves and the results for the year of the subsidiary was as follows:

| Name of undertaking                   | Profit/(Loss) | Capital and Reserves |
|---------------------------------------|---------------|----------------------|
|                                       | £             | £                    |
| Drive Enterprises (Mentrau Drive) Ltd | -             | 564                  |

#### 16 Financial Instruments

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| <b>Carrying amount of financial assets</b>      |           |           |
| Debt instruments measured at amortised cost     | 4,004,691 | 4,364,057 |
| <b>Carrying amount of financial liabilities</b> |           |           |
| Measured at amortised cost                      | 1,016,309 | 1,349,017 |

#### 17 Debtors

|   | 2018<br>£        | 2017<br>£        |
|---|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade debtors                               | 1,770,427        | 1,738,688        |
| Other debtors                               | 4,394            | 13,970           |
| Prepayments and accrued income              | 28,668           | 20,180           |
|   | <u>1,803,489</u> | <u>1,772,838</u> |

## DRIVE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

#### 18 Creditors: amounts falling due within one year

|                                    | Notes | 2018<br>£        | 2017<br>£        |
|------------------------------------|-------|------------------|------------------|
| Bank loans                         | 19    | 56,236           | 56,236           |
| Other taxation and social security |       | 186,325          | 203,866          |
| Deferred income                    | 20    | 142,130          | 209,945          |
| Trade creditors                    |       | 276,509          | 350,969          |
| Other creditors                    |       | 226,521          | 269,349          |
| Accruals and deferred income       |       | 276,843          | 439,605          |
|                                    |       | <u>1,164,564</u> | <u>1,529,970</u> |

#### 19 Loans and overdrafts

|                         | 2018<br>£      | 2017<br>£      |
|-------------------------|----------------|----------------|
| Bank loans              | <u>236,436</u> | <u>289,094</u> |
| Payable within one year | 56,236         | 56,236         |
| Payable after one year  | <u>180,200</u> | <u>232,858</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.

#### 20 Deferred Income

|                             | 2018<br>£      | 2017<br>£      |
|-----------------------------|----------------|----------------|
| Balance as at 1st April     | 209,945        | -              |
| Income received in the year | 737,245        | 808,217        |
| Released to income          | (805,060)      | (598,272)      |
| Balance as at 31st March    | <u>142,130</u> | <u>209,945</u> |

Deferred income relates to performance related grant funding received in advance and which relates to future financial periods.

## DRIVE

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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#### 21 Creditors: amounts falling due after more than one year

|            | Notes | 2018<br>£      | 2017<br>£      |
|------------|-------|----------------|----------------|
| Bank loans | 19    | 180,200        | 232,858        |
|            |       | <u>180,200</u> | <u>232,858</u> |

#### 22 Retirement benefit schemes

##### Defined contribution schemes

The charity's staff are members of defined contribution pension schemes, with the exception of 14 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 £368,687 (2017: £382,321). At the year-end £40,206 (2017: £78,755) is held in creditors pending debit by the pension companies.

The charge to profit or loss in respect of defined contribution schemes was £368,687 (2017 - £382,321).

## DRIVE

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 MARCH 2018

##### 23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

|                                 | Movement in funds          |                       |                       | Balance at<br>31 March<br>2018 |
|---------------------------------|----------------------------|-----------------------|-----------------------|--------------------------------|
|                                 | Balance at 1<br>April 2017 | Incoming<br>resources | Resources<br>expended |                                |
|                                 | £                          | £                     | £                     | £                              |
| Building Fund                   | 41,661                     | -                     | (3,415)               | 38,246                         |
| Thomas Bailey Trust Fund        | 10,965                     | -                     | (731)                 | 10,234                         |
| The Horticultural Fund          | 15,000                     | -                     | -                     | 15,000                         |
| The Progress Housing Trust Fund | 23,989                     | -                     | -                     | 23,989                         |
| Local Authority Funding         | -                          | 11,106,057            | (11,106,057)          | -                              |
|                                 | <u>91,615</u>              | <u>11,106,057</u>     | <u>(11,110,203)</u>   | <u>87,469</u>                  |

**Building Fund** has been set up to meet the costs of the horticultural project.

**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 to 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 cost of care of supported people in each Local Authority area. The restriction arises because of the geographical boundaries.

