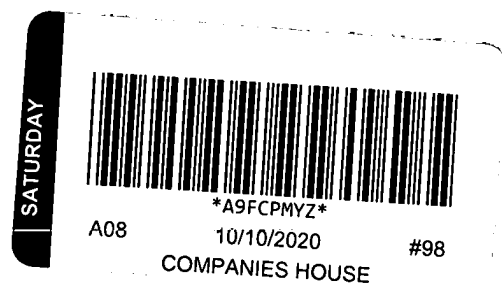


Charity Registration No. 703002

Company Registration No. 2506147 (England and Wales)

DRIVE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



DRIVE

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DRIVE

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2020

The trustees present their report and financial statements for the year ended 31 March 2020.

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

During the latter part of this reporting period the work of the organisation has been affected by the impact of the COVID-19 pandemic and lockdown, however, we are proud to report that our staff have responded courageously, ensuring that people continue to be supported at home safely and creatively. Central office business activities have been successfully operated from home while the offices remain closed. The development of an emergency planning team and effective Business Continuity Plans for the organisation and each service, has meant that staff and supported people's health has been tracked, reported on and well managed throughout the period. All services have continued to be fully staffed, with the main impact being the closure of Day Centres Monday to Friday.

The Financial impact of COVID-19 has yet to be realised, however, there have been additional costs for PPE, staff sickness, staff furlough arrangements, additional IT for home working and communication with services and the people we support. Welsh Government has released 40 million pounds to Local Authorities so that Providers can reclaim additional costs, however, there is no guarantee that all of them will be recovered. We will closely monitor the situation throughout 2020/21. Emergency decisions have been taken by the Management Board to ensure that cashflow is not affected by additional expenditure during this time.

Drive continues to be a pioneering organisation, established in 1981 to support people with learning disabilities move from institutions into ordinary houses in local communities. Using active support, we provide the right level of help to ensure every person we support has an individualised personal plan that promotes development, relationships, choice and autonomy. 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. During March 2020 we opened a new development in Rhondda Cynon Taff providing 17 individual high-quality flats to provide more independent accommodation for people to move on to from shared support. 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 has been re-developed during 2019 following successful fund-raising activities to provide support to people with Autism.

During the COVID-19 lockdown, Office 365 Teams has been used to design virtual activities for the people we support throughout the week. They include bingo, quizzes, Zumba, choir, cooking classes and coffee mornings. There are also a range of craft, gardening and house improvement activities on-line that people can engage in at any time. As a result, people have remained connected with friends, made new friends, learned new skills and stayed active and entertained when routines and access to day centres has been disrupted. We are indebted to the response of our staff teams, who have worked tirelessly to reduce anxieties and maintain support, while following guidelines on use of PPE and hygiene and infection control.

Our Mission

'Drive enables 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.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

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.

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.

Ensuring our work delivers our aims

We review our aims and objectives annually through a Performance Report and review of our Business Plan strategic aims, celebrating what we have achieved and the outcome of our work in the previous 12 months.

Values and Culture

These are the words that staff used to describe Drive during staff and supported people conferences, highlighting the strong, positive culture that the organisation continues to create.



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.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

Achievements and performance

Business Plan Strategic Aims for 2019/20 were:

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 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.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

