

# **Annual report and financial statements**

**Oxfordshire Motor Project**

**Year ended 31 August 2020**

Registered charity no. 1013246

Company no. 02733803



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## **Legal and administrative information**

<b>Charity name</b>	Oxfordshire Motor Project	
<b>Trading as</b>	TRAX Motor Project	
<b>Charity registration no.</b>	1013246	
<b>Company registration no.</b>	02733803	
<b>Registered office</b>	Red Barn Farm Woodstock Road Oxford Oxfordshire OX2 8JR	
<b>Trustees</b>	Dr Simon Draper Ros Mengech Peter Wilks  Rae Humberstone Paula Davies	  appointed 1 July 2019 resigned 1 January 2020 <i>Chair</i> – appointed 1 January 2020 appointed 10 March 2020
<b>Charity director</b>	Peter Wilks	<i>Interim</i> – appointed 1 March 2020
<b>Independent examiner</b>	Andy Nash Accounting & Consultancy Ltd Units 24 & 25 Goodsheds Container Village Hood Road Barry CF62 5QU	
<b>Principal bankers</b>	Lloyds Bank 25 Gresham Street London EC2V 7HN	

## **Chairman's report**

The start of the year was tough for all concerned. Our Charity Director attendance had been intermittent during the previous year and it was clear due to long term sickness she could not work at all for the year 2019/20. Peter Wilks, who had been central to rebuilding the charity before moving to a trustee role was asked to stand down as a trustee to act as an interim Charity Director alongside Stephanie Dass on a quarter-by-quarter basis. The Trustees felt this was the right decision while we looked to understand Olivia Davies' long term situation. The year continued under this arrangement and by the end of the year it was clear Olivia Davies would not return to work.

The year, under the guidance of Peter and Steph, delivered everything we could have hoped for especially considering COVID-19. Considering the young people could more easily get COVID-19 and pass it on, and their vulnerability status, the charity had to remain open throughout the whole year. What is astounding is the measures taken ensured there were no cases of COVID-19 amongst staff or students. This was completed by educating and creating an environment where students stayed safe.

There would be many reasons why student numbers might be lower and subsequent pressures on revenues to run the charity. Rather the opposite was achieved implementing the strategy delivering exceptional services that attracted increased numbers and a waiting list. The revenues for the year were £728,142

while costs were £564,594. Looking at the performance in the current year, student intake continues to increase as do revenues while costs are being managed well. It is important to note that once again COVID-19 was managed well with zero cases. We asked Peter to continue as interim Charity Director into 2020/21 and have once again asked him to continue his work into 2021/22. We are pleased to confirm he has agreed.

The charity is continuing to move forward with the introduction of apprenticeships, new courses, and more trained staff. The long-term outlook is looking good as TRAX becomes the most important charity for Oxfordshire delivering important services to young people who are the most vulnerable.

As with any organisation there are challenges and for TRAX it is premises. The threat of the landlord selling the land to developers is ever present despite the agreement to allow TRAX to stay for three years which was agreed a year ago. It is a critical element of TRAX's future to move to long term premises fit for purpose.

We would like to thank all the staff and especially Peter and Steph for their hard work and dedication.

Dr Simon Draper

**Member of the board of trustees**

## **Trustees' annual report**

The Board of Trustees, who are also Directors of the Charity for the purposes of the Companies Act, and Trustees for charity law purposes, submit their annual report and the financial statements of Oxfordshire Motor Project for the year ended 31 August 2020. The Board of Trustees confirms that the annual report and financial statements of the Charity comply with current statutory requirements, including the Charity Act 2011, as well as the requirements of the Charity's governing document and the provisions of the 'Charities SORP (FRS 102) - 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), and the Companies Act 2006.

### **Objectives & activities**

#### **Objectives & aims**

The objectives of the charity are:

- to advance the education and training of young people under the age of 25 years who, or whose parents, are resident in Oxfordshire and who have been convicted of a criminal offence involving a motor car, or whose circumstances may create tendencies in them towards such offences so that such young people may grow to full maturity as individuals and members of society and become better equipped to take a useful and responsible place in the community and so that their conditions of life may be improved;
- to promote the study and research for public dissemination into the cause and prevention of criminal offences involving motor cars by such young people.

#### **Public benefit**

The charity exists to serve a wide range of young people, at what may be difficult and formative times of their lives, to augment the resources available to provide appropriate levels of care and support.

The trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard for the Commission's guidance on public benefit.

### **Achievements & performance**

#### **Charitable activities**

The last year reflects the transformation of the charity from its past to its future. Previously, the charity relied on Trusts and Funds to fund its core delivery services.

The charity started to move away from this reliance in 2018 to concentrate on student revenues. This year's accounts reflect a strong increase in all areas of student revenues, with income from course fees up 203% from that of the prior year.

The trustees consider it to be a significant achievement that the charity is able to support a greater number of young people each year, with an increase in 2020 compared to 2019, and again throughout the first half of 2021 as compared to 2020. The charity is currently running courses to City and Guilds level including Motor Mechanics (level 1), Motor Mechanics (entry level 3), Catering, Food Preparation and Hygiene, Bicycle Mechanics and Motorbike Mechanics (entry level 3) as well as GCSE equivalents in Maths and English (governed by the holding school) and ICT.

During 2021 the charity plans to further expand its courses into Hair and Beauty, Horticulture and in late 2021 it will launch Sports Science. We recognise the rapid change in Mechanical Propulsion and will further expand our delivery away from traditional diesel and petrol mechanical propulsion. Our main body of work, however, is still to repair damaged young people through our youth work and social care programme.

The trustees believe that the charity continues to be in a strong position to meet the challenges of its core delivery which is to provide growing support to those young people who are high-risk and vulnerable within Oxfordshire, with holistic support and structured vocational courses with recognised qualifications.

### **Financial review**

The trustees have considered the financial position at the balance sheet date and are satisfied that the charity is becoming more stable with predictable revenues. Going in to 2020/21, the trustees consider that the strategy that has been put in place over the last two financial years is working and delivering increased revenue, alongside planned increases in student numbers and increasing diversity. The current year's accounts and performance confirm this position.

During the current financial year, the Charity achieved a surplus of £163,548 (2019: £401), increasing total reserves at year end to £153,450 (2019: deficit on reserves of £10,098).

Of the reserves held at year end, £149,490 (2019: deficit of £13,949) were unrestricted in nature.

## **Reserves policy**

Unrestricted funds are needed to provide resources which can be assigned to specific projects to enable those projects to be undertaken at short notice, as well as to cover ongoing costs of the charity, without which the charity could not function. The trustees consider it prudent that unrestricted reserves should be held to the level of 3 months' running costs, which equates to approximately £90,000, and as at the balance sheet date our unrestricted fund reserve has switched from a deficit at 31 August 2019 to a surplus of £149,490.

The trustees' decision to move away from a reliance on Trusts and Funds to more predictable revenues is paying off and demonstrated by greater stability in the charity's overall financial performance. The move towards Special Educational Needs (SEN) has provided the vital services the local community wanted, combined with a greater certainty of revenue. Part of that programme was to acknowledge that we would be dealing with flat or only slight increases in revenue whilst the charity restructured, bringing in different skill sets.

During the next financial year, the charity continues to see further growth and stability.

## **Going concern**

The financial statements have been prepared on a going concern basis as the trustees have assessed the position and have no reason to believe that there are any material uncertainties that would affect the ability of the charity to continue as a going concern for the foreseeable future.

We acknowledge that COVID-19 represents a material uncertainty for every individual and business in the country, and indeed worldwide, and although we have furloughed some of our staff, we have done that on a rotational basis to be able to continue to offer our young people a 'safe space' to attend during the day. Where we have been unable to run scheduled lessons, we have offered alternative activities instead and our services have continued uninterrupted, albeit with the necessary safeguards in place.

The trustees have considered the next 12 months and have reviewed post-date reports for that period in making their assessment. For the current financial year (2020/21), our total invoiced income (including donations and grants) up to the middle of June 2021 amounted to £583k.

As of the date of this report, our bank balances were healthy and in excess of £119k, with significant balances owed in aged receivables.

## **Structure, governance and management**

### **Governing document**

Oxfordshire Motor Project is registered under the Companies Act 2006 as a company limited by guarantee and not having a share capital.

Oxfordshire Motor Project is a registered Charity constituted as a limited company under its Memorandum and Articles of Association. The charity registration number is 1013246 (England and Wales) and the company registration number is 02733803 (England and Wales).

### **Recruitment and appointment of Trustees**

The Trustees are also the directors of Oxfordshire Motor Project for the purpose of company law. The Articles of Association require a minimum of three and there is no maximum number.

