

Charity Registration No. 703002

Company Registration No. 2506147 (England and Wales)

DRIVE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

DRIVE

CONTENTS

	Page
Trustees report	1 - 17
Statement of trustees responsibilities	18
Independent auditor's report	19 - 20
Statement of financial activities	21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements	24 - 40

DRIVE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

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 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 pioneering organisation, established in 1981 to support people with learning disabilities move from institutions into ordinary houses in local communities. We have grown to support people in a variety of accommodation models, including shared supported living, targeted support with families or people living independently, Respite Care, and two wellbeing schemes comprised of individual flats. We have also co-produced a range of community hubs, offering opportunities to meet new friends, learn new skills and reduce dependence on statutory Day Services. Our Horticultural project also offers a beautiful environment that provides some therapeutic benefits as well as learning about growing and eating fresh food.

Our Mission

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

Our Vision

Our values continue to guide everything we do so that we provide support with people to:

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

We provide support to people with learning disabilities, autism, mental health issues and behaviours that can challenge to live enjoyable and meaningful lives at home and in the community. We provide the right level of help to support people to grow in confidence by developing skills, achieving their goals, and having meaningful friendships and relationships.

Our Aims

We work together with staff, families and the people we support to achieve:

- Community Presence: living within 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.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Nothing About Me Without Me

Our uniqueness lies in our partnership with the people and families that we support. Person centred approaches and active support lie at the heart of our support planning to make sure people are empowered to make choices about how they live their lives. We have increased our participation groups during 2018, running local Drive Talking Groups to have more opportunities to listen to people's experiences of how we run the organisation and provide support:

'Your life, Your way'

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.

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.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

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 have written work plans to make sure the Business Plan aims are being worked on and implemented.

How we have performed

In our 2017 performance report we identified a number of aims for 2018. During 2018 we updated the Business Plan to include ideas from forums with supported people, families and staff. These are some the things we have achieved:

Green – completed. Amber – progress made

People we support lead the way

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

Long term financial sustainability is maintained

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

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

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	
Develop 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) 2016	
Review our Development Strategy for future work	

Ideas from Forums

Improve the website, invest in PR professional and get professional photos for the site and the office	
Website and Logo should describe what we do	
TV screen in reception in the office	
The Five statement of aims should be more pictorial around the office Collages of photos/values on the walls of the office	

As shown, we have achieved or made significant progress with planned work, while completing the succession plan for the new senior management team.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Delivery of Support Services

We have successfully maintained our Supported Living Services, having won a competitive tender for our existing contract in Merthyr Tydfil Borough Council. We were extremely pleased to be able to continue supporting people and their families in this area.

Area	2017-18	2018-19
Bridgend	50	49
Merthyr	41	43
Monmouth	15	10
RCT	169	180
Neath	10	14
Total	285	296

We were also successful in winning a new Closer to Home project in Neath/Port Talbot, for 4 adults who can have challenging behaviour. These projects ensure that individuals can be supported in their local communities, rather than in assessment and treatment units or private secure units that are often based in England. Due to a delay in building the project it will open in February 2019.

The increase in numbers in RCT are due to voids being taken up with new tenancies in the Wellbeing services and two supported living houses.

We have seen a decrease in the numbers of targeted support services in Merthyr and Monmouth due to concentrating on transition work to support people to move into voids.

Delivery of Other Services

Service	2017-18	2018-19
Respite Care	41	37
Health and Wellbeing	29	26
Horticultural project	27	20
Total	97	83

The number of families supported in our Respite Care service reduced in 2018 due to two people being placed there as emergencies. One individual occupied their placement for 10 months, leading to the cancellation of service provision for some families. We are discussing emergency and long-term planning with RCT as part of their strategic plans for accommodation over the next three years as we had the same issues during 2017.

Our Health and Wellbeing services continue to be very successful. Four people moved to more independent accommodation during 2018, with transitional support from staff at the project.

The number of people supported at the Horticultural Project have reduced due to the project no longer being able to provide transport for individuals from day services, and changes to the referral process while RCT review their own day service provision. One of our aims for 2019 is to review the project including how referrals are made and fundraising for transport.

The number of people supported at the Horticultural Project have reduced due to the project no longer being able to provide transport for individuals from day services, and changes to the referral process while RCT review their own day service provision. One of our aims for 2019 is to review the project including how referrals are made and fundraising for transport.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Inspection and Contract Monitoring

As well as having robust internal Quality Assurance processes, Drive is monitored externally by each Local Authority, and the Care Inspectorate for Wales. Inspections and contract monitoring are conducted at least annually.

Care Inspectorate for Wales

During 2018 All Social Care providers for domiciliary care were required to re-register under the new Regulation and Inspection for Social Care Act (Wales) 2016, therefore no inspection took place for supported living services as systems, processes and policies were scrutinised for all departments during the course of re-registration.

