

Charity registration number 1122214

Company registration number 05962393 (England and Wales)

**REGIONAL DRIVING ASSESSMENT CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

REGIONAL DRIVING ASSESSMENT CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P McCormick Mr M N Smith Mr G Russell Mr P Seedhouse Mr A M Chishti Ms K B Forbes Mr R E Heap
Secretary	Mr S M Barratt
Charity number	1122214
Company number	05962393
Registered office	Patrick Farm Barns Meriden Road Hampton-In-Arden Solihull United Kingdom B92 0LT
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

REGIONAL DRIVING ASSESSMENT CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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) (effective 1 January 2019)".

The charity also trades under the name RDAC.

Objectives and activities

Policies and objectives

The charity's activities and services are summarised in its Mission Statement, i.e. to help older people and people with disabilities to achieve a better quality of life by helping them to maintain or achieve independent mobility as drivers and passengers. Our primary function is driving assessment. Our aim is to offer practical advice on fitness to drive, equipment and adaptations, and retraining which will enable people to drive safely and comfortably.

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

Achievements and performance

Review of activities

The Regional Driving Assessment Centre (RDAC) is one of the 20 centres across the UK accredited by Driving Mobility (DM) to help the elderly and disabled people achieve independent mobility. The charity was established in 2006 and started trading in 2007.

Having originally been based in Birmingham, in March 2020, our Head Office facility moved to purpose-built accommodation in Hampton in Arden, Solihull. We operate satellite centres in Manchester and Oxford and currently have 12 outreach services at various locations throughout the West and East Midlands, Greater Manchester, Lancashire, Humberside, and the East Riding.

Achievements

As for many businesses in many sectors, 2020-21 had been a challenging year for RDAC due to the Covid pandemic.

However, 2021/22 was the start of a new era for RDAC with Sean Barratt becoming the new Chief Executive Officer following the retirement of Colin Barnett. A new Management Team was in place and as a result of continued support from The Department for Transport, along with the hard work and dedication from our team, RDAC commenced 2021/22 in a stable position.

It was a testament to all staff at RDAC, who were required to adapt to operating with new procedures, significant levels of PPE as well as high levels of anxiety and concern that remained around Covid, that the year began strongly. Despite the reduced number of referrals received from DVLA, the team managed the backlog of clients and increased NHS referrals substantially. Referral levels in general remained strong throughout the year and RDAC met all targets by the end of March 2022. Given the ongoing challenges, this was a remarkable achievement and was only achieved through the dedication of all staff.

Throughout the year, we were continually affected by the ongoing Covid situation. A significant number of staff required time off due to positive Covid tests and client cancellations were high throughout the year as infection rates ebbed and flowed.

REGIONAL DRIVING ASSESSMENT CENTRE

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REGIONAL DRIVING ASSESSMENT CENTRE

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

FOR THE YEAR ENDED 31 MARCH 2022

During the year, we launched the RDAC Driving School in Manchester and Solihull. This provides post assessment tuition and familiarisation sessions and ensures a more complete service for clients. The year also saw the start of the Powered Wheelchair and Mobility Scooter assessment service with equipment being procured and staff training taking place.

Throughout the year, RDAC staff participated in a large number of events and exhibitions, many still virtual, in order to promote and develop our services. These offered excellent CPD opportunities across all disciplines. A further 4 members of staff were successful in achieving their academic qualification in Driving Assessment and Outdoor Mobility, a course delivered by Driving Mobility and Oxford Brookes University.

RDAC also played an instrumental part in all Driving Mobility activities, providing a board member, tutors for the Oxford Brookes course, working group members as well as hosting the majority of national Driving Mobility events at our Head Office. This was recognised formally at the annual conference and awards event, where Sean Barratt collected an award on behalf of RDAC, for the centre providing the greatest contribution to the ongoing success of Driving Mobility.

Achievements: 5-Year Plan

The following sets out RDAC's progress this year against specific objectives in its 5-year plan.

Objective 1. Accreditation, facilities and procedures

- New permanent premises secured for the Northampton outreach
- Staff training and development plan introduced
- Accreditation standards maintained
- All current policies updated
- Appraisals for all staff carried out as required

Objective 2. Trustees

- Trustee recruitment plan considered
- Regular trustee meetings and involvement in RDAC and DM events

Objective 3. Systems and targets

- Internal and external targets achieved.
- The new (DM) business system is now live, and training has commenced in order to implement it as a default CRM system.

Objective 4. Expansion

- The new Head Office and Assessment Centre in Hampton in Arden has allowed us to expand services for the Midlands and diversify assessment types. It has also meant there is space for new services and a conference room which is widely used for both RDAC and Driving Mobility activities.

Objective 5. Communication

- We have continued with the bulletins within RDAC and through Driving Mobility. Use of the marketing services provided by DM has enabled us to improve our visibility and presence. We continue to make use of Facebook and Twitter which helps to promote our service and to continue to expand our referrer base. We provide information on the website specifically aimed at the NHS sector who now provide over 50% of referrals to the RDAC.

Objective 6. Finance

- Funding remains strong allowing for future development activity to take place.
- Successful bids for additional funding have allowed projects such as the Driving School and HUBS programme to progress.

Financial review

Reserves policy

Reserves were used for the building of the new Head Office. We now aim to grow our reserves once more over the coming years.

REGIONAL DRIVING ASSESSMENT CENTRE

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

FOR THE YEAR ENDED 31 MARCH 2022

Plans for the future

This forthcoming year will once again be very challenging due mostly to the continuing impact of Covid and increasing costs. Our primary focus during the year will be to maximise the number of assessments completed by year end, we do not anticipate further expansion in terms of new centres or outreaches. We do however intend to continue to increase assessment activity in existing locations, specifically around assessment diversification. We also intend to continue to expand the RDAC Driving School during the next year.

Over the coming year, we intend to work collaboratively with all stakeholders, trustees, managers, and staff of RDAC and look forward to ensuring the best outcomes for our clients and our staff.

The charity is currently in ongoing communication with HMRC regarding the income and VAT recovery on costs. The charity registered for VAT during the period and processed VAT returns resulting in an initial VAT recovery. This return was calculated assuming that all input VAT is recoverable, as RDAC is now VAT registered and has some income streams outside the scope of VAT, a restriction on the recovery of VAT has been implemented. The Trustees are still attempting to initiate discussion with HMRC to obtain some clarity and agreement but feel that it is prudent to leave this potential liability within the financial statements and will continue to liaise with HMRC to arrive at an agreement regarding future treatment.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P McCormick
Mr M N Smith
Mr G Russell
Mr P Seedhouse
Mr A M Chishti
Ms K B Forbes
Mr R E Heap

Method of appointment or election of Trustees

The Trustees are elected at the annual general meeting and subject to re-election at each subsequent Annual General Meeting.

The directors of the company are also the charity trustees for the purposes of company law, and serve as members of the Management Committee. Those who served during the year are shown in the legal and administrative details.

All members of the Management Committee give their time voluntarily and receive no benefits from the charitable company apart from expenses reclaimed as disclosed in the notes to the accounts.

We recruit through word-of-mouth and by direct approach to people who have skills that we require. In accordance with our Memorandum and Articles of Association members are nominated and elected at our Annual General Meeting. We can also co-opt members throughout the year.

Organisational structure and decision making

The organisation is run by the Board of Trustees. The Chief Executive (Sean Barratt), supported by the Senior Management Team, is responsible to the Trustees.

Policies adopted for the induction and training of Trustees

The Trustees in conjunction with the CEO have now produced an updated induction and training policy which requires the Chair of the Trustees and the RDAC management team to ensure the induction process is carried out effectively.

REGIONAL DRIVING ASSESSMENT CENTRE

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

FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Regional Driving Assessment Centre 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.

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 was approved by the Board of Trustees.



Mr G Russell

Trustee

Dated: 11 OCT 2022

REGIONAL DRIVING ASSESSMENT CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF REGIONAL DRIVING ASSESSMENT CENTRE

Opinion

We have audited the financial statements of Regional Driving Assessment Centre (the 'charity') for the year ended 31 March 2022 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 2022 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

REGIONAL DRIVING ASSESSMENT CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF REGIONAL DRIVING ASSESSMENT CENTRE

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company, we identified the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, review of board meeting minutes, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management in relation to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

REGIONAL DRIVING ASSESSMENT CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF REGIONAL DRIVING ASSESSMENT CENTRE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited

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Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Ormerod Rutter Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

REGIONAL DRIVING ASSESSMENT CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	42,428	-	42,428	291,784	-	291,784
Income from charitable activities	4	1,622,695	34,380	1,657,075	1,445,808	-	1,445,808
Investment income	5	58	-	58	204	-	204
Other income	6	-	-	-	36,223	-	36,223
Total income		1,665,181	34,380	1,699,561	1,774,019	-	1,774,019
<u>Expenditure on:</u>							
Charitable activities	7	1,645,214	47,880	1,693,094	1,366,677	15,990	1,382,667
Net income/(expenditure) for the year/							
Net movement in funds		19,967	(13,500)	6,467	407,342	(15,990)	391,352
Fund balances at 1 April 2021		1,200,363	26,161	1,226,524	793,021	42,151	835,172
Fund balances at 31 March 2022		1,220,330	12,661	1,232,991	1,200,363	26,161	1,226,524

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.

REGIONAL DRIVING ASSESSMENT CENTRE

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		1,414,677		1,432,829
Current assets					
Debtors	12	129,549		551,294	
Cash at bank and in hand		785,161		400,879	
		914,710		952,173	
Creditors: amounts falling due within one year	14	(481,479)		(704,090)	
Net current assets			433,231		248,083
Total assets less current liabilities			1,847,908		1,680,912
Creditors: amounts falling due after more than one year	15		(614,917)		(454,388)
Net assets			1,232,991		1,226,524
Income funds					
Restricted funds	16		12,661		26,161
Unrestricted funds			1,220,330		1,200,363
			1,232,991		1,226,524

REGIONAL DRIVING ASSESSMENT CENTRE

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on ...11th Oct 2022...