All directors are subject to re-election on an tri-annual basis at the Annual General Meeting, with no maximum length of service. Only the current directors can appoint new directors.

When looking for new trustees, the current trustees and executive team would consult and seek out suitable and interested people. This might be people with the appropriate skills or knowledge base who live in Oxfordshire, or possibly young people who have benefitted from the charity's objectives in the past. The trustees would invite potential candidates to come along and observe board meetings, so that both parties can see if the appointment would be a good 'fit'. Official appointment is then made in accordance with the Articles of Association.

### **Organisational structure**

Overall responsibility for the charity's management rests with the Board of trustees who are also the charity's directors. The selection of trustees is designed to supplement the existing skills and expertise of the Board and is governed by an informal skills assessment.

### **Decision making**

Ms O Davies, Charity Director, was increasingly unwell during the 19/20 year and this meant that Peter Wilks stepped down as a trustee to take over operations alongside Stephanie Dass on a day-to-day basis for the year being reported. Ms Davies subsequently left the charity just after the end of the 19/20 financial reporting year without returning to work. Peter Wilks and Stephanie Dass have continued in the operational day to day decision making roles and continue to be responsible for implementing a set of internal controls suitable for the organisation. Mr Wilks reports to the trustees on a regular basis, and attends trustee board meetings to report on the progress and strategic development of the charity. Key Management

Personnel are considered to include Mr Wilks, as Acting Charity Director, and Stephanie Dass, the Administrative Officer. Further information on remuneration is given in note 6.

## Risk management

The trustees review, on an annual basis, the major risks which the charity faces to ensure that it has sufficient resources in the event of adverse conditions. The trustees have examined the operational and business risks which the charity faces and confirm that they are satisfied that systems and controls are established over key financial systems to mitigate any significant risks.

The major risks facing the charity are around controlling costs and securing long-term premises. The trustees are very aware that it is essential to control costs both around infrastructure and in those arising as a result of the increasing student numbers. Whilst growth is good, uncontrolled growth is not. Additionally, the trustees are aware that increasing student numbers and increasing revenue means that it is fundamentally important to ensure that organisationally the correct structure is in place in terms of operations, governance and ongoing scrutiny. In the next financial year, it will be a priority to secure new premises as the charity will need to move in the next 2 to 3 years. These risks are at the top of the operations team list, and these are reported on and monitored at every Board meeting.

## Remuneration policy

To set the salaries of Key Management Personnel, the trustees undertake research to benchmark average Charity Director and Administrative Officer remuneration packages in the local area and environs, and these are then discussed at appraisals.

## Subsidiary undertakings

The charity has a 100% owned subsidiary, Traxse Limited. This company is a Social Enterprise (SE) and was set up to enhance the charity's delivery by providing a structured business opportunity, employing exclusively vulnerable young people with two aims: to provide an opportunity to practice their skills, enhance their knowledge and gain real paid work experience; and to develop revenue to enable the charity to become self-sufficient. In the past, SE catering events have been business lunches, large BBQs, banqueting events, weddings, birthday functions plus larger events within Oxford. The catering social enterprise events have been at a standstill during COVID-19 but post April 2021 we are starting to see a growth in requests. The charity's work with the police to rebuild pushbikes has also gone well and we will look to convert this, as was done in the past, in to part of the SE. We are also looking for further SE opportunities in Horticulture and Hair & Beauty.

## Statement of Board of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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 charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. In addition, the Trustees confirm that they are happy that content of the annual review and information in pages 3 to 7 of this document meet the requirements of both the Trustees' Annual Report under charity law and the Directors' Report under company law.

They also confirm that the financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and

comply with the Charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2014.

### **Preparation of the report**

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

This report was approved and authorised for issue by the Board of Trustees on 24 May 2021 and signed on its behalf by:

Dr Simon Draper

**Member of the board of trustees**

## **Independent examiner's report to the board of trustees of Oxfordshire Motor Project**

I report to the Trustees on my examination of the accounts of Oxfordshire Motor Project (charity number 1013246, company number 02733803) for the year ended 31 August 2020 which are set out on pages 9 to 21.

### **Respective responsibilities of trustees and examiner**

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act'). The Trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 ('the 2011 Act') nor under Part 16 of the 2006 Act, and that an independent examination is needed.