Local Authority Contract monitoring

We received positive contract monitoring from four Local Authorities, Neath/Port Talbot, Rhondda Cynon Taf, Bridgend County Borough Council and Monmouth County Borough Council. Many positive comments were made, with some minor recommendations.

Bridgend County Borough Council: August 2018

Family/Service User feedback includes:

"Whenever I visit my brother I am always struck by its warmth and feeling of home. My brother is well looked after, but choice and independence are also promoted". "All staff are positive and enthusiastic".

Stakeholder feedback includes "The manager and staff are great to work with. Very professional, forward thinking and good at resolving issues. They are open and ensure I am kept up to date and involved in everything"; and 'Drive as a company are also very forward thinking and are involved and set up many community groups that are now well established and working well".

Rhondda Cynon Taff Contract Monitoring report for the Organisation 2017/18

Rhondda Cynon Taff conducted annual monitoring for the Organisation on 5 December 2017 and the 14 March 2018. The report was received in August 2018.

The report referred to the excellent detail in the Positive Risk-Taking Policy, with the accessible version for supported people enabling full involvement in discussions regarding the management of risks being seen as good practice.

The removal of offices from houses through the implementation of the Real Tenancy Test was regarded as extremely positive, with supported people making decisions about the use of the room.

RCT also conduct three monthly monitoring at all houses to review all areas of work with supported people, and recommendations are added to individual Quality Improvement Plans for each supported living project.

Monmouth County Borough Council: August 2018

This report evidenced robust recruitment and induction processes, with all core training achieved. The support plans for individuals were found to be very person centred, with individualised activity and support plans.

Neath/Port Talbot conduct annual monitoring at each service, and all reports were positive with minor recommendations.

No written monitoring reports have been received from Merthyr, although some has taken place with no recommendations.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Recommendations

Some of the recommendations included:

- Records of Fire Evacuation drills to be kept up to date.
- Simulations for Fire Evacuations had not been completed in one property.
- Not all staff had signed to say up-dated support plans had been read.

Participation

Drive continues to develop excellent co-production initiatives to ensure the Business and operational plans focus on what is important to the people we support and their families. Our active Advisory Group continues to meet every month with senior managers and representatives from the management board. Members are voted onto the group at our supported persons conference to ensure each service and local authority area are represented. During 2018 the group:

- designed accessible formats the Personal Care and Positive Risk-Taking Policy
- discussed Health and Safety and Data Protection
- gave feedback to the Board on what is important to them
- planned events such as Drive in Bloom and the Bake-off competition
- made arrangements for Barry's retirement parties

Customer Satisfaction

People we support

To ensure Drive continues to provide a good service, feedback from individuals supported is essential. One of the methods used to collect information is customer satisfaction questionnaires. They are carried out every year across all Drive areas.

The questionnaire was reviewed during 2018 by members of the Advisory Group. Photos and symbols were included with most of the questions. This made it easier for individuals to select what they already take part in and what they would potentially like to try.

The results from this year's survey appear very positive once again. 60 people took part in the survey, with 83% of participants stating they are happy with their service, and 12% saying they were sometimes happy. A small number of individuals commented that they were not currently happy. These comments were looked at more closely and any concerns have been passed onto the relevant managers within Drive.

We have also been piloting a new process of gathering feedback. The 'Good Service Checker', involves supported people visiting other individuals who use Drive services. They will ask a list of questions that supported people within the good service checker group compiled. The feedback is currently being analysed and a report will be created in the near future.

Families

Every year Drive conducts telephone surveys to gather feedback from families. The survey for Supported Living Services was conducted between June and August by a member of the administrative team. 26 surveys were completed with a random sample of relatives, which represents 23% of the families and relatives across all local areas. As with last year, the survey shows high satisfaction levels with the Supported Living Services delivered by Drive.

- 89% of relatives are very satisfied or satisfied with the overall service provided, compared to 92% last year.
- 97% of relatives are very satisfied or satisfied with the quality of staff support, compared to 95% last year.
- 100% of relatives stated their relatives were treated with dignity and respect, compared to 97% last year.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

What could improve?

- Continuity of staff.
- More information about staff and Team Managers, particularly if they change or are new.
- Communication from central office about the Organisation and the Complaints procedure.
- Understanding Drive's Business Plan and aims.
- Being updated about relative's wellbeing more regularly.

Action to improve these areas has been added to operational plans, and more regular meetings will be held with families next year to improve communication.

Complaints

Drive has an accessible Complaints procedure to ensure that families and people supported can tell us if they are unhappy with their support. 9 complaints have been received during 2018 in comparison to 10 in 2017. 5 complaints were from RCT, 2 of which are related to the same service; 3 were from Bridgend, and 1 was from Monmouth. This compares to the last report where there were 4 from Merthyr, 4 from RCT, 1 from Bridgend, and 1 from Neath. We have a strong listening and learning culture within the organisation and see all feedback as a positive way to improve our practice.