# DRIVE

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 24 Restricted funds - previous year

|                                 | Balance at 1<br>April 2016<br>£ | Movement In funds          |                            | Balance at 31<br>March 2017<br>£ |
|---------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|
|                                 |                                 | Incoming<br>resources<br>£ | Resources<br>expended<br>£ |                                  |
| Building Fund                   | 45,076                          | -                          | (3,415)                    | 41,661                           |
| Thomas Bailey Trust Fund        | 11,697                          | -                          | (732)                      | 10,965                           |
| The Horticultural Fund          | 15,000                          | -                          | -                          | 15,000                           |
| The Progress Housing Trust Fund | 23,989                          | -                          | -                          | 23,989                           |
| Local Authority Funding         | -                               | 9,932,922                  | (9,932,922)                | -                                |
|                                 | <u>95,762</u>                   | <u>9,932,922</u>           | <u>(9,937,069)</u>         | <u>91,615</u>                    |

### 25 Analysis of net assets between funds

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>£       |
|--|----------------------------|--------------------------|------------------|
| Fund balances at 31 March 2018 are represented by: |                            |                          |                  |
| Tangible assets                                    | 1,091,410                  | 63,480                   | 1,154,890        |
| Investments  | 1                          | -                        | 1                |
| Current assets/(liabilities)                       | 2,844,806                  | 23,989                   | 2,868,795        |
| Long term liabilities                              | (180,200)                  | -                        | (180,200)        |
|  | <u>3,756,017</u>           | <u>87,469</u>            | <u>3,843,486</u> |

### 26 Analysis of net assets between funds - previous year

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>£       |
|--|----------------------------|--------------------------|------------------|
| Fund balances at 31 March 2017 are represented by: |                            |                          |                  |
| Tangible assets                                    | 1,114,278                  | 67,626                   | 1,181,904        |
| Investments  | 1                          | -                        | 1                |
| Current assets/(liabilities)                       | 2,830,278                  | 23,989                   | 2,854,267        |
| Long term liabilities                              | (232,858)                  | -                        | (232,858)        |
|  | <u>3,711,699</u>           | <u>91,615</u>            | <u>3,803,314</u> |

## DRIVE

### NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

#### 27 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

|                                 | Balance at 1<br>April 2017 | Movement in funds          |                            |                | Balance at 31<br>March 2018 |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------|-----------------------------|
|                                 | £                          | Incoming<br>resources<br>£ | Resources<br>expended<br>£ | Transfers<br>£ | £                           |
| Tenant Welfare and Move On      | 57,805                     | -                          | -                          | -              | 57,805                      |
| Cyclical Maintenance            | 29,666                     | -                          | -                          | -              | 29,666                      |
| Internal Decoration Reserve     | 166,157                    | -                          | (49,743)                   | 23,580         | 139,994                     |
| Furniture Replacement Reserve   | 123,114                    | -                          | (39,167)                   | 28,642         | 112,589                     |
| Laundry Reserve                 | 25,612                     | -                          | (2,398)                    | 4,409          | 27,623                      |
| Planned Maintenance             | 19,764                     | -                          | -                          | 2,500          | 22,264                      |
| Garden Maintenance              | (4,080)                    | -                          | (3,071)                    | 11,938         | 4,787                       |
| Garden Maintenance STC          | 1,000                      | -                          | -                          | -              | 1,000                       |
| Household Reserve               | (19,571)                   | -                          | (27,495)                   | 36,642         | (10,424)                    |
| Management Information Strategy | 21,306                     | -                          | (21,306)                   | -              | -                           |
| Redundancy Reserve              | 100,000                    | -                          | -                          | -              | 100,000                     |
|                                 | <u>520,773</u>             | <u>-</u>                   | <u>(143,180)</u>           | <u>107,711</u> | <u>485,304</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 Decoration Reserve** has been set up to meet the cost of future internal decorations, being the charity's liability to maintain the decor 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.