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and,
- to state whether particular matters have come to my attention.

This report, including my statement, has been prepared for and only for the Charity's Trustees as a body. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body for my examination work, for this report, or for the statements I have made.

### **Basis of independent examiner's statement**

My examination was carried out in accordance with general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the Trustees concerning any such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the

accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### **Independent examiner's statement**

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England & Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or,
- the accounts do not accord with those records; or,
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or,
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

### **Andrew Philip Nash ACA**

*Member of the Institute of Chartered Accountants in England and Wales – 2461833*

Dated: 25 May 2021

Andy Nash Accounting & Consultancy Ltd  
Units 24 & 25, Goodsheds Container Village  
Hood Road  
Barry, CF62 5QU

## Statement of financial activities

### Incorporating the Income & Expenditure Account and the Statement of Recognised Gains & Losses For the year ended 31 August 2020

		Unrestricted funds Year ended 31 Aug 2020 £	Restricted funds Year ended 31 Aug 2020 £	Total funds Year ended 31 Aug 2020 £	Total funds Year ended 31 Aug 2019 £
	Notes				
<b>Income from:</b>					
Donations and legacies	2	7,708	11,000	18,708	30,111
Charitable activities	3	585,484	50,666	636,150	356,956
Other trading activities	4	-	-	-	2,181
Investments		6	-	6	-
Other income - CJRS claims		73,278	-	73,278	-
<b>Total income</b>		<b>666,476</b>	<b>61,666</b>	<b>728,142</b>	<b>389,248</b>
<b>Expenditure on:</b>					
Charitable activities	5	503,037	61,557	564,594	388,847
<b>Total expenditure</b>		<b>503,037</b>	<b>61,557</b>	<b>564,594</b>	<b>388,847</b>
<b>Net income/(expenditure)</b>		<b>163,439</b>	<b>109</b>	<b>163,548</b>	<b>401</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	11 & 12	(13,949)	3,851	(10,098)	(10,499)
<b>Total funds carried forward</b>	11 & 12	<b>149,490</b>	<b>3,960</b>	<b>153,450</b>	<b>(10,098)</b>

Other income consists of amounts received through the HMRC Coronavirus Job Retention Scheme.

The notes on pages 11 to 20 form part of the financial statements.

## Balance sheet

### As of 31 August 2020

	Notes	£	Total funds 31 Aug 2020 £	£	Total funds 31 Aug 2019 £
<b>Fixed assets:</b>					
Tangible assets	7		<b>46,851</b>		30,552
Investments	8		<b>1</b>		1
<b>Current assets:</b>					
Debtors & prepayments	9	<b>62,272</b>		20,945	
Cash at bank and in hand		<b>90,273</b>		-	
		<b>152,545</b>		20,945	
<b>Liabilities:</b> amounts falling due within one year	10	<b>(45,947)</b>		(61,596)	
<b>Net current assets/(liabilities)</b>			<b>106,598</b>		(40,651)
<b>Net assets/(liabilities)</b>			<b>153,450</b>		(10,098)
<b>The funds of the charity:</b>					
Restricted funds	11 & 12		<b>3,960</b>		3,851
General funds	11 & 12	<b>149,490</b>		(13,949)	
Unrestricted funds			<b>149,490</b>		(13,949)
<b>Total charity funds</b>			<b>153,450</b>		(10,098)

The notes on pages 11 to 20 form part of the financial statements.

The financial statements have been prepared in accordance with section 415A of the Companies Act 2006 relating to small companies and FRS 102 Section 1A.

The charitable company is entitled to exemption from audit under section 477 of the Companies Act 2006 for the year ended 31 August 2020, and the members have not required the charitable company to obtain an audit of its financial statements for the year ended 31 August 2020 under section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts.