Governance

As well as meeting every two months to oversee the work of the Organisation the Management Board met for two development days to enhance governance systems and review the Business Plan. The Board assessed how well the organisation attends to corporate governance and reviewed the Development Strategy. A training session was delivered on Corporate Manslaughter, and the issue of Equality Diversity was explored.

Health and Safety

Drive's Health and Safety Committee oversees the health and safety activity of the Organisation and meet 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 ensure 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.

Drive commissioned a Health & Safety Audit from Thomas Carroll, which was undertaken in the Summer of 2018. Whilst raising a number of recommendations, the overall summary was that Drive has a very open, positive and proactive health and safety culture.

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. Drive's professionally qualified trainers deliver the following courses:

Fire Safety
First Aid
Positive Behaviour Management
Moving and Handling
Medication Awareness

Health and Safety
Risk Assessment
Stress Management
Wheelchair Safety
Food Hygiene
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 supported people.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

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 2018, there were a variety of regular activities in different areas, benefiting both staff and supported people, including Race for Life, walking groups and active fundraising events for Charities.

Training and Development

In 2018 Drive delivered course-based staff training activity totalling 2,240 places (158) 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 (20 hrs), alongside all the other non-course-based training and learning that happens within Drive. All staff once registered will be required to undertake 90 hours of learning every three years. Over a three-year period, this potentially results in a total average of 60 hours available in the form of course based training days.

Evaluation findings of training delivered within Drive continue to remain extremely positive with more than 94% of respondents reporting that training received had helped them perform significantly or a lot better in their job.

Drive continues to seek out appropriate external funding opportunities to support our training programme/budget. In 2018 we facilitated Personal Relationships and Sexuality training events for Learning Disability Wales.

During the year another detailed training needs analysis exercise enabled us to develop the organisational training plan based on actual identified needs and also to be able to effectively calculate the required budget.

As well as the standard core training programme, additional priority needs were also identified and as a result resources were invested in Autism, Positive Behavioural Support, Active Support, Coaching, Mental Health, Dementia and Team Leader Training.

Team Leaders were invited to take part in a Step up to Management course last year. Those who achieved the qualification stated that it was extremely beneficial. We also designed a bespoke Leadership and Coaching 2-day course for Team Leaders and new managers, to support our initiatives in developing coaching and mentoring as a management style across the organisation.

Management Information Systems and IT

Keeping with the practice of continuous service improvements we have continued to develop Office365 and rollout services suited to Drive needs.

In 2018 we started rolling out a service called Microsoft Staff Hub. Staff Hub allows our 1st line workers access to rota's, ability to book annual leave, swap shifts or pick up overtime quickly and efficiently using their own mobile device. Staff Hub also allows Drive to communicate to front line workers instantly.

With the Introduction of the new General Data Protection Regulations (GDPR), we created a new process to handle subject access requests and to risk assess any data breaches that may require referring to information commissioner's office (ICO). No breaches were reported in 2018.

We developed a 3-year asset lifecycle programme to identify services and staff who require new ICT equipment with a supporting ICT budget.

With a clear 3-year plan to update and refresh Drive's infrastructure we were able to make a business case to employ a temporary resource to help deliver this programme.

New reports have been developed to assist Area Managers and Senior Management Team to review Key Performance Indicators across Drive.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Towards the end of the year we started the process of shortlisting suppliers to help improve Drive's branding, website and online presence.

Drive has maintained its Cyber Essentials Plus certification.

Finance

Drive continued to develop its Risk Assurance Framework in conjunction with the Management Board, who agreed its Strategic Risk Assurance Framework at a Board away day.

Following the introduction of an Anti-Fraud Policy and Drive's commitment to the Charity Finance Group Counter Fraud pledge during 2017, a review of this policy was undertaken in 2018 to ensure that it was effective and further training and awareness activity was undertaken. As a result of this review, Drive took out Cyber Insurance to protect against new and emerging risks.

During 2018 the Senior Management Team undertook its annual review of the Total Rewards Strategy to ensure it was aligned to our recruitment and retention strategy, compliant with legislative requirements and worked with Local Authorities to achieve sustainable funding for this.

Drive also worked with a global cost reduction company to tender areas of non-pay expenditure i.e. stationery, janitorial products etc., achieving efficiency savings totalling £10K over 2 years.

Achievements shared at staff forums

Staff shared achievements for people supported during 2018 at our annual conferences in January and March. These are just of a few of them.

Participating fully in life, developing independence

- At 92 years old one lady put a swimming costume on for the first time and put her feet into the sea.
- 'Skills teaching has really worked.'
- All offices have been removed from houses and converted to Guest bedrooms or positive spaces for supported people.
- We supported two people with very complex behaviours to move into individual flats and quickly reduced the level of support they needed due to consistent support, enjoyable routines and activities, and increased confidence.
- Examples of shared good practice to support people to reduce hoarding.
- Routine planner in bedrooms to show in pictures what's going to happen during morning routines.
- Press button dispensers to enable people to make hot drinks
- 'He is gaining independence in the community instead of needing support.'
- Over the year he has had support with skills teaching, and he now makes his own breakfast and is dressing independently.
- In Short Term Care we have supported two people through emergency placements to make smooth transitions to shared support.
- In our wellbeing services, two people have moved on to live in the community, and four more have gained the skills and confidence to move on next year.
- We have reduced the need for a wake-in using assistive technology.