M G Russell
Trustee

Company registration number 05962393

REGIONAL DRIVING ASSESSMENT CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		243,870		239,899
Investing activities					
Purchase of tangible fixed assets		(30,291)		(18,174)	
Proceeds on disposal of tangible fixed assets		1,944		3,299	
Investment income received		58		204	
Net cash used in investing activities			(28,289)		(14,671)
Financing activities					
Repayment of bank loans		168,701		37,574	
Net cash generated from financing activities			168,701		37,574
Net increase in cash and cash equivalents			384,282		262,802
Cash and cash equivalents at beginning of year			400,879		138,077
Cash and cash equivalents at end of year			785,161		400,879

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Regional Driving Assessment Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is Patrick Farm Barns, Meriden Road, Hampton-In-Arden, Solihull, B92 0LT, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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) (effective 1 January 2019)". 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.

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.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probably that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost or valuation, net of depreciation and any impairment losses.

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:

Leasehold property	over the lease term
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 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.

1.9 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.

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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

	2022 £	2021 £
Donations and gifts	305	151
Government grants	42,123	291,633
	<u>42,428</u>	<u>291,784</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Income from charitable activities

	2022 £	2021 £
Grants and contracts	1,438,484	1,232,427
Assessments and courses	209,147	213,381
Driving lessons	9,444	-
	<u>1,657,075</u>	<u>1,445,808</u>
Analysis by fund		
Unrestricted funds	1,622,695	1,445,808
Restricted funds	34,380	-
	<u>1,657,075</u>	<u>1,445,808</u>

5 Investment income

	2022 £	2021 £
Interest receivable	<u>58</u>	<u>204</u>

6 Other income

	2022 £	2021 £
Proceeds from sale of Drive Mobility vehicles	<u>-</u>	<u>36,223</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	2022 £	2021 £
Staff costs	1,106,093	973,598
Vehicle costs	153,731	73,466
Related costs	20,926	892
Training	8,050	1,110
Loss on disposal of motor vehicles	1,944	3,299
Bad debts	-	500
Insurance	35,690	36,295
Irrecoverable VAT	3,558	-
Occupational therapy	16,457	-
	<u>1,346,449</u>	<u>1,089,160</u>
Share of support costs (see note 8)	325,249	271,495
Share of governance costs (see note 8)	21,396	22,012
	<u>1,693,094</u>	<u>1,382,667</u>
Analysis by fund		
Unrestricted funds	1,645,214	1,366,677
Restricted funds	47,880	15,990
	<u>1,693,094</u>	<u>1,382,667</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Depreciation	46,499	-	46,499	46,360	46,360
Property costs	150,005	-	150,005	130,516	130,516
Room hire	(100)	-	(100)	1,394	1,394
Telephone, postage and stationery	38,964	-	38,964	30,615	30,615
IT costs and equipment rental	52,271	-	52,271	28,784	28,784
Repairs and renewals	8,072	-	8,072	8,393	8,393
Advertising	336	-	336	1,486	1,486
Sundry expenses	11,199	-	11,199	13,895	13,895
Bank charges	18,003	-	18,003	10,052	10,052
Accountancy fees	-	15,740	15,740	-	20,812
Legal and professional fees	-	4,456	4,456	-	-
HR support	-	1,200	1,200	-	1,200
	<u>325,249</u>	<u>21,396</u>	<u>346,645</u>	<u>271,495</u>	<u>293,507</u>
Analysed between Charitable activities	<u>325,249</u>	<u>21,396</u>	<u>346,645</u>	<u>271,495</u>	<u>293,507</u>

All support costs are recharged to the organisations single charitable activity in recognition of the use of the support facilities to the activity.

Governance costs includes payments to the auditors as detailed in note 10.

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the auditors:	2022 £	2021 £
Audit of the annual accounts	<u>4,625</u>	<u>4,500</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Staff	40	39

Employment costs

	2022 £	2021 £
Wages and salaries	1,005,932	883,315
Social security costs	82,925	70,196
Other pension costs	17,236	20,087
	1,106,093	973,598

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2021	1,389,171	156,169	36,126	1,581,466
Additions	-	11,491	18,800	30,291
Disposals	-	(90,122)	-	(90,122)
At 31 March 2022	1,389,171	77,538	54,926	1,521,635
Depreciation and impairment				
At 1 April 2021	14,032	111,720	22,885	148,637
Depreciation charged in the year	14,032	20,684	11,783	46,499
Eliminated in respect of disposals	-	(88,178)	-	(88,178)
At 31 March 2022	28,064	44,226	34,668	106,958
Carrying amount				
At 31 March 2022	1,361,107	33,312	20,258	1,414,677
At 31 March 2021	1,375,139	44,449	13,241	1,432,829

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors		2022	2021
		£	£
Amounts falling due within one year:			
Trade debtors		66,914	137,113
Other debtors		4,327	335,875
Prepayments and accrued income		58,308	78,306
		<u>129,549</u>	<u>551,294</u>

13 Loans and overdrafts		2022	2021
		£	£
Bank loans		656,275	487,574
		<u>656,275</u>	<u>487,574</u>
Payable within one year		41,758	33,186
Payable after one year		614,517	454,388
		<u>614,517</u>	<u>454,388</u>

The long-term loans are secured by fixed charges over the land and buildings at Patrick Farm Barns, Meriden Road, Hampton-In-Arden, Solihull, England, B92 0LT.

14 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Bank loans	13	41,758	33,186
Other taxation and social security		27,911	24,633
Trade creditors		32,541	66,697
Other creditors		339,355	569,332
Accruals and deferred income		39,914	10,242
		<u>481,479</u>	<u>704,090</u>

15 Creditors: amounts falling due after more than one year		2022	2021
	Notes	£	£
Bank loans	13	614,517	454,388
Other creditors		400	-
		<u>614,917</u>	<u>454,388</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 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:

	Balance at 1 April 2020 £	Resources expended £	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
				Incoming resources £	Resources expended £	
DFT Project	2,623	(2,623)	-	-	-	-
Manchester Grant	39,528	(13,367)	26,161	-	(13,500)	12,661
DFT Hubs	-	-	-	10,380	(10,380)	-
DM Educational Courses	-	-	-	24,000	(24,000)	-
	<u>42,151</u>	<u>(15,990)</u>	<u>26,161</u>	<u>34,380</u>	<u>(47,880)</u>	<u>12,661</u>

The Manchester grant funding is to be utilised for the provision of training new members of staff and the acquisition of a premises and new vehicles. The staff and training costs were expensed in previous periods and the assets purchased were capitalised in accordance with standard accounting policies and are being depreciated. The above expenditure in this financial year relates to depreciation of those assets and the restricted fund carried forward is the net book value of those assets.

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,402,016	12,661	1,414,677	1,406,668	26,161	1,432,829
Current assets/(liabilities)	433,231	-	433,231	248,083	-	248,083
Long term liabilities	(614,917)	-	(614,917)	(454,388)	-	(454,388)
	<u>1,220,330</u>	<u>12,661</u>	<u>1,232,991</u>	<u>1,200,363</u>	<u>26,161</u>	<u>1,226,524</u>

18 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:

	2022 £	2021 £
Within one year	84,140	60,448
Between two and five years	276,167	199,031
In over five years	1,229,831	1,270,248
	<u>1,590,138</u>	<u>1,529,727</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Related party transactions

Remuneration of key management personnel

	2022 £	2021 £
Aggregate compensation	170,012	187,576

The following persons are considered to be members of key management personnel as at 31st March 2022:

Sean Barratt
Steve Dent
Clare Jones
Amy Leddington

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Services received		Expenses payable	
	2022 £	2021 £	2022 £	2021 £
Trustees	-	-	50	22
Other related parties	-	7,680	-	-
	-	7,680	50	22

Debbie Barnett, the spouse of Colin Barnett who was a trustee in the prior year, provides professional services to Regional Driving Assessment Centre. Debbie Barnett was classified as an other related party in 2021 where £7,680 was paid for these services. Debbie Barnett is no longer classified as an other related party.

£50 (2021: £nil) was paid to G Russell, a trustee, for expenses reimbursed.

£nil (2021: £22) was paid to R Heap, a trustee, for expenses reimbursed.

No other trustees received any remuneration or benefits during the year (2021: £nil).

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Cash generated from operations	2022	2021
	£	£
Surplus for the year	6,467	391,352
Adjustments for:		
Investment income recognised in statement of financial activities	(58)	(204)
Depreciation and impairment of tangible fixed assets	46,499	46,360
Movements in working capital:		
Decrease/(increase) in debtors	421,745	(458,866)
(Decrease)/increase in creditors	(230,783)	261,257
Cash generated from operations	243,870	239,899
21 Analysis of changes in net funds/(debt)		
	At 1 April 2021	Cash flowsAt 31 March 2022
	£	£
Cash at bank and in hand	400,879	785,161
Loans falling due within one year	(33,186)	(41,758)
Loans falling due after more than one year	(454,388)	(614,517)
	<u>(86,695)</u>	<u>128,886</u>

Charity registration number 1122214

Company registration number 05962393 (England and Wales)

**REGIONAL DRIVING ASSESSMENT CENTRE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

REGIONAL DRIVING ASSESSMENT CENTRE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr P McCormick Mr M N Smith Mr G Russell Mr P Seedhouse Mr A M Chishti Ms K B Forbes Mr R E Heap
Secretary	Mr S M Barratt
Charity number	1122214
Company number	05962393
Registered office	Patrick Farm Barns Meriden Road Hampton-In-Arden Solihull United Kingdom B92 0LT
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

REGIONAL DRIVING ASSESSMENT CENTRE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, 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) (effective 1 January 2019)".

The charity also trades under the name RDAC.