**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 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.



# DRIVE

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 27 Designated funds (Continued)

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

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

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

### 28 Designated funds - previous

|                                 | Balance at 1<br>April 2016 | Movement in funds     |                       |                 | Balance at 31<br>March 2017 |
|---------------------------------|----------------------------|-----------------------|-----------------------|-----------------|-----------------------------|
|                                 |                            | Incoming<br>resources | Resources<br>expended | Transfers       |                             |
|                                 | £                          | £                     | £                     | £               | £                           |
| Tenant Welfare and Move On      | 58,002                     | -                     | (197)                 | -               | 57,805                      |
| Cyclical Maintenance            | 29,666                     | -                     | -                     | -               | 29,666                      |
| Internal Decoration Reserve     | 166,786                    | 10,152                | (6,812)               | (3,969)         | 166,157                     |
| Furniture Replacement Reserve   | 146,476                    | 13,291                | (40,622)              | 3,969           | 123,114                     |
| Laundry Reserve                 | 20,923                     | 4,897                 | (208)                 | -               | 25,612                      |
| Planned Maintenance             | 19,764                     | -                     | -                     | -               | 19,764                      |
| Garden Maintenance              | (1,709)                    | 267                   | (2,638)               | -               | (4,080)                     |
| Garden Maintenance STC          | 1,000                      | -                     | -                     | -               | 1,000                       |
| Household Reserve               | (7,598)                    | 5,890                 | (17,863)              | -               | (19,571)                    |
| Management Information Strategy | 111,830                    | -                     | -                     | (90,524)        | 21,306                      |
| Redundancy Reserve              | 100,000                    | -                     | -                     | -               | 100,000                     |
|                                 | <u>645,140</u>             | <u>34,497</u>         | <u>(68,340)</u>       | <u>(90,524)</u> | <u>520,773</u>              |

### 29 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2018<br>£    | 2017<br>£     |
|----------------------------|--------------|---------------|
| Within one year            | 5,350        | 9,286         |
| Between two and five years | -            | 5,350         |
|                            | <u>5,350</u> | <u>14,636</u> |

# DRIVE

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 30 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.

### 31 Related party transactions

Barry Gallagher who is the Chief Executive Officer and Company Secretary of the charity is also a director of Cefn Cost Management Ltd. During the year Drive paid the company management fees totalling £1,743 (2017: £3,080). At the year end the charity owed the company £nil, (2017: £nil).

Jenny Jones, who is a trustee of the charity, is also a director of Morgan Denton Jones Limited and Business in Focus Limited. During the year, Drive paid the companies professional fees totalling £894 (2017: £5,451). At the year end the charity owed the companies £nil (2017: £nil).

Hugh Irwin, who is a trustee of the charity, is also a director of Masaf-Lin Ltd. During the year, Drive paid the company fees for attendance at a conference totalling £444 (2017: £nil).

Drive Enterprises (Mentrau Drive) Ltd is a trading subsidiary of Drive - See Note 15.

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

As at the year end Drive Enterprises Ltd owed the charity £nil (2017:£nil).

As at 31 March 2018 the charity owed Drive Enterprises Ltd £1 (2017: £1).

| 32 Cash generated from operations                                 | 2018<br>£        | 2017<br>£     |
|---|------------------|---------------|
| Surplus for the year  | 40,172           | 134,781       |
| Adjustments for:  |                  |               |
| Investment income recognised in statement of financial activities | (5,281)          | (6,515)       |
| Gain on disposal of tangible fixed assets                         | (11,100)         | -             |
| Depreciation and impairment of tangible fixed assets              | 41,056           | 47,334        |
| Movements in working capital:                                     |                  |               |
| (Increase) in debtors   | (30,651)         | (505,036)     |
| (Decrease)/increase in creditors                                  | (297,591)        | 148,882       |
| (Decrease)/increase in deferred income                            | (67,815)         | 209,945       |
| <b>Cash (absorbed by)/generated from operations</b>               | <b>(331,210)</b> | <b>29,391</b> |

### 33 Analysis of changes in net funds

|  | At 1 April 2017<br>£ | Cash flows<br>£  | At 31 March 2018<br>£ |
|--|----------------------|------------------|-----------------------|
| Cash at bank and in hand                   | 2,611,399            | (381,529)        | 2,229,870             |
| Loans falling due within one year          | (56,236)             | -                | (56,236)              |
| Loans falling due after more than one year | (232,858)            | 52,658           | (180,200)             |
|  | <u>2,322,305</u>     | <u>(328,871)</u> | <u>1,993,434</u>      |