Maintaining and Increasing relationships and friends

- Someone attended a party for the first time.
- 'The monthly friendship club really has opened opportunities for her to meet new people.'
- Technology is being used to keep in contact with family who live away.
- We have supported family relationships during a difficult time.
- He has developed a better relationship with his brother and Mum with staff support.
- Short Term Care – we have worked with case managers to support friends to enjoy a holiday at the house together.
- One person has moved on and got married. Fantastic.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Enjoying community life, leisure, learning, and work

- The Merthyr Hub has really developed bringing new opportunities for supported people to try. 'The energy and creativity from the Hub shine out.'
- The Future skills project has developed through consulting with supported people attending. 'Exciting times for the project's development.'
- 2 ladies are now attending college.
- 1 person works in two different welsh play groups alongside going to college.
- One person is attending college and works at the garden centre.
- One person is now going to the cinema every week – he didn't have the confidence to go out initially.
- Volunteering in the charity shop is really helping build skill, confidence and independence. He is really seen very positively by the local community.

Increasing communication, choices and decisions

- Every team had improved communication methods through utilising Outcome Focused Reviews with every individual, leading to increased choices and decision-making.
- She is using an app on her I-pad to help increase communication.
- Supported people have been able to choose holidays and shows and days out.
- We are using pictures and objects as reference.
- Picture cards are now used and have really increased independence.
- Menu folders, choosing meals, making choices for food shopping.
- One person has completed her food shopping on her own for the first time in years.

Improving and continuing health and wellbeing

- Meal planning healthy choices.
- She is weight bearing now, the hoist isn't needed any more.
- We have started a slimming club and give certificates of achievement for healthy eating and exercise. It's working brilliantly.
- We have supported him to reduce how much he is smoking.
- Pedal power has been a brilliant new activity.
- He has completed a course on mindfulness, and this has encouraged staff to give it a go.
- This is the longest he has maintained his mental health and stayed out of hospital.

Achievements on an Organisational level

Staff also recorded achievements within the organisation during 2018.

Governance

- It was felt that the organisation is well managed and Governed.
- There is an open-door approach from management
- Approachable management at all levels.
- As an organisation we are committed to improving people's lives.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Co-production

- All interviews have supported person panels.
- Members of the Advisory Group have attended manager and staff forums.
- We have improved communication with people supported through house meetings and Drive Talking Groups

Training and Development

- Team Leaders have completed the step up to management course.
- More staff have registered onto the BTEC for Positive Behaviour Management.
- Excellent training packages including service specific based on supported people's needs.
- 75% of staff in our area have registered with Social Care Wales.
- We have maintained active support and skills teaching.

IT Strategy

- We increased the use staff hub – rotas and communication through Office 365 – which has really improved team communication.

Financial Results

Results

The net incoming unrestricted surplus for the year ended 31 March 2019 amounted to £241,860 (2018: £44,318 surplus). This surplus increased the cumulative unrestricted funds to £3,997,877. 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 £12,460,838 (2018: £11,106,057). Expenditure from restricted reserves of £12,464,985 (2018: £11,110,203) resulted in net outgoing resources of £4,147 (2017: £4,146).

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 £3,997,877 (2018: £3,756,017), 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 £2,417,496 (2017: £2,179,302).

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.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

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.

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, Rhian Jones, 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 affected;
- 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)