How we have performed

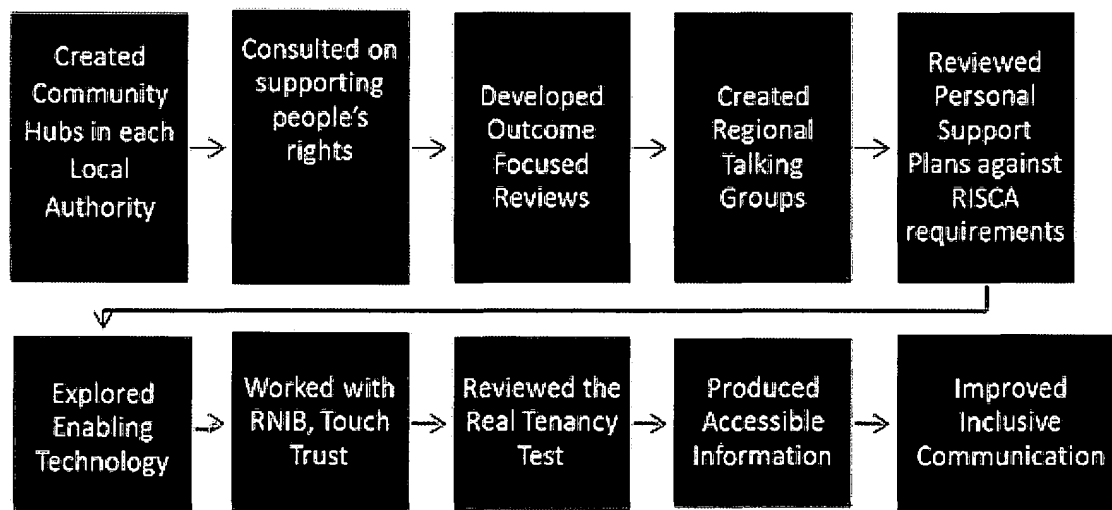
People we Support Lead the Way

Nothing About Me Without Me

Co-production continues to be central to our values and running of the organisation.

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 2019/20, creating local Drive Talking Groups in every Local Authority area to have more opportunities to listen to people's experiences of how we run the organisation and provide support. During 2019/20:

We have ...



Long Term Financial Sustainability is maintained

We Have...

- Reviewed and improved the Total Rewards Strategy
- Paid staff above National Minimum Wage
- Benchmarked central office salaries
- Got onto a Short Breaks Framework and Supported Living Framework in Bridgend
- Won a grant from the Foundational Economy Challenge to develop Autism provision during the day
- Been successful in fund-raising for a variety of small grants
- Reviewed the Development Strategy
- Developed a Business Continuity Plan for COVID-19
- Reviewed the Risk Register
- Redesigned the Risk and Assurance Framework
- Developed an IT Strategy
- Explored a Digitalisation Strategy

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

Staff deliver a quality service

We have...

- Attained the Silver Award in Investors in People
- Registered all staff with Social Care Wales
- Reviewed policies and procedures to ensure compliance with RISCA
- Designed a new induction framework for Registration of the Workforce
- Signed up for the 'Time to Change' pledge
- Retrained all Senior Managers, Team Managers and Team Leaders in Positive Behaviour Support
- Achieved advanced accreditation with the NAS
- Improved our recruitment processes
- Received a positive Health and Safety external audit
- Introduced annual mixed staff conferences
- Conducted more staff surveys

The organisation is well managed and governed

We have...

- Recruited a new CEO, Director of Operational Services, and Director of Human Resources
- Recruited two new Board members
- Held development Days for Board Members
- Redesigned the Risk and Assurance Framework
- Redesigned the Business Continuity Plan
- Implemented Microsoft Teams for improved communication and Staff Hub for rota management
- Mapped Local Authority Corporate Plans to the Development Strategy
- Launched a new website and Logo
- Reviewed policies in line with RISCA
- Conducted an external Health and Safety Audit
- Won tenders in Merthyr, Bridgend and Neath Port Talbot
- Developed an outcome monitoring process
- Integrated Carista, an operational database, across the organisation
- Redesigned the office to improve security

Delivery of support services

During 2019/20 we have successfully tendered to be included in the Supported Living and Short Breaks Framework for Bridgend. The figures below are accurate to 31 March 2020.