Objectives and activities

Policies and objectives

The charity's activities and services are summarised in its Mission Statement, i.e. to help older people and people with disabilities to achieve a better quality of life by helping them to maintain or achieve independent mobility as drivers and passengers. Our primary function is driving assessment. Our aim is to offer practical advice on fitness to drive, equipment and adaptations, and retraining which will enable people to drive safely and comfortably.

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

Achievements and performance

Review of activities

The Regional Driving Assessment Centre (RDAC) is one of the 20 centres across the UK accredited by Driving Mobility (DM) to help the elderly and disabled people achieve independent mobility. The charity was established in 2006 and started trading in 2007.

Having originally been based in Birmingham, in March 2020, our Head Office facility moved to purpose-built accommodation in Hampton in Arden, Solihull. We operate satellite centres in Manchester and Oxford and currently have 12 outreach services at various locations throughout the West and East Midlands, Greater Manchester, Lancashire, Humberside, and the East Riding.

Achievements

As for many businesses in many sectors, 2020-21 had been a challenging year for RDAC due to the Covid pandemic.

However, 2021/22 was the start of a new era for RDAC with Sean Barratt becoming the new Chief Executive Officer following the retirement of Colin Barnett. A new Management Team was in place and as a result of continued support from The Department for Transport, along with the hard work and dedication from our team, RDAC commenced 2021/22 in a stable position.

It was a testament to all staff at RDAC, who were required to adapt to operating with new procedures, significant levels of PPE as well as high levels of anxiety and concern that remained around Covid, that the year began strongly. Despite the reduced number of referrals received from DVLA, the team managed the backlog of clients and increased NHS referrals substantially. Referral levels in general remained strong throughout the year and RDAC met all targets by the end of March 2022. Given the ongoing challenges, this was a remarkable achievement and was only achieved through the dedication of all staff.

Throughout the year, we were continually affected by the ongoing Covid situation. A significant number of staff required time off due to positive Covid tests and client cancellations were high throughout the year as infection rates ebbed and flowed.

REGIONAL DRIVING ASSESSMENT CENTRE

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REGIONAL DRIVING ASSESSMENT CENTRE

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

FOR THE YEAR ENDED 31 MARCH 2022

During the year, we launched the RDAC Driving School in Manchester and Solihull. This provides post assessment tuition and familiarisation sessions and ensures a more complete service for clients. The year also saw the start of the Powered Wheelchair and Mobility Scooter assessment service with equipment being procured and staff training taking place.

Throughout the year, RDAC staff participated in a large number of events and exhibitions, many still virtual, in order to promote and develop our services. These offered excellent CPD opportunities across all disciplines. A further 4 members of staff were successful in achieving their academic qualification in Driving Assessment and Outdoor Mobility, a course delivered by Driving Mobility and Oxford Brookes University.

RDAC also played an instrumental part in all Driving Mobility activities, providing a board member, tutors for the Oxford Brookes course, working group members as well as hosting the majority of national Driving Mobility events at our Head Office. This was recognised formally at the annual conference and awards event, where Sean Barratt collected an award on behalf of RDAC, for the centre providing the greatest contribution to the ongoing success of Driving Mobility.

Achievements: 5-Year Plan

The following sets out RDAC's progress this year against specific objectives in its 5-year plan.

Objective 1. Accreditation, facilities and procedures

- New permanent premises secured for the Northampton outreach
- Staff training and development plan introduced
- Accreditation standards maintained
- All current policies updated
- Appraisals for all staff carried out as required

Objective 2. Trustees

- Trustee recruitment plan considered
- Regular trustee meetings and involvement in RDAC and DM events

Objective 3. Systems and targets

- Internal and external targets achieved.
- The new (DM) business system is now live, and training has commenced in order to implement it as a default CRM system.

Objective 4. Expansion

- The new Head Office and Assessment Centre in Hampton in Arden has allowed us to expand services for the Midlands and diversify assessment types. It has also meant there is space for new services and a conference room which is widely used for both RDAC and Driving Mobility activities.

Objective 5. Communication

- We have continued with the bulletins within RDAC and through Driving Mobility. Use of the marketing services provided by DM has enabled us to improve our visibility and presence. We continue to make use of Facebook and Twitter which helps to promote our service and to continue to expand our referrer base. We provide information on the website specifically aimed at the NHS sector who now provide over 50% of referrals to the RDAC.

Objective 6. Finance

- Funding remains strong allowing for future development activity to take place.
- Successful bids for additional funding have allowed projects such as the Driving School and HUBS programme to progress.

Financial review

Reserves policy

Reserves were used for the building of the new Head Office. We now aim to grow our reserves once more over the coming years.

REGIONAL DRIVING ASSESSMENT CENTRE

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

FOR THE YEAR ENDED 31 MARCH 2022

Plans for the future

This forthcoming year will once again be very challenging due mostly to the continuing impact of Covid and increasing costs. Our primary focus during the year will be to maximise the number of assessments completed by year end, we do not anticipate further expansion in terms of new centres or outreaches. We do however intend to continue to increase assessment activity in existing locations, specifically around assessment diversification. We also intend to continue to expand the RDAC Driving School during the next year.

Over the coming year, we intend to work collaboratively with all stakeholders, trustees, managers, and staff of RDAC and look forward to ensuring the best outcomes for our clients and our staff.

The charity is currently in ongoing communication with HMRC regarding the income and VAT recovery on costs. The charity registered for VAT during the period and processed VAT returns resulting in an initial VAT recovery. This return was calculated assuming that all input VAT is recoverable, as RDAC is now VAT registered and has some income streams outside the scope of VAT, a restriction on the recovery of VAT has been implemented. The Trustees are still attempting to initiate discussion with HMRC to obtain some clarity and agreement but feel that it is prudent to leave this potential liability within the financial statements and will continue to liaise with HMRC to arrive at an agreement regarding future treatment.

Structure, governance and management

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Trustees

The Trustees, who are also the directors for the purpose of company law, and who served during the year were:

Mr P McCormick
Mr M N Smith
Mr G Russell
Mr P Seedhouse
Mr A M Chishti
Ms K B Forbes
Mr R E Heap

Method of appointment or election of Trustees

The Trustees are elected at the annual general meeting and subject to re-election at each subsequent Annual General Meeting.

The directors of the company are also the charity trustees for the purposes of company law, and serve as members of the Management Committee. Those who served during the year are shown in the legal and administrative details.

All members of the Management Committee give their time voluntarily and receive no benefits from the charitable company apart from expenses reclaimed as disclosed in the notes to the accounts.

We recruit through word-of-mouth and by direct approach to people who have skills that we require. In accordance with our Memorandum and Articles of Association members are nominated and elected at our Annual General Meeting. We can also co-opt members throughout the year.

Organisational structure and decision making

The organisation is run by the Board of Trustees. The Chief Executive (Sean Barratt), supported by the Senior Management Team, is responsible to the Trustees.

Policies adopted for the induction and training of Trustees

The Trustees in conjunction with the CEO have now produced an updated induction and training policy which requires the Chair of the Trustees and the RDAC management team to ensure the induction process is carried out effectively.

REGIONAL DRIVING ASSESSMENT CENTRE

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

FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees, who are also the directors of Regional Driving Assessment Centre 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.

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 was approved by the Board of Trustees.



Mr G Russell

Trustee

Dated: 11 OCT 2022

REGIONAL DRIVING ASSESSMENT CENTRE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF REGIONAL DRIVING ASSESSMENT CENTRE

Opinion

We have audited the financial statements of Regional Driving Assessment Centre (the 'charity') for the year ended 31 March 2022 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 2022 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

REGIONAL DRIVING ASSESSMENT CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF REGIONAL DRIVING ASSESSMENT CENTRE

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company, we identified the principal risks of non-compliance with laws and regulations including those that have a direct impact on the preparation of the financial statements and the extent to which non-compliance might have a material effect on the financial statements. Audit procedures performed included discussions with management, review of board meeting minutes, testing of journals, designing and performing audit procedures and challenging assumptions and judgements made by management in relation to accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

REGIONAL DRIVING ASSESSMENT CENTRE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF REGIONAL DRIVING ASSESSMENT CENTRE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited

.....

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Ormerod Rutter Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

REGIONAL DRIVING ASSESSMENT CENTRE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income and endowments from:							
Donations and legacies	3	42,428	-	42,428	291,784	-	291,784
Income from charitable activities	4	1,622,695	34,380	1,657,075	1,445,808	-	1,445,808
Investment income	5	58	-	58	204	-	204
Other income	6	-	-	-	36,223	-	36,223
Total income		1,665,181	34,380	1,699,561	1,774,019	-	1,774,019
Expenditure on:							
Charitable activities	7	1,645,214	47,880	1,693,094	1,366,677	15,990	1,382,667
Net income/(expenditure) for the year/							
Net movement in funds		19,967	(13,500)	6,467	407,342	(15,990)	391,352
Fund balances at 1 April 2021		1,200,363	26,161	1,226,524	793,021	42,151	835,172
Fund balances at 31 March 2022		1,220,330	12,661	1,232,991	1,200,363	26,161	1,226,524

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.

REGIONAL DRIVING ASSESSMENT CENTRE

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		1,414,677		1,432,829
Current assets					
Debtors	12	129,549		551,294	
Cash at bank and in hand		785,161		400,879	
		914,710		952,173	
Creditors: amounts falling due within one year	14	(481,479)		(704,090)	
Net current assets			433,231		248,083
Total assets less current liabilities			1,847,908		1,680,912
Creditors: amounts falling due after more than one year	15		(614,917)		(454,388)
Net assets			1,232,991		1,226,524
Income funds					
Restricted funds	16		12,661		26,161
Unrestricted funds			1,220,330		1,200,363
			1,232,991		1,226,524

REGIONAL DRIVING ASSESSMENT CENTRE

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on ...11th Oct 2022...