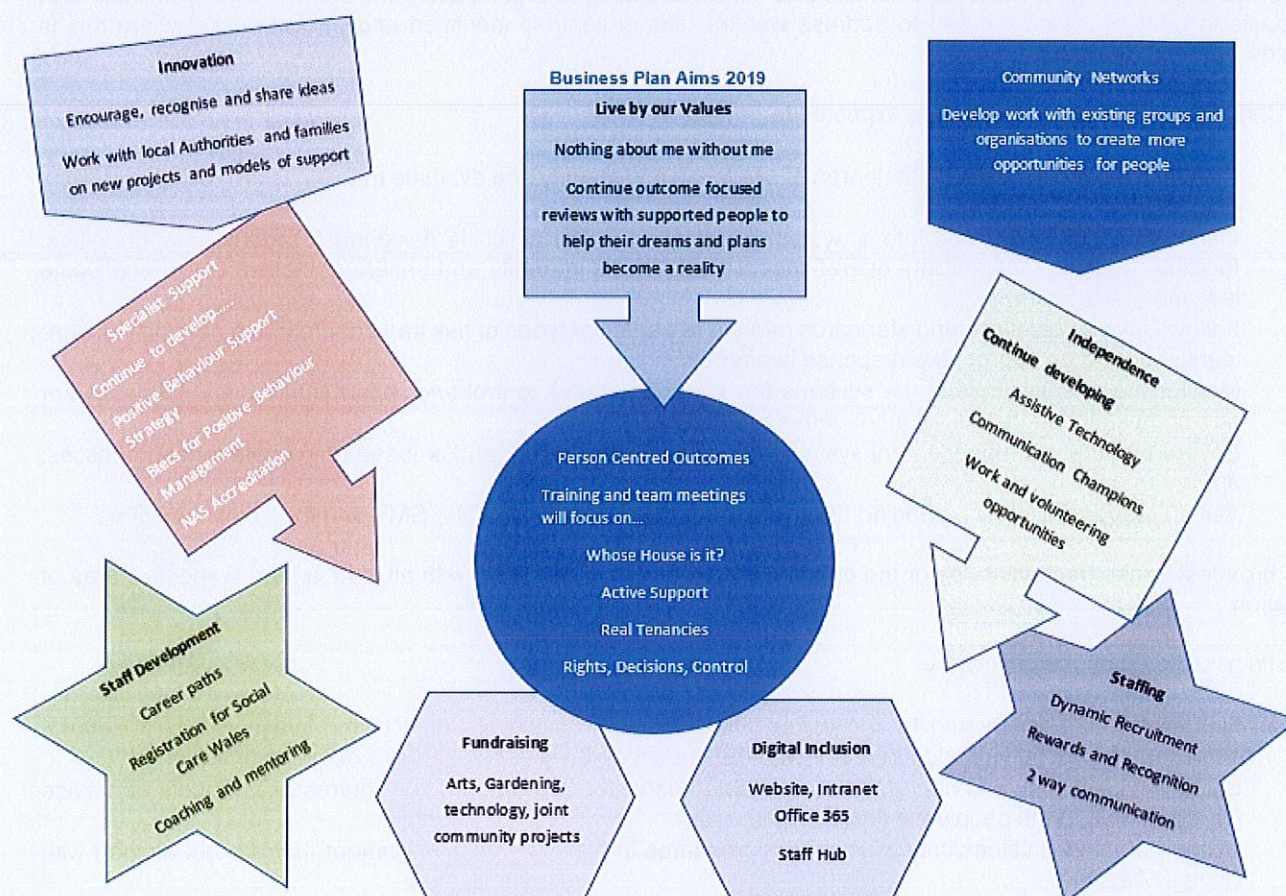
FOR THE YEAR ENDED 31 MARCH 2019

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 2019/20:



DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Structure, governance and management

Legal status

The organisation is a company limited by guarantee, registration number 2506147, and is governed by its 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.

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, Director of Finance, Director of Operational Services and Director of HR, 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 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name

Drive

Charity Number

703002

Company Number

2506147

Principal office

Unit 8

Cefn Coed

Parc Nantgarw

Treforest

RCT

CF15 7QQ

Registered Office

Unit 8

Cefn Coed

Parc Nantgarw

Treforest

RCT

CF15 7QQ

Company secretary

Mr B Gallagher (Resigned 18 September 2018)

Ms Rhian Jones (Appointed 3 September 2018)

Trustees

Mr Geoff Lake

Ms Jean Gregson

Ms Janet Sheldon

Mr John Minkes

Mr Hugh Irwin

Ms Jennifer Jones

Mr Karmeno Gauci

Mr Anthony Isingrini

Mrs Katrina Kurowski

Ms Margot Hopwood

Mr Dan O'Grady (Resigned 16 October 2018)

Mr Chris Kitching

Solicitors

Hugh James

3rd Floor

Arabee House

Greyfriars Road

Cardiff

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2019

Independent Auditors

Baldwins Audit Services
1-3 Waters Lane
Waters Lane Chambers
Newport
NP20 1LA

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 ensuring 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.

.....

R Jones - Secretary

Dated: 28.08.2019

DRIVE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2019

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

Opinion

We have audited the financial statements of Drive (the 'charity') for the year ended 31 March 2019 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 2019 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

DRIVE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DRIVE

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.

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

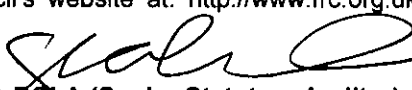
As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal 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 Baldwins Audit Services

Chartered Accountants
Statutory Auditor

.....
1-3 Waters Lane
Waters Lane Chambers
Newport
NP20 1LA
UK

DRIVE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<u>Income and endowments from:</u>					
Donations and legacies	3	381	-	381	1,218
Charitable activities	4	3,433,635	12,460,838	15,894,473	14,731,832
Investments	5	12,386	-	12,386	5,281
Other income	6	450	-	450	11,100
Total income		3,446,852	12,460,838	15,907,690	14,749,431
<u>Expenditure on:</u>					
Charitable activities	7	3,204,992	12,464,985	15,669,977	14,709,259
Net Income/(expenditure) for the year/ Net movement in funds		241,860	(4,147)	237,713	40,172
Fund balances at 1 April 2018		3,756,017	87,469	3,843,486	3,803,314
Fund balances at 31 March 2019		3,997,877	83,322	4,081,199	3,843,486

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.