Available placements

Area	Target Support	Supported Living	Voids	Total
Bridgend	5	41	4	50
Merthyr	9	29	2	40
Monmouth	6	5	-	11
RCT	71	95	13	179
Neath	-	14	4	18
Total	91	184	23	298

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

Actual placements excluding voids

Area	2017-18	2018-19	2019-20
Bridgend	50	49	46
Merthyr	41	43	38
Monmouth	15	10	11
RCT	169	180	166
Neath	10	14	14
Total	285	296	275

Other Services

Services Provided	2017-18	2018-19	2019-20
Respite Care	39	37	35
Health and Wellbeing	31	26	29
Horticultural project	27	20	8
Total	97	83	72

The number of people in supported living tenancies have reduced due to people moving-on, and sadly some people passing away. We had 23 voids at the end of March 2020, and three services in RCT were decommissioned due to the opening of Penllew Court. All three were of poor quality and been discussed as part of a planned move-on program for some years.

Our Respite Care Service was suspended during March 2020 due to the risks presented by COVID-19 of cross-infection. It will provide emergency and planned respite accommodation to two/three individuals at a time during COVID-19 restrictions, as this can be done safely utilising the self-contained flat.

The Tenancy and Wellbeing service continues to successfully provide a step-down facility for people to gain new skills and confidence before progressing to more independent accommodation. We were delighted to support 6 people to move into their own flats with targeted support during 2019/20; it was an enormous achievement for everyone involved.

After successfully gaining a grant for £75K from the Foundational Economy Challenge Fund, the Horticultural project has been transformed into an ECO project for people with complex Autism. Our first referral was accepted in January for a young man transitioning from a Residential School.

A new service opened in RCT in February that provides 19 individual flats and a community hub for people with a learning disability. It has offered an opportunity for people to move from shared accommodation to more independent tenancies, or for people living with families to move into a home of their own. Staff are providing skills teaching, confidence building and health and wellbeing sessions to support people to maintain their tenancies and create the potential to eventually move-on.

Care Inspection Wales

During January 2020 we received our first Inspection under the Regulations and Inspection of Social Care (Wales) Act 2016. The findings included extremely positive comments about all aspects of support. There were minor areas to attend to regarding compliance.

Positive comments included:

'People are listened to and their voice is promoted. They have good opportunities to learn and develop their skills and independence within a service that actively promotes their participation.'

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

We received positive feedback overall from staff we spoke with, which indicated they felt valued and supported.'

'The overall performance of the service was overseen by a senior management team and management board, to which quarterly monitoring reports and performance indicators were submitted by the Responsible Individual. Systems were in place for dealing with and overseeing complaints and staff disciplinary matters, supported by a disciplinary policy....People benefit from a well-run service.' (Inspection Report 2020).

Families

Feedback from families is now recorded in three monthly area manager visits as well as through our compliments and complaints procedure. Various events were held to provide opportunities for families to talk to the senior management team, including a bake-off, and a family day at the Holiday Inn, Tongwynlais.

Feedback from families during our Inspection included:

'Staff are really good at their job. They're organised, it's a really good company, the service is excellent.'

'We are absolutely delighted' with the care and support provided, 'Drive are a good company, they involve us.'

Governance

The Management Board is made up of 12 skilled and experienced Trustees who meet every two months to oversee the strategic direction and legislative compliance of the organisation. Two new Trustees were recruited this year, with skills in digitalisation, housing provision, and corporate governance. They received a full induction including two Board development days to explore the new Business Plan and Strategic Aims, the Development Strategy, and a Digitalisation Program. The future aims of the organisation have been reviewed and refreshed, and included consultation with staff, supported people, families, as well as Trustees. Trustees also attended a presentation on Resilience and Recovery following COVID-19, and considered the use of the Reserves Policy during the pandemic.

The Articles of Association are reviewed every three years by the Management Board. The Business Continuity Plan, Risk and Assurance Framework, Risk Register, Schedule of Delegated Authority and Conflicts of Interest Register are reviewed annually. Safeguarding, Compliments and Complaints, Local Authority monitoring reports and Employee engagement and Conduct issues are amongst a comprehensive range of information submitted to every meeting to ensure and facilitate robust governance procedures and discussions.