They were approved and authorised for issue by the Board of Trustees on 24 May 2021 and signed on their behalf by:

Dr Simon Draper

**Member of the board of trustees**

## Statement of cash flows

For the year ended 31 August 2020

	Total Funds Year ended 31 Aug 2020 £	Total Funds Year ended 31 Aug 2019 £
<b>Cash flows from operating activities:</b>		
Net income/(expenditure) for period (as per SOFA)	163,548	401
Adjustments for:		
Depreciation charges	6,054	8,082
Loss on disposal	1,506	-
(Increase)/decrease in trade debtors	(26,926)	18,164
(Increase)/decrease in accrued income	(802)	(5,680)
(Increase)/decrease in CJRS claim	(11,492)	-
(Increase)/decrease in prepayments	(2,107)	(3,609)
Increase/(decrease) in trade creditors	(18,507)	9,634
Increase/(decrease) in accruals	22,535	(1,173)
Increase/(decrease) in deferred income	-	(6,032)
Increase/(decrease) in social security and other taxes	(4,745)	(19,121)
Increase/(decrease) in other creditors	(125)	3,922
	<b>(34,609)</b>	4,187
<b>Net cash used in operating activities</b>	<b>128,939</b>	4,588
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	(23,859)	-
Net flow to group undertakings	(754)	4,133
<b>Net cash used in investing activities</b>	<b>(24,613)</b>	4,133
<b>Cash flows from financing activities:</b>		
Repayment of bank overdraft	(14,053)	(8,837)
<b>Net cash used in investing activities</b>	<b>(14,053)</b>	(8,837)
<b>Change in cash and cash equivalents in period</b>	<b>90,273</b>	(116)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>-</b>	116
<b>Cash and cash equivalents at the end of the period</b>	<b>90,273</b>	-

The notes on pages 11 to 20 form part of the financial statements.

## Notes to the financial statements

### 1. Accounting policies

#### Basis of preparation of the financial statements

The financial statements have been prepared in accordance with 'Charities SORP (FRS 102) – 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) second edition (effective 1 January 2019)', the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The effect of any event relating to the period ended 31 August 2020, which occurred before the date of approval of the financial statements by the Board of Trustees has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 August 2020 and the results for the year ended on that date.

The functional currency of the Charity is sterling and amounts in the financial statements are rounded to the nearest pound.

#### Preparation of consolidated financial statements

The financial statements contain information about Oxfordshire Motor Project as an individual company and do not contain consolidated financial information as the parent of a group. The charity is exempt under section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

#### Going concern

The financial statements have been prepared on a going concern basis as the trustees have assessed the position and have no reason to believe that there are any material uncertainties that would affect the ability of the charity to continue as a going concern for the foreseeable future.

We acknowledge that COVID-19 represents a material uncertainty for every individual and business in the country, and indeed worldwide, and although we have furloughed some of our staff, we have done that on a rotational basis to be able to continue to offer our young people a 'safe space' to attend during the day. Where we have been unable to run scheduled lessons, we have offered alternative activities instead and our services have continued uninterrupted, albeit with the necessary safeguards in place.

The trustees have considered the next 12 months and have reviewed post-date reports for that period in making their assessment. For the current financial year (2020/21), our total invoiced income (including

donations and grants) up to the middle of June 2021 amounted to £583k.

As of the date of this report, our bank balances were healthy and in excess of £119k, with significant balances owed in aged receivables.

#### Legal status

Oxfordshire Motor Project is a charitable company registered in England & Wales and meets the definition of a public benefit entity. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The registered address is Red Barn Farm, Woodstock Road, Oxford, Oxfordshire, OX2 8JR.

#### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in note 11 of the financial statements.

#### Income

Income is recognised when the Charity has entitlement to the funds, any performance indicators attached to the item(s) of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Course fees are recognised in the academic period to which they relate.

Income from grants (including government grants) is recognised in the period in which the teaching is performed, as the service is delivered, using the performance model as per FRS102. Grants are not recognised until there is reasonable assurance that the charity will comply with the conditions attached to them. Where the grant imposes performance-related conditions, it is recognised only when those conditions

have been met. Where grants are received prior to satisfying the revenue recognition criteria, they are recognised as a liability.

### **Expenditure and irrecoverable VAT**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities.

Expenditure on charitable activities includes those costs incurred by the charity in delivering its activities and includes both direct and allocated support costs.

Governance costs includes those costs associated with meeting the statutory requirements of the charity.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

### **Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their useful life. The rates used are:

Leasehold improvements	10% on cost
Fixtures, fittings and equipment	15% reducing balance
Motor vehicles	25% reducing balance

### **Cash at bank and in hand**

Cash at bank and in hand includes cash in hand, deposits with banks and funds that are readily convertible into cash at, or close to, their carrying values, but are not held for investment purposes.

### **Debtors and prepayments**

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

### **Creditors and accruals**

Creditors are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party, and the amount due to settle the obligation can be measured or estimated reliably.