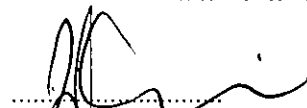
DRIVE

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	13	1,144,340		1,154,890	
Investments	14	1		1	
		<u>1,144,341</u>		<u>1,154,891</u>	
Current assets					
Debtors	16	1,545,826		1,803,489	
Cash at bank and in hand		<u>2,899,752</u>		<u>2,229,870</u>	
		4,445,578		4,033,359	
Creditors: amounts falling due within one year	18	<u>(1,381,299)</u>		<u>(1,164,564)</u>	
Net current assets		3,064,279		2,868,795	
Total assets less current liabilities		4,208,620		4,023,686	
Creditors: amounts falling due after more than one year	20	(127,421)		(180,200)	
Net assets		<u>4,081,199</u>		<u>3,843,486</u>	
Income funds					
Restricted funds	22	83,322		87,469	
<u>Unrestricted funds</u>					
Designated funds	23	495,373		485,304	
General unrestricted funds		<u>3,502,502</u>		<u>3,270,713</u>	
		3,997,877		3,756,017	
		<u>4,081,199</u>		<u>3,843,486</u>	

The financial statements were approved by the Trustees on


 Mr Hugh Irwin - Chair
 Trustee

Company Registration No. 2506147

DRIVE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28		739,094		(331,210)
Investing activities					
Purchase of tangible fixed assets		(29,269)		(14,042)	
Proceeds on disposal of tangible fixed assets		450		11,100	
Interest received		12,386		5,281	
Net cash (used in)/generated from investing activities			(16,433)		2,339
Financing activities					
Repayment of bank loans		(52,779)		(52,658)	
Net cash used in financing activities			(52,779)		(52,658)
Net increase/(decrease) in cash and cash equivalents			669,882		(381,529)
Cash and cash equivalents at beginning of year			2,229,870		2,611,399
Cash and cash equivalents at end of year			2,899,752		2,229,870

DRIVE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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 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 2019

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 2019

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 2019

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 2019

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

	Unrestricted funds	Total
	2019	2018
	£	£
Donations and gifts	381	1,218

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Charitable activities

	2019 £	2018 £
ILF and targeted support income	1,264,744	1,592,211
Supporting People grant	767,653	737,245
Health and local authority	11,693,185	10,368,812
Rent and service charges	1,930,589	1,798,856
Other income	238,302	234,708
	<u>15,894,473</u>	<u>14,731,832</u>
Analysis by fund		
Unrestricted funds	3,433,635	3,625,775
Restricted funds	12,460,838	11,106,057
	<u>15,894,473</u>	<u>14,731,832</u>
For the year ended 31 March 2018		
Unrestricted funds	3,625,775	
Restricted funds	11,106,057	
	<u>14,731,832</u>	

5 Investments

	Unrestricted funds	Total
	2019 £	2018 £
Interest receivable	<u>12,386</u>	<u>5,281</u>

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6 Other Income

	Unrestricted funds	Total
	2019 £	2018 £
Net gain on disposal of tangible fixed assets	450	11,100

7 Charitable activities

	2019 £	2018 £
Staff costs	12,949,846	12,026,147
Depreciation of fixed assets	13,427	9,191
Recruitment	12,629	40,612
Food, cleaning, health and safety	36,850	36,475
Interest and bank charges	50,798	80,545
Legal and professional costs	148,608	219,131
Office expenses	159,561	169,131
Participation	22,941	14,077
Rent and utilities	1,315,048	1,268,605
Repairs, maintenance and renewals	115,011	100,886
Travel and vehicle costs	191,324	201,896
Establishment costs	60,872	61,384
	15,076,915	14,228,080
Share of support costs (see note 8)	495,929	392,377
Share of governance costs (see note 8)	97,133	88,802
	15,669,977	14,709,259
Analysis by fund		
Unrestricted funds	3,204,992	
Restricted funds	12,464,985	
	15,669,977	
For the year ended 31 March 2018		
Unrestricted funds		3,599,056
Restricted funds		11,110,203
		14,709,259