COVID-19 Recovery Plan

A 12-month Strategic Plan has been developed to support the work of the organisation going forward into recovery from COVID-19. This includes increasing the frequency of financial monitoring, planning the return of training and critical business functions to the office, and engaging with local authorities to plan resources for daytime provision and additional costs. Business Continuity Plans have been completed for each service, which include risk assessments for each person that we support and forecasting of PPE requirements going forward.

Risk Management

The Management Board and Drive's Business Planning Group have reviewed the Risk and Assurance Framework and Risk Register in order to mitigate the major risks that the organisation may be exposed to, including those presented by COVID-19. The Risk Register is updated annually but has been more frequently reviewed during the first quarter of the year in order to support the management of an emergency situation.

Health and Safety within the organisation continues to be overseen by the Health and Safety Committee, which includes representatives from the Senior Management Team, Trustees, and staff from all levels of the organisation. We have continued to implement the action plan generated by an external audit in 2018.

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

Financial Review

Results

The net incoming unrestricted deficit for the year ended 31 March 2020 amounted to £138,064 (2019: £241,860 surplus). This deficit reduced the cumulative unrestricted funds to £3,859,813. 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 £13,587,785 (2019: £12,460,838). Expenditure from restricted reserves of £13,582,751 (2019: £12,464,985) resulted in net inflowing resources of £5,004 (2019: £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 £3,859,813 (2019: £3,997,877), which is equivalent to two and half 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 £2,085,860 (2019: £2,417,496).

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 2020

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 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 Covid-19/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)

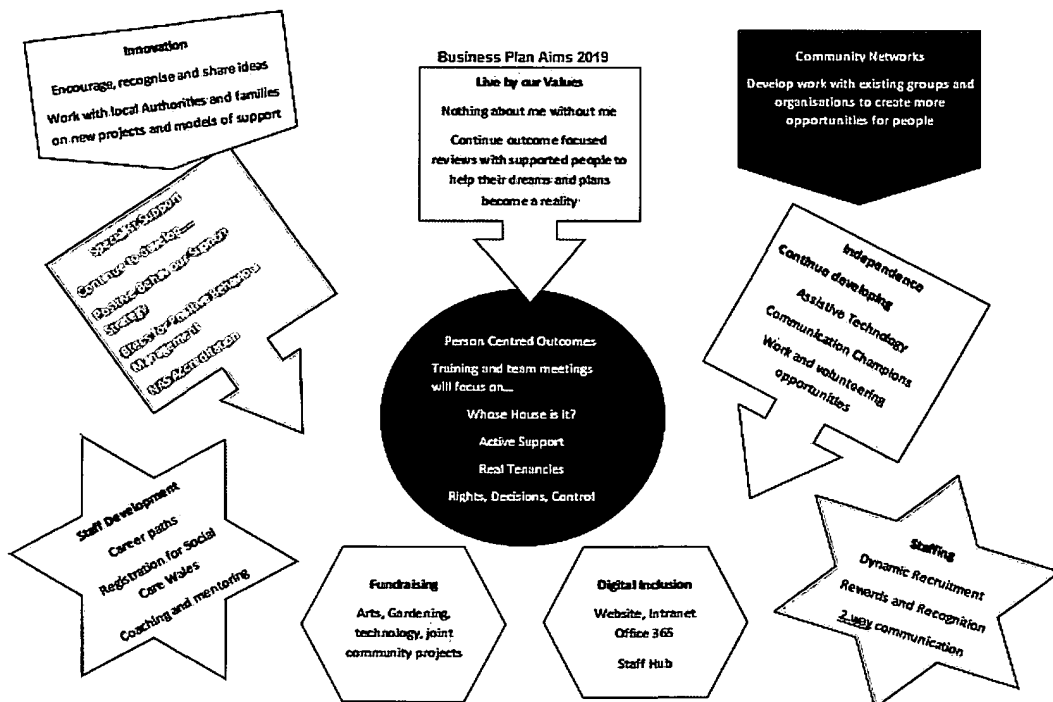
FOR THE YEAR ENDED 31 MARCH 2020

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 2020/21:



DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

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 2020

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	Ms Rhian Jones
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 - resigned 15 October 2019 Mr Chris Kitching Mr Richard Troote - appointed 15 October 2019 Ms Karen Cherrett - appointed 15 October 2019
Solicitors	Hugh James 3rd Floor Aribee House Greyfriars Road Cardiff

DRIVE

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

FOR THE YEAR ENDED 31 MARCH 2020

Independent Auditors

Azets 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 the people it supports. 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.



R Jones - Secretary

Dated: 05/10/2020

DRIVE

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2020

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 2020 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 2020 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.

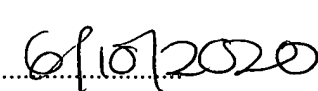
Auditor's responsibilities for the audit of the financial statements

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 Azets Audit Services

Accountants
Statutory Auditor


1-3 Waters Lane
Newport
NP20 1LA

DRIVE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	50	-	50	381	-	381
Charitable activities	4	3,581,103	13,587,755	17,168,858	3,433,635	12,460,838	15,894,473
Investments	5	15,066	-	15,066	12,386	-	12,386
Other income	6	-	-	-	450	-	450
Total income		3,596,219	13,587,755	17,183,974	3,446,852	12,460,838	15,907,690
<u>Expenditure on:</u>							
Charitable activities	7	3,727,944	13,582,751	17,310,695	3,204,992	12,464,985	15,669,977
Other	10	6,339	-	6,339	-	-	-
Total resources expended		3,734,283	13,582,751	17,317,034	3,204,992	12,464,985	15,669,977
Net (expenditure)/income for the year/ Net movement in funds		(138,064)	5,004	(133,060)	241,860	(4,147)	237,713
Fund balances at 1 April 2019		3,997,877	83,322	4,081,199	3,756,017	87,469	3,843,486
Fund balances at 31 March 2020		3,859,813	88,326	3,948,139	3,997,877	83,322	4,081,199

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.

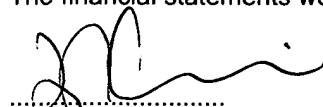
DRIVE

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	14	1,122,361		1,144,340	
Investments	15	1		1	
		<u>1,122,362</u>		<u>1,144,341</u>	
Current assets					
Debtors	17	2,444,027		1,545,826	
Cash at bank and in hand		<u>1,751,937</u>		<u>2,899,752</u>	
		4,195,964		4,445,578	
Creditors: amounts falling due within one year	19	<u>(1,248,291)</u>		<u>(1,381,299)</u>	
Net current assets		<u>2,947,673</u>		<u>3,064,279</u>	
Total assets less current liabilities		<u>4,070,035</u>		<u>4,208,620</u>	
Creditors: amounts falling due after more than one year	21	(121,896)		(127,421)	
Net assets		<u><u>3,948,139</u></u>		<u><u>4,081,199</u></u>	
Income funds					
Restricted funds	23	88,326		83,322	
<u>Unrestricted funds</u>					
Designated funds	24	706,778		495,373	
General unrestricted funds		<u>3,153,035</u>		<u>3,502,504</u>	
		<u>3,859,813</u>		<u>3,997,877</u>	
		<u><u>3,948,139</u></u>		<u><u>4,081,199</u></u>	

The financial statements were approved by the Trustees on 5-10-2020



Mr H Irwin
Trustee

Company Registration No. 2506147

DRIVE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(1,087,714)		739,094
Investing activities					
Purchase of tangible fixed assets		(21,642)		(29,269)	
Proceeds on disposal of tangible fixed assets		-		450	
Interest received		15,066		12,386	
Net cash used in investing activities			(6,576)		(16,433)
Financing activities					
Repayment of bank loans		(53,525)		(52,779)	
Net cash used in financing activities			(53,525)		(52,779)
Net (decrease)/increase in cash and cash equivalents			(1,147,815)		669,882
Cash and cash equivalents at beginning of year			2,899,752		2,229,870
Cash and cash equivalents at end of year			1,751,937		2,899,752