M G Russell
Trustee

Company registration number 05962393

REGIONAL DRIVING ASSESSMENT CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	20		243,870		239,899
Investing activities					
Purchase of tangible fixed assets		(30,291)		(18,174)	
Proceeds on disposal of tangible fixed assets		1,944		3,299	
Investment income received		58		204	
Net cash used in investing activities			(28,289)		(14,671)
Financing activities					
Repayment of bank loans		168,701		37,574	
Net cash generated from financing activities			168,701		37,574
Net increase in cash and cash equivalents			384,282		262,802
Cash and cash equivalents at beginning of year			400,879		138,077
Cash and cash equivalents at end of year			785,161		400,879

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Regional Driving Assessment Centre is a private company limited by guarantee incorporated in England and Wales. The registered office is Patrick Farm Barns, Meriden Road, Hampton-In-Arden, Solihull, B92 0LT, United Kingdom.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, 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) (effective 1 January 2019)". 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.

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.

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.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probably that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost or valuation, net of depreciation and any impairment losses.

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:

Leasehold property	over the lease term
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 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.

1.9 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.

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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

	2022 £	2021 £
Donations and gifts	305	151
Government grants	42,123	291,633
	<u>42,428</u>	<u>291,784</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

4 Income from charitable activities

	2022 £	2021 £
Grants and contracts	1,438,484	1,232,427
Assessments and courses	209,147	213,381
Driving lessons	9,444	-
	<u>1,657,075</u>	<u>1,445,808</u>
Analysis by fund		
Unrestricted funds	1,622,695	1,445,808
Restricted funds	34,380	-
	<u>1,657,075</u>	<u>1,445,808</u>

5 Investment income

	2022 £	2021 £
Interest receivable	<u>58</u>	<u>204</u>

6 Other income

	2022 £	2021 £
Proceeds from sale of Drive Mobility vehicles	<u>-</u>	<u>36,223</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

7 Charitable activities

	2022 £	2021 £
Staff costs	1,106,093	973,598
Vehicle costs	153,731	73,466
Related costs	20,926	892
Training	8,050	1,110
Loss on disposal of motor vehicles	1,944	3,299
Bad debts	-	500
Insurance	35,690	36,295
Irrecoverable VAT	3,558	-
Occupational therapy	16,457	-
	<u>1,346,449</u>	<u>1,089,160</u>
Share of support costs (see note 8)	325,249	271,495
Share of governance costs (see note 8)	21,396	22,012
	<u>1,693,094</u>	<u>1,382,667</u>
Analysis by fund		
Unrestricted funds	1,645,214	1,366,677
Restricted funds	47,880	15,990
	<u>1,693,094</u>	<u>1,382,667</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

8 Support costs

	Support costs £	Governance costs £	2022 Support costs £	Governance costs £	2021 £
Depreciation	46,499	-	46,499	46,360	46,360
Property costs	150,005	-	150,005	130,516	130,516
Room hire	(100)	-	(100)	1,394	1,394
Telephone, postage and stationery	38,964	-	38,964	30,615	30,615
IT costs and equipment rental	52,271	-	52,271	28,784	28,784
Repairs and renewals	8,072	-	8,072	8,393	8,393
Advertising	336	-	336	1,486	1,486
Sundry expenses	11,199	-	11,199	13,895	13,895
Bank charges	18,003	-	18,003	10,052	10,052
Accountancy fees	-	15,740	15,740	-	20,812
Legal and professional fees	-	4,456	4,456	-	-
HR support	-	1,200	1,200	-	1,200
	<u>325,249</u>	<u>21,396</u>	<u>346,645</u>	<u>271,495</u>	<u>293,507</u>
Analysed between Charitable activities	<u>325,249</u>	<u>21,396</u>	<u>346,645</u>	<u>271,495</u>	<u>293,507</u>

All support costs are recharged to the organisations single charitable activity in recognition of the use of the support facilities to the activity.

Governance costs includes payments to the auditors as detailed in note 10.

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the auditors:	2022 £	2021 £
Audit of the annual accounts	<u>4,625</u>	<u>4,500</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Staff	40	39

Employment costs

	2022 £	2021 £
Wages and salaries	1,005,932	883,315
Social security costs	82,925	70,196
Other pension costs	17,236	20,087
	1,106,093	973,598

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2021	1,389,171	156,169	36,126	1,581,466
Additions	-	11,491	18,800	30,291
Disposals	-	(90,122)	-	(90,122)
At 31 March 2022	1,389,171	77,538	54,926	1,521,635
Depreciation and impairment				
At 1 April 2021	14,032	111,720	22,885	148,637
Depreciation charged in the year	14,032	20,684	11,783	46,499
Eliminated in respect of disposals	-	(88,178)	-	(88,178)
At 31 March 2022	28,064	44,226	34,668	106,958
Carrying amount				
At 31 March 2022	1,361,107	33,312	20,258	1,414,677
At 31 March 2021	1,375,139	44,449	13,241	1,432,829

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

12 Debtors		2022	2021
		£	£
Amounts falling due within one year:			
Trade debtors		66,914	137,113
Other debtors		4,327	335,875
Prepayments and accrued income		58,308	78,306
		<u>129,549</u>	<u>551,294</u>

13 Loans and overdrafts		2022	2021
		£	£
Bank loans		656,275	487,574
		<u>656,275</u>	<u>487,574</u>
Payable within one year		41,758	33,186
Payable after one year		614,517	454,388
		<u>614,517</u>	<u>454,388</u>

The long-term loans are secured by fixed charges over the land and buildings at Patrick Farm Barns, Meriden Road, Hampton-In-Arden, Solihull, England, B92 0LT.

14 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Bank loans	13	41,758	33,186
Other taxation and social security		27,911	24,633
Trade creditors		32,541	66,697
Other creditors		339,355	569,332
Accruals and deferred income		39,914	10,242
		<u>481,479</u>	<u>704,090</u>

15 Creditors: amounts falling due after more than one year		2022	2021
	Notes	£	£
Bank loans	13	614,517	454,388
Other creditors		400	-
		<u>614,917</u>	<u>454,388</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 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:

	Balance at 1 April 2020 £	Resources expended £	Balance at 1 April 2021 £	Movement in funds		Balance at 31 March 2022 £
				Incoming resources £	Resources expended £	
DFT Project	2,623	(2,623)	-	-	-	-
Manchester Grant	39,528	(13,367)	26,161	-	(13,500)	12,661
DFT Hubs	-	-	-	10,380	(10,380)	-
DM Educational Courses	-	-	-	24,000	(24,000)	-
	<u>42,151</u>	<u>(15,990)</u>	<u>26,161</u>	<u>34,380</u>	<u>(47,880)</u>	<u>12,661</u>

The Manchester grant funding is to be utilised for the provision of training new members of staff and the acquisition of a premises and new vehicles. The staff and training costs were expensed in previous periods and the assets purchased were capitalised in accordance with standard accounting policies and are being depreciated. The above expenditure in this financial year relates to depreciation of those assets and the restricted fund carried forward is the net book value of those assets.

17 Analysis of net assets between funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fund balances at 31 March 2022 are represented by:						
Tangible assets	1,402,016	12,661	1,414,677	1,406,668	26,161	1,432,829
Current assets/(liabilities)	433,231	-	433,231	248,083	-	248,083
Long term liabilities	(614,917)	-	(614,917)	(454,388)	-	(454,388)
	<u>1,220,330</u>	<u>12,661</u>	<u>1,232,991</u>	<u>1,200,363</u>	<u>26,161</u>	<u>1,226,524</u>

18 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:

	2022 £	2021 £
Within one year	84,140	60,448
Between two and five years	276,167	199,031
In over five years	1,229,831	1,270,248
	<u>1,590,138</u>	<u>1,529,727</u>

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Related party transactions

Remuneration of key management personnel

	2022 £	2021 £
Aggregate compensation	170,012	187,576

The following persons are considered to be members of key management personnel as at 31st March 2022:

Sean Barratt
Steve Dent
Clare Jones
Amy Leddington

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Services received		Expenses payable	
	2022 £	2021 £	2022 £	2021 £
Trustees	-	-	50	22
Other related parties	-	7,680	-	-
	-	7,680	50	22

Debbie Barnett, the spouse of Colin Barnett who was a trustee in the prior year, provides professional services to Regional Driving Assessment Centre. Debbie Barnett was classified as an other related party in 2021 where £7,680 was paid for these services. Debbie Barnett is no longer classified as an other related party.

£50 (2021: £nil) was paid to G Russell, a trustee, for expenses reimbursed.

£nil (2021: £22) was paid to R Heap, a trustee, for expenses reimbursed.

No other trustees received any remuneration or benefits during the year (2021: £nil).

REGIONAL DRIVING ASSESSMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

20 Cash generated from operations	2022 £	2021 £
Surplus for the year	6,467	391,352
Adjustments for:		
Investment income recognised in statement of financial activities	(58)	(204)
Depreciation and impairment of tangible fixed assets	46,499	46,360
Movements in working capital:		
Decrease/(increase) in debtors	421,745	(458,866)
(Decrease)/increase in creditors	(230,783)	261,257
Cash generated from operations	243,870	239,899
21 Analysis of changes in net funds/(debt)		
	At 1 April 2021 £	Cash flowsAt 31 March 2022 £
Cash at bank and in hand	400,879	384,282 785,161
Loans falling due within one year	(33,186)	(8,572) (41,758)
Loans falling due after more than one year	(454,388)	(160,129) (614,517)
	<u>(86,695)</u>	<u>215,581</u> <u>128,886</u>



ormerod rutter
chartered accountants

Audit Completion Report

Regional Driving Assessment Centre

Year Ended: 31st March 2022



Strictly Private and Confidential

Ormerod Rutter Limited
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

Regional Driving Assessment Centre
Patrick Farm Barns
Meriden Road
Hampton-In-Arden
Solihull
B92 0LT

12th September 2022

Dear Sirs,

Audit Completion Report – year ended 31st March 2022

We are delighted to present our Audit Completion Report for the year ended 31st March 2022. The purpose of this document is to summarise our audit conclusions.