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Support costs

	Support costs £	Governance costs £	2019 £	2018 £	Basis of allocation
Staff costs	248,140	88,823	336,963	271,426	Time spent
Depreciation	26,392	-	26,392	31,865	Time spent
Bank charges	4,174	-	4,174	4,077	Time spent
Establishment costs	2,293	-	2,293	2,052	Time spent
Recruitment	16,816	-	16,816	2,400	Time spent
Food, cleaning, health	16,319	-	16,319	15,271	Time spent
Office expenses	79,780	-	79,780	93,629	Time spent
Rent & utilities	30,990	-	30,990	16,859	Time spent
Repairs & maintenance	55,190	-	55,190	19,829	Time spent
Travel & vehicle costs	15,835	-	15,835	15,056	Time spent
Audit fees	-	8,310	8,310	8,230	Governance
Legal and professional	-	-	-	485	Governance
	<u>495,929</u>	<u>97,133</u>	<u>593,062</u>	<u>481,179</u>	
Analysed between					
Charitable activities	<u>495,929</u>	<u>97,133</u>	<u>593,062</u>	<u>481,179</u>	

Governance costs includes payments to the auditors of £8,310 (2018- £8,230) for audit fees.

9 Net movement in funds

2019
£

2018
£

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

8,310

8,230

Depreciation of owned tangible fixed assets

39,819

41,056

Profit on disposal of tangible fixed assets

(450)

(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. (2018: Mr Hugh Irwin received £650 for consultancy work on behalf of the charity.)

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Care and administration staff	669	641

The average number of employees during the year, calculated on the basis of full-time equivalents was 553 (2018: 506).

Employment costs

	2019 £	2018 £
Wages and salaries	11,937,631	11,060,540
Social security costs	941,002	868,346
Other pension costs	408,176	368,687
	<u>13,286,809</u>	<u>12,297,573</u>

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

	2019 Number	2018 Number
£60,000 - £70,000	1	-
£70,000 - £80,000	1	-
	<u>2</u>	<u>-</u>

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 £338,463 (2018: £303,522).

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 (2018: £nil).

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Tangible fixed assets

	Freehold interest in land and buildings	Plant and machinery including motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 April 2018	1,441,307	66,519	399,639	1,907,465
Additions	-	15,743	13,526	29,269
Disposals	-	(13,233)	-	(13,233)
At 31 March 2019	1,441,307	69,029	413,165	1,923,501
Depreciation and impairment				
At 1 April 2018	318,516	56,902	377,157	752,575
Depreciation charged in the year	24,746	5,131	9,942	39,819
Eliminated in respect of disposals	-	(13,233)	-	(13,233)
At 31 March 2019	343,262	48,800	387,099	779,161
Carrying amount				
At 31 March 2019	1,098,045	20,229	26,066	1,144,340
At 31 March 2018	1,122,791	9,617	22,482	1,154,890

14 Fixed asset investments

	Other Investments
Cost or valuation	
At 1 April 2017	1
At 31 March 2019	1
Carrying amount	
At 31 March 2019	1
At 31 March 2018	1

	Notes	2019 £	2018 £
Other investments comprise:			
Investments in subsidiaries	15	1	1

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 Subsidiaries

Details of the charity's subsidiaries at 31 March 2019 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 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,454,103	1,770,427
Other debtors	83	4,394
Prepayments and accrued income	91,640	28,668
	<u>1,545,826</u>	<u>1,803,489</u>

17 Loans and overdrafts

	2019 £	2018 £
Bank loans	<u>183,657</u>	<u>236,436</u>
Payable within one year	56,236	56,236
Payable after one year	<u>127,421</u>	<u>180,200</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.

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

18 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	17	56,236	56,236
Other taxation and social security		205,747	186,325
Deferred income	19	326,477	142,130
Trade creditors		90,580	276,509
Other creditors		272,862	226,521
Accruals		429,397	276,843
		<u>1,381,299</u>	<u>1,164,564</u>

19 Deferred Income

	2019 £	2018 £
Balance as at 1st April	142,130	209,945
Income received in the year	767,653	737,245
Released to income	(583,306)	(805,060)
Balance as at 31st March	<u>326,477</u>	<u>142,130</u>

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

20 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans	17	<u>127,421</u>	<u>180,200</u>

21 Retirement benefit schemes

Defined contribution schemes

The charity's staff are members of defined contribution pension schemes, with the exception of 13 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 £408,176 (2018: £368,687). At the year-end £50,763 (2018: £40,206) is held in creditors pending debit by the pension companies.

The charge to profit or loss in respect of defined contribution schemes was £408,176 (2018 - £368,687).