DRIVE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

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 2020

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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 2020

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	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	50	381

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

4 Charitable activities

	2020 £	2019 £
ILF and targeted support income	1,124,920	1,264,744
Supporting People grant	658,111	767,653
Health and Local Authority	12,907,928	11,693,185
Rent and service charges	2,087,646	1,930,589
Other income	390,253	238,302
	<u>17,168,858</u>	<u>15,894,473</u>
Analysis by fund		
Unrestricted funds	3,581,103	3,433,635
Restricted funds	13,587,755	12,460,838
	<u>17,168,858</u>	<u>15,894,473</u>

5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Interest receivable	<u>15,066</u>	<u>12,386</u>

6 Other income

	Total Unrestricted funds 2020 £	Total Unrestricted funds 2019 £
Net gain on disposal of tangible fixed assets	<u>-</u>	<u>450</u>

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

7 Charitable activities

	2020 £	2019 £
Staff costs	14,380,934	12,949,846
Depreciation and impairment	12,858	13,427
Recruitment	28,575	12,629
Food, cleaning, health and safety	64,998	36,850
Interest and bank charges	3,043	50,798
Legal and professional costs	165,270	148,608
Office expenses	156,661	159,561
Participation	26,130	22,941
Rent and utilities	1,431,924	1,315,048
Repairs, maintenance and renewals	109,023	115,011
Travel and vehicle costs	216,839	191,324
Establishment costs	76,732	60,872
	<u>16,672,987</u>	<u>15,076,915</u>
Share of support costs (see note 8)	543,476	495,929
Share of governance costs (see note 8)	94,232	97,133
	<u>17,310,695</u>	<u>15,669,977</u>
Analysis by fund		
Unrestricted funds	3,727,944	3,204,992
Restricted funds	13,582,751	12,464,985
	<u>17,310,695</u>	<u>15,669,977</u>

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Support costs

	Support costs	Governance costs	2020	2019	Basis of allocation
	£	£	£	£	
Staff costs	301,737	86,448	388,185	336,963	Time spent
Depreciation	24,424	-	24,424	26,392	Time spent
Bank charges	-	-	-	4,174	Time spent
Establishment costs	3,612	-	3,612	2,293	Time spent
Recruitment	1,615	-	1,615	16,816	Time spent
Food, cleaning, health	14,940	-	14,940	16,319	Time spent
Office expenses	98,889	-	98,889	79,780	Time spent
Rent & utilities	38,671	-	38,671	30,990	Time spent
Repairs & maintenance	37,697	-	37,697	55,190	Time spent
Travel & vehicle costs	21,891	-	21,891	15,835	Time spent
Audit fees	-	7,784	7,784	8,310	Governance
	<u>543,476</u>	<u>94,232</u>	<u>637,708</u>	<u>593,062</u>	
Analysed between					
Charitable activities	<u>543,476</u>	<u>94,232</u>	<u>637,708</u>	<u>593,062</u>	

Governance costs includes payments to the auditors of £7,784 (2019- £8,310) for audit fees.

9 Net movement in funds

	2020	2019
	£	£
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	7,784	8,310
Depreciation of owned tangible fixed assets	37,282	39,819
Loss/(profit) on disposal of tangible fixed assets	<u>6,339</u>	<u>(450)</u>

10 Other

	Unrestricted funds	Total
	2020	2019
	£	£
Net loss on disposal of tangible fixed assets	<u>6,339</u>	<u>-</u>
	<u>6,339</u>	<u>-</u>

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Care and administration staff	701	669

Employment costs

	2020 £	2019 £
Wages and salaries	13,177,032	11,937,631
Social security costs	1,075,805	941,002
Other pension costs	516,282	408,176
	14,769,119	13,286,809

The average number of employees during the year, calculated on the basis of full-time equivalents was 556 (2019: 535).