The scope of our work, including identified significant audit risks and areas of management judgement was outlined in our Audit Strategy Memorandum. We have reviewed our Audit Strategy Memorandum and concluded that the original significant audit risks and areas of management judgement remain appropriate.

We would like to express our thanks for the assistance of your team during our audit.

If you would like to discuss any matters in more detail, then please do not hesitate to contact me on 01905 777600.

Yours faithfully



Colm McGrory

Ormerod Rutter Limited



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2 – Financial highlights	4
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Appendix A – Independence.....	22

This document is to be regarded as confidential to Regional Driving Assessment Centre. It has been prepared for the sole use of the Board. No responsibility is accepted to any other person in respect of the whole or part of its contents. Before this document, or any part of it, is disclosed to a third party, our written consent must first be obtained.



1 - Executive Summary

Purpose of this document

This document has been prepared to communicate the findings of our audit for the year ended 31st March 2022 to the directors of Regional Driving Assessment Centre and formed the basis for discussions at the audit clearance meeting.

Our communication with you is important to:

- Share information to assist both of us to fulfil our respective responsibilities
- Provide you with constructive observations arising from the audit process
- Ensure as part of the two-way communication process that we, as external auditors, gain an understanding of your attitude and views in respect of the internal and external operational, financial, compliance and other risks facing the charity
- Receive feedback from yourselves as to the performance of the engagement team

Section 3 sets out internal control recommendations and section 4 sets out audit misstatements.

Principal conclusions and significant findings

As outlined in our Audit Strategy Memorandum, our audit has been conducted in accordance with International Standards of Auditing (UK) and means we focus on audit risks which we have assessed as resulting in a higher risk of material misstatement.

In section 3 of this report, we have set out our conclusions and significant findings from our audit. This section includes our conclusions on the audit risks and areas of management judgement in our Audit Strategy Memorandum of which the principal ones were:

- Management override of controls
- Revenue recognition
- Accounting estimates

Status and audit opinion

We have substantially completed our audit in respect of the financial statements for the year ended 31 March 2022.

At the time of preparing this report, the following significant matters remain outstanding:

1. Lease for Leicester
2. Loan agreement for new CAF loan
3. Trustees report

At the time of issuing this report and subject to the satisfactory conclusion of the remaining audit work, we anticipate issuing an unqualified opinion, without modification.



2 – Financial highlights

Statement of Financial Activities (including Income and Expenditure Account)

	UF 2022	RF 2022	Total 2022	UF 2021	RF 2021	Total 2021
Income and endowments:						
Donations and legacies	42,428	-	42,428	291,784	-	291,784
Charitable activities	1,647,631	-	1,647,631	1,445,808	-	1,445,808
Trading activities	9,444	-	9,444	-	-	-
Investment income	58	-	58	204	-	204
Other income	-	-	-	36,223	-	36,223
Total income	1,699,561	-	1,699,561	1,744,019	-	1,744,019
Expenditure on:						
Charitable activities	1,707,521	13,500	1,721,021	1,366,677	15,990	1,382,667
Net movement in funds	(7,960)	(13,500)	(21,460)	407,342	(15,990)	391,352
Fund balances at 1 April 2021	1,200,363	26,161	1,226,524	793,021	42,151	835,172
Fund balances at 31 March 2022	1,192,403	12,661	1,205,064	1,200,363	26,161	1,226,524

Positive net movement in funds in prior year supported by government income. Whilst activities have been recovering throughout the year, there is a net decrease in funds for the year due to increasing expenditure. Refer to pages 7 and 8 for details.



Balance Sheet

	2022	2021
Fixed assets		
Tangible assets	1,414,677	1,432,829
	1,414,677	1,432,829
Current assets		
Debtors	129,549	551,294
Cash at bank	785,161	400,879
	914,710	952,173
Creditors: amounts due within one year		
Bank loans	(26,791)	(33,186)
Other taxation and social security	(27,911)	(24,633)
Trade creditors	(60,468)	(66,697)
Other creditors	(339,355)	(569,332)
Accruals and deferred income	(39,914)	(10,242)
	(494,439)	(704,090)
Creditors: amounts due after one year		
Bank loans	(629,484)	(454,388)
Other creditors	(400)	-
	(629,884)	(454,388)
Net assets	1,205,064	1,226,524
Income funds		
Restricted funds	12,661	26,161
Unrestricted funds	1,192,403	1,200,363
	1,205,064	1,226,524

Debtors decrease due to VAT debtor included in 2021. Trade debtors have approximately halved on prior year and prepayments have also decreased by £20k largely due to timing of items such as car insurance.

Notable increase in cash balance due to loans.

Reduction in other creditors primarily due to DfT clawback of £224k in 2021.

Accruals increase driven by holiday pay provision (up £22k) and outstanding invoice for Honda Jazz purchase of £4.5k.

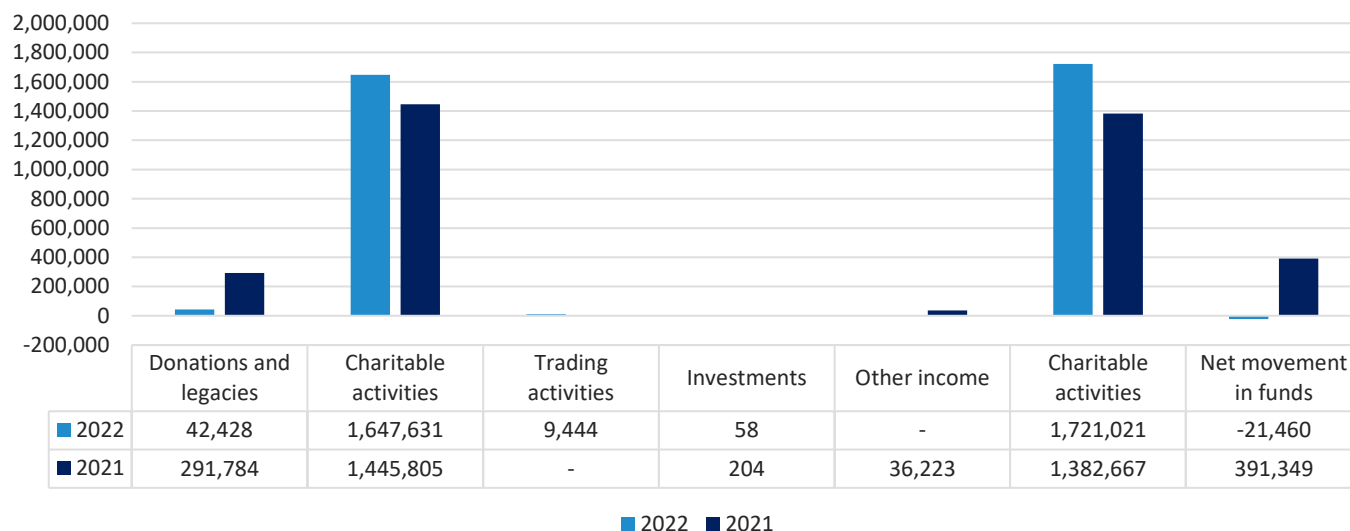
Additional bank loan of £250k taken out at CAF bank. Bounceback loan paid back in full in the prior year.

Other creditors of £400 in relation to Bugzi deposits.