### **Pensions**

The Charity operates a defined contribution pension scheme which is administered by an external independent pension provider. Contributions are recognised in the Statement of Financial Activities as they fall due.

### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

### **Financial instruments**

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

### **Critical estimates and judgements**

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The annual depreciation charge for tangible fixed assets is sensitive to changes in useful economic lives and residual values of assets. In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

### **Operating leases**

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

### **Termination payments**

All termination payments made in the year are recognised in the expenditure in the Statement of Financial Activities. If there is a demonstrable commitment at the year-end either to terminate the employment of staff or provide termination benefits as a result of an offer to encourage voluntary redundancies such payments will be recognised as a liability and as expenditure. In this instance termination benefits will be the best estimate of the expenditure required to settle the obligation at the reporting date.

## **2. Income from donations and legacies**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations	<b>7,708</b>	<b>11,000</b>	<b>18,708</b>
	<b>7,708</b>	<b>11,000</b>	<b>18,708</b>

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Donations	25,623	4,488	30,111
	25,623	4,488	30,111

## **3. Income from charitable activities**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Course fees	<b>570,484</b>	<b>-</b>	<b>570,484</b>
Grants & contracts for services	<b>15,000</b>	<b>50,666</b>	<b>65,666</b>
	<b>585,484</b>	<b>50,666</b>	<b>636,150</b>

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Course fees	276,257	-	276,257
Grants & contracts for services	10,000	70,699	80,699
	286,257	70,699	356,956

#### 4. Income from other trading activities

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Sale of scrap metal	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>	<b>-</b>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Sale of scrap metal	2,181	-	2,181
	<b>2,181</b>	<b>-</b>	<b>2,181</b>
	<b>2,181</b>	<b>-</b>	<b>2,181</b>

#### 5. Expenditure on charitable activity

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>	<b>31 Aug 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Staff costs	387,777	54,741	442,518
Other direct costs	105,440	6,816	112,256
Support costs	9,820	-	9,820
	<b>503,037</b>	<b>61,557</b>	<b>564,594</b>
	<b>503,037</b>	<b>61,557</b>	<b>564,594</b>
	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total funds</i>
	<i>Year ended</i>	<i>Year ended</i>	<i>Year ended</i>
	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>	<i>31 Aug 2019</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Staff costs	195,833	70,410	266,243
Other direct costs	106,538	4,692	111,230
Support costs	11,374	-	11,374
	<b>313,745</b>	<b>75,102</b>	<b>388,847</b>
	<b>313,745</b>	<b>75,102</b>	<b>388,847</b>

An analysis of staff costs can be found in note 6.

Included within other direct costs is operating lease costs totalling £34,800 (2019: £34,780) and depreciation totalling £6,054 (2019: £8,082).

Support costs consists of the following:

	<b>Total funds Year ended 31 Aug 2020 £</b>	<i>Total funds Year ended 31 Aug 2019 £</i>
Accountancy support	<b>7,720</b>	9,574
Independent examination	<b>2,100</b>	1,800
	<b><u>9,820</u></b>	<u>11,374</u>

## **6. Staff costs**

	<b>Total funds Year ended 31 Aug 2020 £</b>	<i>Total funds Year ended 31 Aug 2019 £</i>
Gross salaries	<b>403,599</b>	244,478
Employer's NIC	<b>28,281</b>	17,681
Employer's pension	<b>7,837</b>	4,084
Redundancy costs	<b>2,801</b>	-
	<b><u>442,518</u></b>	<u>266,243</u>

The average headcount during the period was 18 persons (2019: 12 persons).

No employee received employee benefits of more than £60,000 (2019: NIL).

The total employee benefits paid to key management personnel during the year was £63,029 (2019: £77,383).

Redundancy costs includes both statutory and additional redundancy payments.