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 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			Movement in funds			Balance at 31 March 2019		
	Balance at 1 April 2017	Incoming resources	Resources expended	Balance at 1 April 2018	Incoming resources	Resources expended	Balance at 1 April 2018	Incoming resources	Resources expended
	£	£	£	£	£	£	£	£	£
Building Fund	41,661	-	(3,415)	38,246	-	(3,412)	34,834	-	(3,412)
Thomas Bailey Trust Fund	10,965	-	(731)	10,234	-	(735)	9,499	-	(735)
The Horticultural Fund	15,000	-	-	15,000	-	-	15,000	-	-
The Progress Housing Trust Fund	23,989	-	-	23,989	-	-	23,989	-	-
Local Authority Funding	-	11,106,057	(11,106,057)	-	12,460,838	(12,460,838)	-	12,460,838	(12,460,838)
	91,615	11,106,057	(11,110,203)	87,469	12,460,838	(12,464,985)	83,322	12,460,838	(12,464,985)

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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

23 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:

	Movement In funds						Resources expended	Transfers	Balance at 1 April 2018	Resources expended	Transfers	Balance at 31 March 2019
	Balance at 1 April 2017	Incoming resources	Resources expended	£	£	£						
Tenant Welfare and Move On	57,805	-	-	-	-	57,805	-	(1,157)	-	-	-	56,648
Cyclical Maintenance	29,666	-	-	-	-	29,666	(29,666)	-	-	-	-	-
Internal Decoration Reserve	166,157	-	(49,743)	23,580	139,994	(18,823)	-	46,223	-	-	-	167,394
Furniture Replacement Reserve	123,114	-	(39,167)	28,642	112,589	(22,112)	-	943	-	-	-	91,420
Laundry Reserve	25,612	-	(2,398)	4,409	27,623	(4,123)	-	(3,181)	-	-	-	20,319
Planned Maintenance	19,764	-	-	2,500	22,264	(397)	-	18,045	-	-	-	39,912
Garden Maintenance	(4,080)	-	(3,071)	11,938	4,787	(2,602)	-	-	-	-	-	2,185
Garden Maintenance STC	1,000	-	-	-	1,000	-	-	-	-	-	-	1,000
Household Reserve	(19,571)	-	(27,495)	36,642	(10,424)	(11,465)	-	21,439	-	-	-	(450)
Management Information Strategy	21,306	-	(21,306)	-	-	-	-	-	-	-	-	-
Redundancy Reserve	100,000	-	-	-	100,000	-	-	-	-	-	-	100,000
Health & Wellbeing Reserve	-	-	-	-	-	-	-	11,000	-	-	-	11,000
Merthyr Connect Reserve	-	-	-	-	-	-	-	5,019	-	-	-	5,019
AFC Reserve	-	-	-	-	-	-	-	926	-	-	-	926
	520,773	-	143,180	107,711	485,304	89,188	99,257	495,373				

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

23 Designated funds (Continued)

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.

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.

Health & Wellbeing Reserve has been established to benefit the health and wellbeing of staff in line with the business plan.

Merthyr Connect Reserve has been established to create a hub for supported people where they can meet together and participate in a range of social activities.

AFC Reserve has been established to create a hub for supported people where they can meet together and participate in a range of social activities.

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

24 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 March 2019 are represented by:						
Tangible assets	1,085,006	59,334	1,144,340	1,091,410	63,480	1,154,890
Investments	1	-	1	1	-	1
Current assets/(liabilities)	3,040,291	23,988	3,064,279	2,844,806	23,989	2,868,795
Long term liabilities	(127,421)	-	(127,421)	(180,200)	-	(180,200)
	<u>3,997,877</u>	<u>83,322</u>	<u>4,081,199</u>	<u>3,756,017</u>	<u>87,469</u>	<u>3,843,486</u>

25 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.

26 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:

	2019 £	2018 £
Within one year	13,254	5,350
Between two and five years	15,681	-
	<u>28,935</u>	<u>5,350</u>

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

27 Related party transactions

Barry Gallagher who was the Chief Executive Officer and Company Secretary of the charity was a director of Cefn Coed Management Ltd until 30th September 2018, Rhian Jones who is the Chief Executive Officer and Company Secretary of the charity became a director of Cefn Coed Management Ltd on 1st October 2018. During the year Drive paid the company management fees totalling £1,632 (2018: £1,743). At the year end the charity owed the company £nil, (2018: £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 £2,214 (2018: £894). At the year end the charity owed the companies £nil (2018: £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 £650 (2018: £444).

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 (2018: £nil).

As at 31 March 2019 the charity owed Drive Enterprises Ltd £1 (2018: £1).

28	Cash generated from operations	2019 £	2018 £
	Surplus for the year	237,713	40,172
	Adjustments for:		
	Investment income recognised in statement of financial activities	(12,386)	(5,281)
	Gain on disposal of tangible fixed assets	(450)	(11,100)
	Depreciation and impairment of tangible fixed assets	39,819	41,056
	Movements in working capital:		
	Decrease/(increase) in debtors	257,663	(30,651)
	Increase/(decrease) in creditors	32,388	(297,591)
	Increase/(decrease) in deferred income	184,347	(67,815)
	Cash generated from/(absorbed by) operations	739,094	(331,210)

29 Analysis of changes in net funds

	At 1 April 2018 £	Cash flows £	At 31 March 2019 £
Cash at bank and in hand	2,229,870	669,882	2,899,752
Loans falling due within one year	(56,236)	-	(56,236)
Loans falling due after more than one year	(180,200)	52,779	(127,421)
	1,993,434	722,661	2,716,095