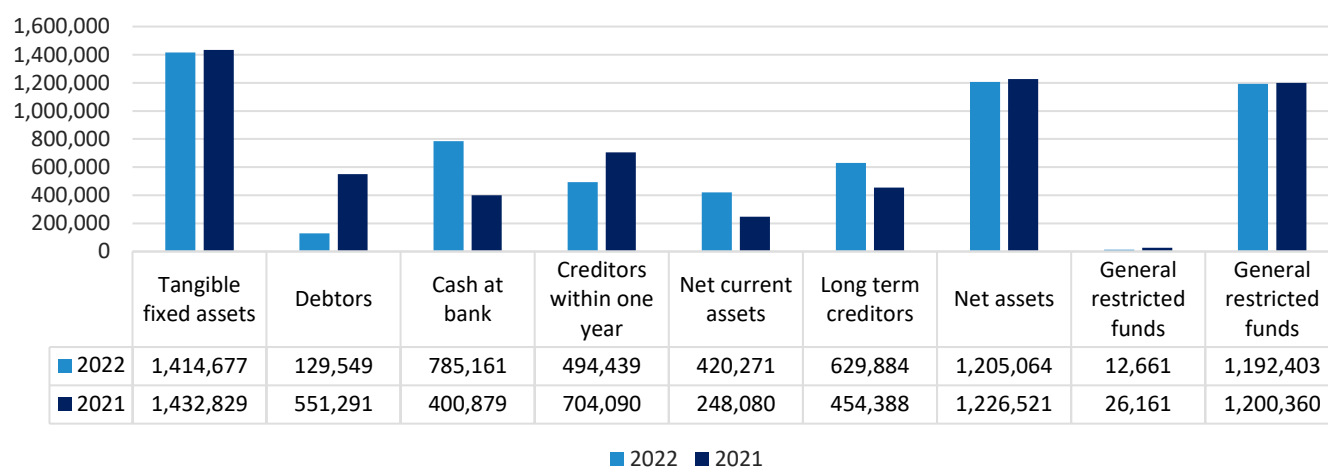


Financial Summary

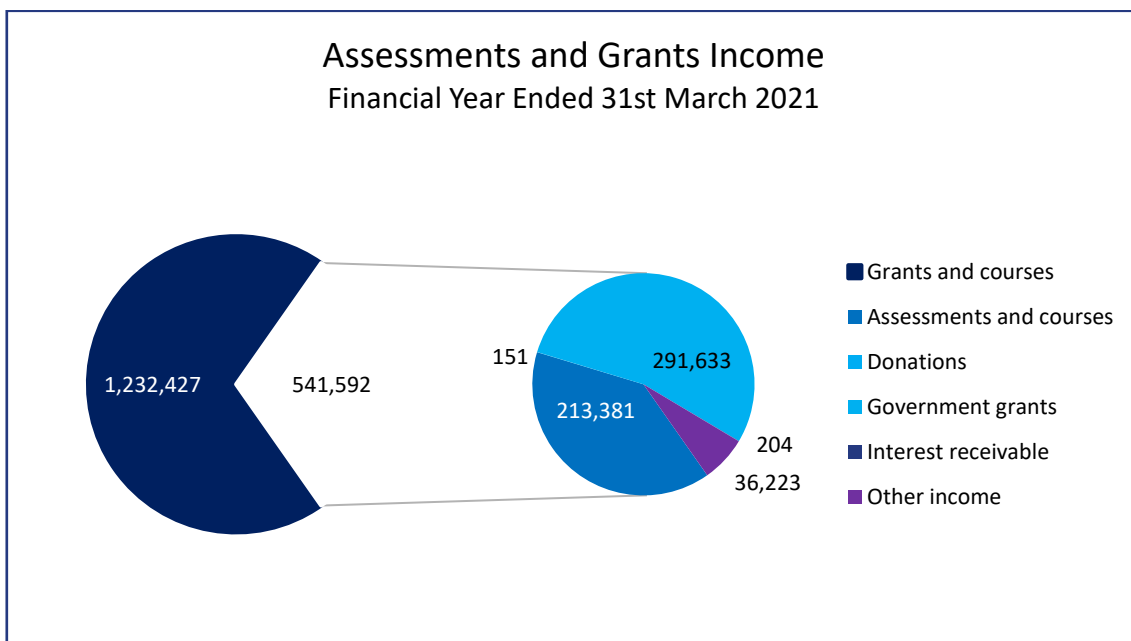
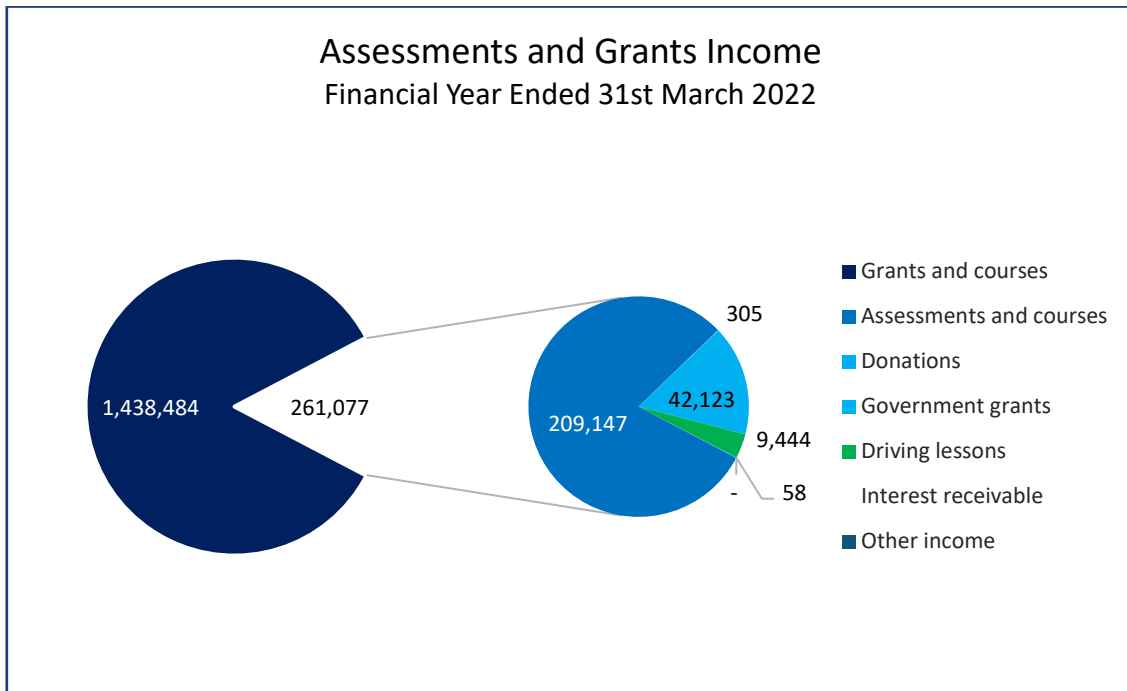
Statement of Financial Activities Financial Years Ended 31st March 2021 to 2022



Balance Sheet Financial Years Ended 31st March 2021 to 2022



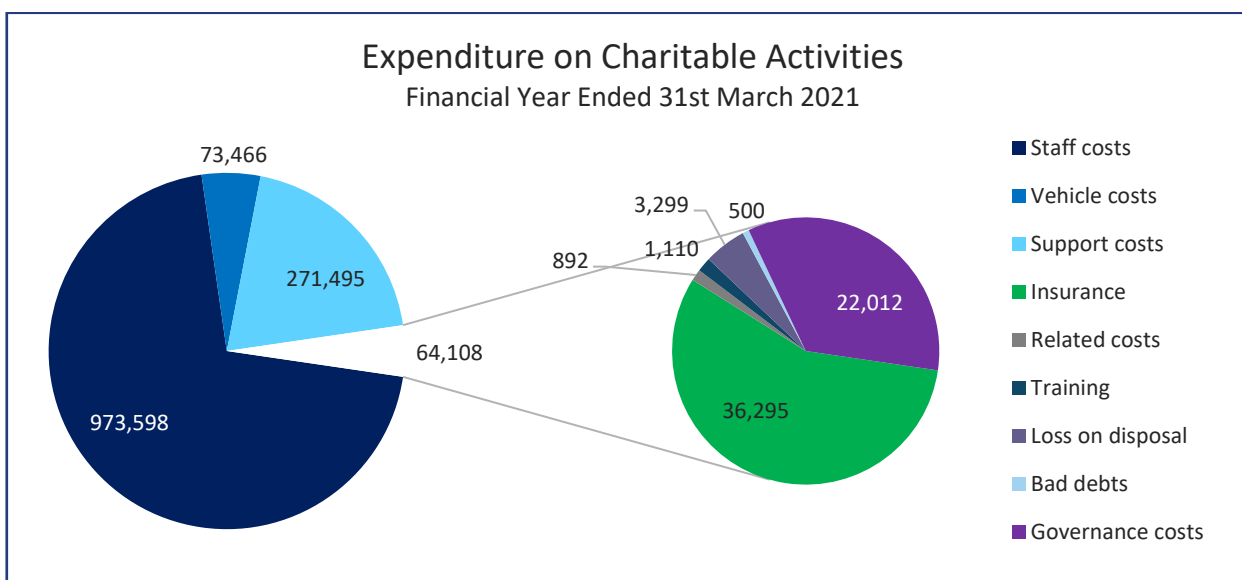
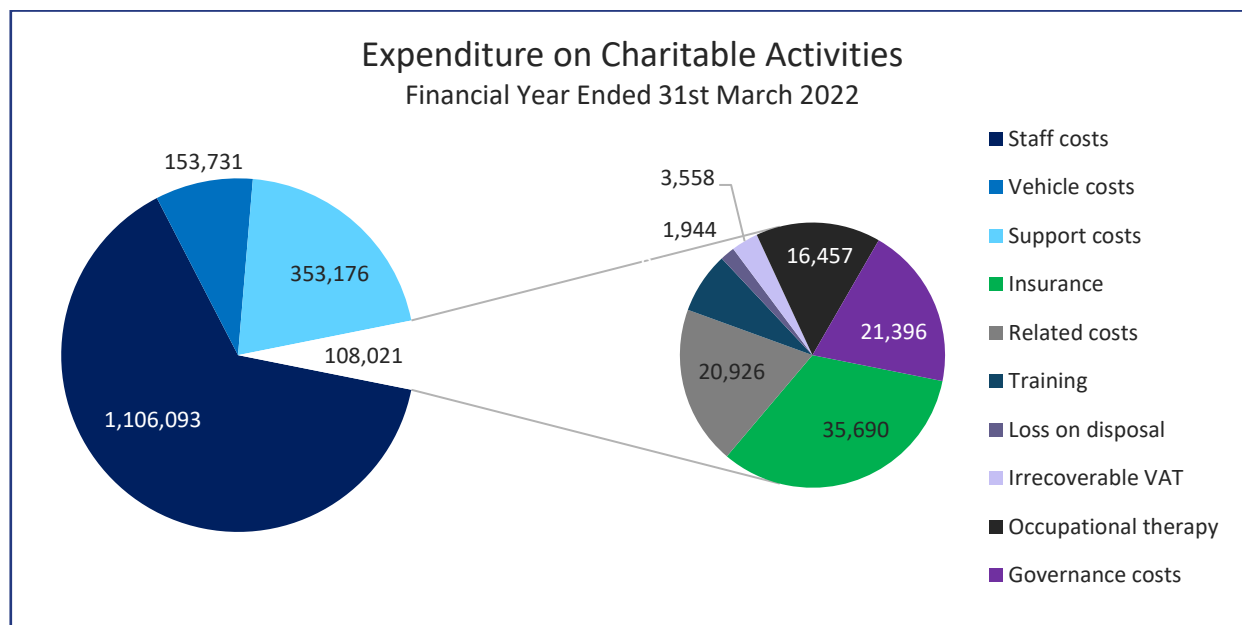
Review of Income



- Reduction in government grant income from £292k to £42k in relation to a decline in furlough income.
- Other income in the PY is in relation to income from sale of driving mobility cars.
- Income line 'Assessment fees: Case Managers AX' seen in the current year under assessments and courses for £9k vs £nil in 2021. Similarly there is £24k income in relation to self-referrals in 2022 being £nil in the prior year.
- There were various VAT adjustments in 2021 totalling £132k which are not present in the current year.