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

	2020 Number	2019 Number
£60,000 - £70,000	2	1
£70,000 - £80,000	1	1

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 £305,422 (2019: £338,463).

13 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 (2019: £nil).

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

14 Tangible fixed assets

	Freehold interest in land and buildings	Plant and machinery including motor vehicles	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 April 2019	1,441,307	69,029	413,165	1,923,501
Additions	-	-	21,642	21,642
Disposals	-	(10,492)	-	(10,492)
At 31 March 2020	1,441,307	58,537	434,807	1,934,651
Depreciation and impairment				
At 1 April 2019	343,262	48,800	387,099	779,161
Depreciation charged in the year	24,767	4,541	7,974	37,282
Eliminated in respect of disposals	-	(4,153)	-	(4,153)
At 31 March 2020	368,029	49,188	395,073	812,290
Carrying amount				
At 31 March 2020	1,073,278	9,349	39,734	1,122,361
At 31 March 2019	1,098,045	20,229	26,066	1,144,340

15 Fixed asset investments

	Other investments
Cost or valuation	
At 1 April 2019 & 31 March 2020	1
Carrying amount	
At 31 March 2020	1
At 31 March 2019	1

	Notes	2020 £	2019 £
Other investments comprise:			
Investments in subsidiaries	16	1	1

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

16 Subsidiaries

Details of the charity's subsidiaries at 31 March 2020 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

17 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	2,282,397	1,454,103
Other debtors	2,173	83
Prepayments and accrued income	159,457	91,640
	<u>2,444,027</u>	<u>1,545,826</u>

18 Loans and overdrafts

	2020	2019
	£	£
Bank loans	<u>130,132</u>	<u>183,657</u>
Payable within one year	8,236	56,236
Payable after one year	<u>121,896</u>	<u>127,421</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 2023.

In April 2020, due to Covid-19, the charity made a decision to evoke a capital repayment holiday for 1 year.

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

19 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans	18	8,236	56,236
Other taxation and social security		235,751	205,747
Deferred income	20	229,515	326,477
Trade creditors		180,963	90,580
Other creditors		104,600	272,862
Accruals		489,226	429,397
		<u>1,248,291</u>	<u>1,381,299</u>

20 Deferred Income

	2020 £	2019 £
Balance as at 1st April	326,477	142,130
Income received in the year	658,111	767,653
Released to income	(755,073)	(583,306)
Balance as at 31st March	<u>229,515</u>	<u>326,477</u>

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

21 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans	18	<u>121,896</u>	<u>127,421</u>

22 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 £516,282 (2019: £408,176), of which £34,675 related to the defined benefit pension schemes. At the year-end £44,227 (2019: £50,763) is held in creditors pending debit by the pension companies.

The charge to profit or loss in respect of defined contribution schemes was £516,282 (2019 - £408,176).

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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			Movement in funds			Balance at 31 March 2020 £
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	
Building Fund	38,246	-	(3,412)	34,834	-	(3,414)	31,420
Thomas Bailey Trust Fund	10,234	-	(735)	9,499	-	(732)	8,767
The Horticultural Fund	15,000	-	-	15,000	-	-	15,000
The Progress Housing Trust Fund	23,989	-	-	23,989	-	-	23,989
Local Authority Funding	-	12,460,838	(12,460,838)	-	13,566,039	(13,566,039)	-
Millenium Stadium Charitable Trust	-	-	-	-	7,450	-	7,450
Foundational Economy Challenge Fund	-	-	-	-	6,091	(6,091)	-
The National Lottery Community Fund Wales	-	-	-	-	8,175	(6,475)	1,700
	<u>87,469</u>	<u>12,460,838</u>	<u>(12,464,985)</u>	<u>83,322</u>	<u>13,587,755</u>	<u>(13,582,751)</u>	<u>88,326</u>

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

23 Restricted funds

(Continued)

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.