## 7. Tangible fixed assets

	<b>Leasehold improvements</b>	<b>Fixtures &amp; fittings</b>	<b>Motor vehicles</b>	<b>Equipment</b>	<b>Total</b>
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2019	<b>70,844</b>	<b>33,030</b>	<b>66,577</b>	<b>79,396</b>	<b>249,847</b>
Additions	<b>16,226</b>	<b>4,537</b>	<b>-</b>	<b>3,096</b>	<b>23,859</b>
Disposals	<b>(58,090)</b>	<b>(33,030)</b>	<b>(48,912)</b>	<b>(32,701)</b>	<b>(172,733)</b>
At 31 August 2020	<b>28,980</b>	<b>4,537</b>	<b>17,665</b>	<b>49,791</b>	<b>100,973</b>
<b>Accumulated depreciation</b>					
At 1 September 2019	<b>70,415</b>	<b>32,766</b>	<b>63,149</b>	<b>52,965</b>	<b>219,295</b>
Charge for the year	<b>1,068</b>	<b>354</b>	<b>547</b>	<b>4,085</b>	<b>6,054</b>
Disposals	<b>(58,088)</b>	<b>(32,766)</b>	<b>(47,672)</b>	<b>(32,701)</b>	<b>(171,227)</b>
At 31 August 2020	<b>13,395</b>	<b>354</b>	<b>16,024</b>	<b>24,349</b>	<b>54,122</b>
<b>Net book value</b>					
At 1 September 2019	<b>429</b>	<b>264</b>	<b>3,428</b>	<b>26,431</b>	<b>30,552</b>
At 31 August 2020	<b>15,585</b>	<b>4,183</b>	<b>1,641</b>	<b>25,442</b>	<b>46,851</b>

## 8. Fixed asset investments

	<b>Total funds Year ended 31 Aug 2020</b>	<i>Total funds Year ended 31 Aug 2019</i>
	£	£
Cost	<b>1</b>	<i>1</i>
	<b>1</b>	<i>1</i>

The investment shown above is held at cost as there is no open market on which to base a fair value assessment.

The investment represents the cost of 100% of the share capital of Traxse Limited, a company incorporated in England and Wales, under company registration number 09136371.

## **9. Debtors and prepayments**

	<b>Total funds Year ended 31 Aug 2020 £</b>	<i>Total funds Year ended 31 Aug 2019 £</i>
Trade debtors	<b>35,541</b>	8,615
Accrued income	<b>7,282</b>	6,480
Coronavirus Job Retention Scheme	<b>11,492</b>	-
Prepayments	<b>7,957</b>	5,850
	<b><u>62,272</u></b>	<u>20,945</u>

Accrued income is the amount of £7,282 and represents monies received after the year end for the last two quarters of the current year (2019: £6,480

represents monies received after the year end for courses run before the year end).

## **10. Creditors – amounts falling due within one year**

	<b>Total funds Year ended 31 Aug 2020 £</b>	<i>Total funds Year ended 31 Aug 2019 £</i>
Trade creditors	<b>7,158</b>	25,665
Accruals	<b>27,632</b>	5,097
Deferred income	<b>4,833</b>	4,833
Amounts owed to group undertakings	<b>1,806</b>	2,560
Social security and other taxes	-	4,745
Bank overdraft	-	14,053
Other creditors	<b>4,518</b>	4,643
	<b><u>45,947</u></b>	<u>61,596</u>

Deferred income relates to a grant amount received covering the quarter August to October 2020 (2019: a grant amount received covering the quarter August to October 2019).

## 11. Analysis of charity funds

	Balance brought forward Year ended 31 Aug 2020 £	Income for the period Year ended 31 Aug 2020 £	Expenditure in the period Year ended 31 Aug 2020 £	Transfers between funds Year ended 31 Aug 2020 £	Balance carried forward Year ended 31 Aug 2020 £
<b>Unrestricted funds</b>					
General fund	(13,949)	666,476	(503,037)	-	149,490
	<u>(13,949)</u>	<u>666,476</u>	<u>(503,037)</u>	<u>-</u>	<u>149,490</u>
<b>Restricted funds</b>					
Minibus fund	1,991	-	-	-	1,991
Back on Track programme	-	21,666	(21,666)	-	-
CAMHS	-	29,000	(29,000)	-	-
Art project	878	-	(878)	-	-
Gardening project	767	-	(13)	-	754
Workshop	-	10,000	(10,000)	-	-
Other	215	1,000	-	-	1,215
	<u>3,851</u>	<u>61,666</u>	<u>(61,557)</u>	<u>-</u>	<u>3,960</u>
	<u>(10,098)</u>	<u>728,142</u>	<u>(564,594)</u>	<u>-</u>	<u>153,450</u>

Monies received in relation to the art project in prior years has all now been spent. For the minibus purchase/maintenance funds are still held and have been included as restricted funds, with ongoing relevant expenditure allocated. New donations received in the year with restrictions on include workshop expenses which was fully spent in year.