Review of Expenditure



- Staff costs make up the most significant portion of expenditure. 2022 costs have increased 14% on the prior year.
- Vehicle costs have doubled since 2021, primarily driven by fuel increases of £20k throughout the year. Related costs are also in relation to staff travel and we can see these costs increasing following the lifting of pandemic restrictions.
- Support costs have increased on prior year mostly due to the following factors:
 - Repairs and renewals up £29k due to the ventilation system upgrade (see journals)
 - IT equipment increased £6k due to new DMIs licenses.
 - Rates up £20k. Aggregate effects of a reduction in service charges at Patrick Farm Barns and general increases at all other premises.
 - Postage, phone and stationery increased £8k.



Review of transactions by day

Row Labels	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Total
Bill	441	388	360	439	290	165	147	2,230
Bill Payment (Cheque)	242	305	381	320	199	34	52	1,533
Credit Note		3	6	83				92
Deposit	17	17	34	182	14	2	2	268
Expenditure	400	409	517	603	365	50	49	2,393
Invoice	600	1,127	1,352	1,317	362	182	136	5,076
Journal Entry	170	113	60	149	82	70	42	686
Payment	224	278	260	265	178	24	36	1,265
Refund	36	39	54	50	39	3	6	227
Sales Receipt	75	78	116	62	39	15	30	415
Supplier Credit	3	3	2	46	11	5	2	72
Transfer	28	22	24	24	8			106
VAT Adjustment				2				2
VAT Payment	2	2		2	4			10
Grand Total	2,238	2,784	3,166	3,544	1,591	550	502	14,375

A review of the nominal ledger transactions by type and day of week have identified the above. There are a notable number of transactions which appear to be posted on weekends. These are in relation to a variety of different transactions as throughout the year.



3 - Significant Findings

Set out below are the significant findings from our audit. These findings include:

- Our audit conclusions regarding the significant risks and key areas of management judgement outlined in the Audit Strategy Memorandum
- Our comments in respect of the accounting policies and disclosures that you have adopted in the financial statements. On page 12, we have concluded whether the financial statements have been prepared in accordance with the financial reporting framework and commented on any significant accounting policy changes that have been made during the year
- Any significant difficulties we experienced during the audit
- Any modifications required to our audit report.

Significant risks and key areas of management judgement

Revenue recognition

Description of the risk

There is a risk of fraud in the financial reporting relating to revenue recognition due to the potential to inappropriately record revenue in the wrong period or revenue not being recorded. Due to there being a risk of fraud in revenue recognition we consider it to be a significant risk on all audits.

How we addressed this risk

We have addressed this risk through performing audit work over:

- Revenue cut-off testing in relation to income received around the year end;
- Revenue transactional testing;
- Analytical review against prior year;
- Reviewing correspondence and source documentation; and
- Performing procedures to identify and cash received after date.

Audit conclusion

Based on the results on our audit procedures we are satisfied that there is no indication of any obvious understatement of revenue or any material cut-off errors in respect of revenue recognition.



Management override

Description of the risk

In all entities, management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Due to the unpredictable way in which such override could occur, we consider there to be a risk of material misstatement due to fraud and thus a significant risk on all audits.

How we addressed this risk

We have addressed this risk through performing audit work over:

- Accounting estimates impacting amounts included in the financial statements;
- Consideration of identified significant transactions outside the normal course of business; and
- Journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Audit conclusion

Based on the audit procedures undertaken and the sample transactions tested that there is no indication of inappropriate management override of controls.

Accounting estimates

Description of the risk

Management make a number of accounting estimates as part of the process of preparing financial reporting. By their nature there is an element of subjectivity that requires management to exercise their judgement in developing estimation models. Areas where such judgements will be exercised include:

- Depreciation policy and rates applied
- Bad debt provisioning
- Asset impairments reviews
- Contingency provisioning
- Allocation of expenditure to restricted funds

How we addressed this risk

- We assessed how management identifies those transactions, events and conditions that may give rise to the need for accounting estimates, and how management makes the accounting estimates.
- We reviewed the outcome of accounting estimates included in prior year financial statements or, where applicable, their subsequent re-estimation for the purpose of the current year.
- We evaluated estimation uncertainty and determined whether estimates with high levels of uncertainty give rise to significant risks.

Audit conclusion

Based on the results of our audit procedures, we are satisfied that there is no indication of an obvious material error based on significant accounting estimates.



Accounting policies and disclosures

We have reviewed accounting policies and disclosures and concluded they comply with relevant financial reporting framework UK GAAP (FRS 102) we are satisfied that the level of disclosure is commensurate with the size and complexity of the charity.

Other matters discussed with management

1. Physical verification of assets

We encountered issues physically verifying a sample of assets, particularly IT equipment e.g. a Lenovo laptop from the fixed asset register as part of our review. We are aware from discussions with the client that improvements are being introduced post year end in order to capture staff currently using laptops/IT equipment by way of asset numbers/a booking system.

2. Potential to capitalise ventilation system upgrade

An upgrade to the ventilation system was identified (~£29k incl. VAT) which could be classed as a capital item. Discussions with S Barratt explained that the ventilation system for the building works was faulty and so an upgraded system was fitted. It is our understanding that the installation of this new system was more than simply repairs.

As part of this, review of the fixed asset register identified an asset under fixtures and fittings, dated 03/07/2018 with the description 'Ventilation RDAC Workshop' with a NBV of £1,603. Point has also been noted to confirm whether this is related to the old ventilation system that was replaced and if appropriate consider disposal.

3. Retention creditor

There is a retention creditor of £27,927 in respect of the Mossvale contract included within the accounts under other trade creditors. In connection with the ventilation system upgrade noted above, we understand per discussions with S Barratt that the builder who originally installed the system as part of the construction of the premises went into liquidation. Point noted to discuss the appropriateness of this creditor.

4. Potential dispute re: dilapidations – Alldos UK Ltd

The trade creditors review highlighted an old balance with Alldos UK Ltd for an amount of £2,747. Per discussions with Debbie there appears to be a dispute regarding this balance. RDAC hired rooms from Alldos UK Ltd when moving buildings. RDAC were there for over a year and left in March 2020. In June 2021 Alldos UK Ltd sent an invoice to RDAC requesting payment for dilapidations which RDAC strongly disagree with. A letter was sent out to Alldos UK Ltd regarding this invoice, but RDAC have had no reply to date.

5. Supplier statement – Driving Mobility

Our supplier statement testing returned a sample of one supplier to test. Driving Mobility was selected as it has the highest value of invoices in the year (£41,143). This supplier statement was not available therefore the year end balance of £4,585 could not be verified.



6. Trade creditors balance – Press Telecom

RDAC has received phone services from Press Telecom but has not yet paid for these. Per discussions with D Barnett, there are delays in paying this balance as they sent a request for change of bank details however RDAC has been unable to contact them to confirm. They are holding off on paying the outstanding balance (~£650 at the year end/~£900 to date) until they can make contact.

7. Undeposited funds

There is £1,200 noted as undeposited funds included under bank and cash at the year end – similar funds were noted in the prior year. On investigation, this balance appears to relate to cheques received from DVLA: There were £2,370 cheques noted as received post year end in respect of DVLA trade debtor balances at the year end. These were banked post year end. The trade debtors balance in the accounts comprises of £1,170, with the remaining £1,200 being included under undeposited cheques. Per discussions with D Barnett, the client is unaware why only £1,200 is included here (as an entry created by QuickBooks) in respect of cheques uncleared. Support and training is available in relation to QuickBooks from Ormerod Rutter.

8. Going concern review

As trustees you are responsible for ensuring that the charity can continue to trade for at least 12 months from the date that the financial statements are approved. At present, forecasts are only prepared for 12 months from the year end date.

Whilst we appreciate that results have been good in recent years, we are mindful of the increased financing and therefore the cash to be generated to service this debt and would recommend that the trustees extend the period over which they prepare cashflow forecasts to be 2 years to ensure that at least 12 months after the date of approval of the financial statements is covered.

Consider the possibility of a commitment to future funding from the DfT?

9. Restricted funds

As in the previous years there were restricted funds to be used for a variety of projects. The DFT Project, the Manchester grant and the Leicester grant were all accounted for in previous years and where the money was used to purchase fixed assets, the fund balance is currently equal to the net book value of those assets and the only expenditure deducted from those funds each year is the depreciation charge for the year.

Of the income received in this year, were there any restrictions placed on how the money could be spent and therefore are there any new restricted funds to be reflected in the accounts?

10. Furlough scheme

The guidance states that organisations which have staff costs which are publicly funded should not furlough their staff and should instead use the funding to continue to pay their staff. We understand from activities during the year that this was factored into the clawback figure of ~£224k taken off the Q4 2022 grant income. Furlough income was claimed to March 2021 however, the income relating to March 2021 (£42,123) was received in April and has been included in 2022 accounts.



11. Motor vehicles

We understand from review of fixed assets that the majority of cars are owned by Driving Mobility but used by RDAC. When cars are bought, DM buys them on RDAC's behalf as they can usually get these cheaper. RDAC then pays DM for the vehicle when DM invoices them. No invoice has yet been received from DM for the Honda Jazz. An accrual of £4.5k is included within the accounts.

D Barnett confirmed that there are only 8 cars owned by RDAC itself, being the following:

- VW Caddy Maxi – YX60 XYE
- VW Caddy – BF63 CDU
- Ford C Max – FD66 CBY
- Ford Fiesta – EY16 FLF
- Skoda Fabia – GD68 GXH
- Ford – LN68 UNX
- VW Caddy – DX16 VGM
- Honda Jazz – RE17 VPY (Not in QuickBooks)

The audit trail surrounding the purchasing and disposals of vehicles is not currently always easy to trace and there is often uncertainty as to the ownership of vehicles given to RDAC by Driving Mobility. We would recommend that the fixed asset register is reviewed at least quarterly to ensure that any transfer of vehicles between RDAC and Driving Mobility is reflected in the financial statements.