Millennium Stadium Charitable Trust was received to fund the seeing is believing project.

Foundational Economy Challenge Fund was received to fund the Horti Autism Centre.

The National Lottery Community Fund Wales was received to fund the Drive Choir.

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

24 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				Movement in funds				Balance at 31 March 2020 £
	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	
Tenant Welfare and Move On	57,805	-	-	(1,157)	56,648	-	-	(6,789)	49,859
Cyclical Maintenance	29,666	-	(29,666)	-	-	-	-	-	-
Internal Decoration Reserve	139,994	-	(18,823)	46,223	167,394	-	-	(16,677)	150,717
Furniture Replacement Reserve	112,589	-	(22,112)	943	91,421	-	-	392	91,813
Laundry Reserve	27,623	-	(4,123)	(3,181)	20,319	-	-	(1,199)	19,120
Planned Maintenance	22,264	-	(397)	18,045	39,912	-	-	-	39,912
Garden Maintenance	4,787	-	(2,602)	-	2,185	-	-	(1,796)	389
Garden Maintenance STC	1,000	-	-	-	1,000	-	-	-	1,000
Household Reserve	(10,424)	-	(11,465)	21,439	(450)	-	-	(12,527)	(12,977)
Redundancy Reserve	100,000	-	-	-	100,000	-	-	-	100,000
Health & Wellbeing Reserve	-	-	-	11,000	11,000	-	-	-	11,000
Merthyr Connect Reserve	-	-	-	5,019	5,019	-	-	-	5,019
AFC Reserve	-	-	-	926	926	-	-	-	926
Digitalisation Strategy	-	-	-	-	-	-	-	250,000	250,000
	485,304	-	89,188	99,257	495,373	-	-	211,404	706,778

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

24 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 2020

25 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 March 2020 are represented by:						
Tangible assets	1,067,174	55,187	1,122,361	1,085,007	59,333	1,144,340
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	2,914,534	33,139	2,947,673	3,040,290	23,989	3,064,279
Long term liabilities	(121,896)	-	(121,896)	(127,421)	-	(127,421)
	<u>3,859,813</u>	<u>88,326</u>	<u>3,948,139</u>	<u>3,997,877</u>	<u>83,322</u>	<u>4,081,199</u>

26 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.

27 Related party transactions

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 £1,869 (2019: £1,632). At the year end the charity owed the company £nil, (2019: £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 £14,251 (2019: £2,214). At the year end the charity owed the companies £nil (2019: £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 £nil (2019: £650).

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 (2019: £nil).

As at 31 March 2020 the charity owed Drive Enterprises Ltd £1 (2019: £1).

DRIVE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

28 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:

	2020 £	2019 £
Within one year	13,254	13,254
Between two and five years	8,154	15,681
	<u>21,408</u>	<u>28,935</u>

29 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(133,060)	237,713
Adjustments for:		
Investment income recognised in statement of financial activities	(15,066)	(12,386)
Loss/(gain) on disposal of tangible fixed assets	6,339	(450)
Depreciation and impairment of tangible fixed assets	37,282	39,819
Movements in working capital:		
(Increase)/decrease in debtors	(898,201)	257,663
Increase in creditors	11,954	32,388
(Decrease)/increase in deferred income	(96,962)	184,347
Cash (absorbed by)/generated from operations	<u>(1,087,714)</u>	<u>739,094</u>

30 Analysis of changes in net funds

	At 1 April 2019 £	Cash flows £	At 31 March 2020 £
Cash at bank and in hand	2,899,752	(1,147,815)	1,751,937
Loans falling due within one year	(56,236)	48,000	(8,236)
Loans falling due after more than one year	(127,421)	5,525	(121,896)
	<u>2,716,095</u>	<u>(1,094,290)</u>	<u>1,621,805</u>