Monies received in relation to the Building Better Opportunities (BBO), Back on Track (BOT) and for Child and Adolescent Mental Health Services (CAMHS)

programmes are recognised as restricted funds but are fully allocated against charitable activity expenditure and are therefore fully expended at the balance sheet date. BBO income is received from Oxford City Council, BOT income is received from Activate Learning based in Oxford and CAMHS income is received from the NHS. This income is all received in advance, based on the charity's actual spend. The charity has to report to each body on a regular basis to evidence how the monies have been expended.

<i>Balance brought forward Year ended 31 Aug 2019 £</i>	<i>Income for the period Year ended 31 Aug 2019 £</i>	<i>Expenditure in the period Year ended 31 Aug 2019 £</i>	<i>Transfers between funds Year ended 31 Aug 2019 £</i>	<i>Balance carried forward Year ended 31 Aug 2019 £</i>
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**Unrestricted funds**

General fund	(14,265)	314,061	(313,745)	-	(13,949)
	<u>(14,265)</u>	<u>314,061</u>	<u>(313,745)</u>	<u>-</u>	<u>(13,949)</u>

**Restricted funds**

Kitchen fund	1,269	-	(1,269)	-	-
Minibus fund	2,282	(1)	(290)	-	1,991
Building Better Opportunities programme	-	8,656	(8,656)	-	-
Back on Track programme	-	37,875	(37,875)	-	-
CAMHS	-	24,167	(24,167)	-	-
Art project	-	1,500	(622)	-	878
Gardening project	-	1,000	(233)	-	767
Other	215	1,990	(1,990)	-	215
	<u>3,766</u>	<u>75,187</u>	<u>(75,102)</u>	<u>-</u>	<u>3,851</u>
	<u>(10,499)</u>	<u>389,248</u>	<u>(388,847)</u>	<u>-</u>	<u>(10,098)</u>

**12. Analysis of net assets**

	<b>Unrestricted funds Year ended 31 Aug 2020 £</b>	<b>Restricted funds Year ended 31 Aug 2020 £</b>	<b>Total funds Year ended 31 Aug 2020 £</b>
Fixed assets	<b>46,852</b>	<b>-</b>	<b>46,852</b>
Current assets	<b>143,752</b>	<b>8,793</b>	<b>152,545</b>
Current liabilities	<b>(41,114)</b>	<b>(4,833)</b>	<b>(45,947)</b>
	<b><u>149,490</u></b>	<b><u>3,960</u></b>	<b><u>153,450</u></b>

	<i>Designated funds Year ended 31 Aug 2019 £</i>	<i>Restricted funds Year ended 31 Aug 2019 £</i>	<i>Total funds Year ended 31 Aug 2019 £</i>
Fixed assets	30,553	-	30,553
Current assets	12,261	8,684	20,945
Current liabilities	(56,763)	(4,833)	(61,596)
	<u>(13,949)</u>	<u>3,851</u>	<u>(10,098)</u>

### **13. Other financial commitments**

On 31 August 2020, the Charity had annual future minimum lease payments under a non-cancellable

operating lease for the office premises and IT equipment as set out below:

Within one year  
Within two to five years

<b>Total Year ended 31 Aug 2020</b>	<i>Total Year ended 31 Aug 2019</i>
£	£
<b>33,194</b>	14,500
<b>18,010</b>	-
<b>51,204</b>	14,500

### **13. Trustee remuneration**

Mr P D Wilks was appointed to the Board as a trustee on 1 July 2019. In the period preceding this appointment, Mr Wilks was continuing his role as a self-employed consultant, the latter role offering ad-hoc guidance and advice to the charity's executive team and its trustees. Monies paid on a self-employed basis, and reimbursement of expenses, for the period up to 30 June 2019 amounted to £15,427. For the period that Mr Wilks acted as a trustee, he was not

remunerated. In January 2020, Mr Wilks resigned as a trustee to enable him to support the Charity as Interim Director whilst the Charity Director was on long-term sick leave. During this period he was paid £5,000 as a consultant and then moved onto payroll where total remuneration came to £16,191.

No members of the Board of Trustees received reimbursement of expenses (2019 - £NIL).

### **14. Related party transactions**

During the year, the charity received no donations from Traxse Limited (2019: £1,737), its wholly owned subsidiary.

At 31 August 2020 the charity owed its subsidiary £1,806 (2019: £2,560).