12. Old balances on the sales ledger

Sales ledger balances total £67k, of which £32k (47%) are noted to be old. Of the £32k old balances, £27k is owed by DVLA. We understand from our discussions with management that this is not unusual for DVLA to have large amounts outstanding at the year end and we have vouched ~£31k to post year end receipts. We would recommend that debts are chased more frequently.

13. Driving lessons – charitable or trading activity

We have noted that a new income stream has commenced in the year – driving lessons. This was originally mapped to donations in the financial statements. We have since reclassified this income stream to “other trading activities”. This classification is to be discussed in line with the below:

Extracts from the SORP say that income from trading activities:

- must be received in exchange for supplying goods and services in order to raise funds for the charity;
- and have profit-seeking motive.

Extracts from the SORP say that income from charitable activities:

- earned both from the supply of goods or services under contractual arrangements and from performance-related grants;
- the sale of goods and services as part of the charitable activities of the charity (also known as primary purpose trading), whether the sale is intended to make a profit or is at or below cost.



14. Prior year control points – follow up

- **Recognition of accrued and deferred income**

Control point was noted in prior year where accrued and deferred income was not being recognised where payment is received for an invoice ahead of assessments taking place. It is our understanding in the current year that postings are made to 'Prepaid driving lessons' and 'Prepaid Assessments' codes in the general ledger which assists in capturing deferred income. No instances have been identified for 2022 where accrued income would be required as the vast majority of payments are received in advance of the assessments taking place.

- **No detailed review of the payroll was performed**

Control point was noted in the prior year regarding authorisation of payroll. In the current year, we have identified changes to the system whereby ESOS provides a temporary payroll for review and an authorisation form which we understand is signed by S Barratt each month to authorise payment.

- **Petty cash differences**

In the prior year we noted discrepancies between the year end cash sheets and the QuickBooks ledger. In the current year as part of our review of bills and expenditure systems, the petty cash controls were informally reviewed and relevant changes to strengthen petty cash controls have been identified. No detailed testing has been performed over petty cash due to the low value.

15. Accounts related points

- Trustees report outstanding. Point noted in particular to confirm the inclusion of wording regarding the status of the VAT registration.
- Key Management Personnel: Based on discussions with S Barratt, key management are considered to be Steve Dent, Clare Jones, Sean Barratt and Amy Leddington. Their cumulative salary costs have been disclosed in the financial statements accordingly as remuneration of key personnel in accordance with the requirements of the Charities SORP.
- Refer to outstanding information points below:

16. Outstanding information

- Copy of the Leicester lease. Relevant disclosures per accounts TBC.
- Loan agreement for CAF bank second loan of £250k. Annual statement verified to confirm balance, but no details of repayment terms/a repayment schedule and the covenants seen as part of formal loan documentation. Relevant disclosures per accounts TBC.



17. VAT position and impact on accounts

VAT registration was completed in the prior year resulting in a large refund following historical claims. This amount has been set aside as a contingency. A HMRC inspection has been welcomed by RDAC to obtain guidance over the VAT treatment. HMRC have not responded to these invitations.

Amounts included in the Co-Op 14 Days Accounts of £685,387 relate to VAT refunds set aside.

The decision was taken to claim 80% of input VAT from 01/01/2022. HMRC have been notified of this change.

These financial statements include a VAT provision of £335,872 within other creditors. Consider releasing this liability or awaiting further HMRC correspondence before making final adjustment. To be discussed in clearance meeting.

Significant difficulties during the audit

During the course of the audit we did not encounter any significant difficulties and we have had the full co-operation of management.



4 - Internal control recommendations

The purpose of our audit was to express an opinion on the financial statements. As part of our audit, we have considered the internal controls in place relevant to the preparation of the financial statements in order to design audit procedures to allow us to express an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control or to identify any significant deficiencies in their design or operation.

The matters reported are limited to those deficiencies and other control recommendations that we have identified during our normal audit procedures and that we consider to be of sufficient importance to merit being reported. If we had performed more extensive procedures on internal control, we might have identified more deficiencies to be reported or concluded that some of the reported deficiencies need not in fact have been reported. Our comments should not be regarded as a comprehensive record of all deficiencies that may exist or improvements that could be made.

Our findings and recommendations are set out below. We have assigned priority rankings to each of them to reflect the importance that we consider each poses to your organisation and, hence, our recommendation in terms of the urgency of required action. In summary, the matters arising fall into the following categories:

Priority ranking	Description	Number of issues
1 (high)	In our view, there is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business strategic objectives. The recommendation should be taken into consideration by management immediately.	-
2 (medium)	In our view, there is a need to strengthen internal control or enhance business efficiency. The recommendations should be actioned in the near future.	4
3 (low)	In our view, internal control should be strengthened in these additional areas when practicable.	-



Significant deficiencies in internal control – Level 2

Deletion of transactions

Description of deficiency

We have identified by way of the audit trail report from QuickBooks online software instances of transactions being deleted e.g:

- Deleted invoice
- Deleted expense
- Deleted sales receipt paid for by PayPal internet
- Deleted supplier credit
- Deleted payment to DVLA
- Deleted bill payment

Specific queries were investigated where assessments are paid for via PayPal/cash. Upon enquiry with the client, we understand that payments are very rarely received in cash.

Explanations for the deletions of such transactions are as follows;

- Duplicate transactions where correction has been processed via deletion,
- Old transactions from pre-2020, and
- Such transactions should never have existed in the first instance.

Within the same report there is evidence of voided transactions rather than deletions, particularly in the later part of the year through to post year end. This is deemed to provide a better audit trail and helps to ensure the proper record of transactions.

Response from D Barnett regarding transaction 201574:

"I have looked through the deleted transactions. Most look like they have been duplicated. With receipts they can come via email and then also in person a few weeks later. However, on the 24th Feb expense number 1822 was changed as the 60.49 did not include vat. 1822 is on QB and in the deleted list. Not quite sure why in future I will void and put a reason.

The invoices which are down as cash would not be cash for assessments and as I said the only cash we had was for car seat assessments which we stopped charging for in about May 2021."

Potential effects

Deletion of transactions poses a greater risk of transactions being recorded incorrectly throughout the year. Ultimately, the year end position reflected within the accounting software may be inaccurate where particularly income, expenses and cash transactions may be misstated.

Recommendation

Use of dummy postings and credit notes would strengthen the audit trail, and where strictly necessary, voiding transactions rather than deletion. Point noted to discuss recommendations.

Management response



Regular management accounts are not produced

Description of deficiency

Formal management accounts are currently not produced on a regular basis by RDAC.

Potential effects

The lack of management accounts will make it difficult to track and measure the performance of RDAC against the budget at the start of the year, and where necessary to make any improvements.

Recommendation

Management accounts should be produced on a monthly basis.

Management response

Bank reconciliations not reviewed

Description of deficiency

Review of bank reconciliations identified reconciling items outstanding at the year end. A number of these items could not be confirmed to post year end payment. On investigation, these transactions were noted to have been duplicated (refer to control point above).

In connection with this, there has been no evidence identified that bank reconciliations are formally reviewed by a responsible person. We are aware that D Barnett now utilises separate workings spreadsheets at the end of each month to perform the reconciliations and that bank statements are now annotated with the relevant details. However, various misallocations on the system and various duplicated/deleted payments do not appear to be being captured.

Potential effects

The absence of formally reviewed bank reconciliations being performed regularly increases the risk of a mis-posting not being recognised thereby risking the management accounts on which decisions are based being unreliable.

Recommendation

Control accounts, including bank accounts, should be reconciled and reviewed at least monthly and all differences investigated and resolved.

Management response



HR information not always kept up to date or available for review

Description of deficiency

HR information (contracts, IDs and pay notifications) were not always kept up to date or available for review. Of the sample requested we were unable to obtain the following:

- Victoria Kemp – relevant pay increase letter – we selected August 2021 to review; Victoria's annualised salary was £18,243 but was £17,661 per the available salary increase letter dated April 2020. It is believed there was another increase in November 2020 which was not documented.
- ID was not provided for Lisa Jackson (who has left the company).

Note: we are aware that IDs for leavers are not always retained on file.

Potential effects

Possible disputes with employees may be difficult to resolve as relevant HR information to support terms of employment and pay are not kept up to date or on hand to be evidenced.

Recommendation

When changes are made to the terms of employment contracts (i.e. wage increases) a formal letter of amendment should be issued to the employee and a signature should be obtained. HR information should be stored securely with a responsible person and updated as required.

Management response



5 - Summary of misstatements

We set out below the misstatements identified during the course of the audit, above the level of trivial, for adjustment.

The first table outlines the misstatements that were identified during the course of our audit which management has assessed as not being material either individually or in aggregate to the financial statements and does not currently plan to adjust.

Unadjusted journals	DR	CR	Surplus/(deficit) impact
Net deficit per client TB			(21,460)
Audit JNL 1 – Capitalisation of ventilation system			
Repairs and renewals		24,312	24,312
Fixtures and fittings cost of additions	24,312		-
Fixtures and fittings depreciation for year		4,052	-
Support depreciation of tangible FA	4,052		(4,052)
Audit JNL 6 – Accrual for CCMS/DMis licence costs (Feb 2022) posted post year end			
IT costs and equipment rental	1,118		(1,118)
Accruals		1,118	-
Surplus/(deficit) for the year			(2,317)

No adjustments have been made during the audit to the results presented to us other than presentation adjustments disclosure purposes only.



Appendix A – Independence

As part of our ongoing risk assessment we monitor our relationships with you to identify any new actual or perceived threats to our independence within the regulatory or professional requirements governing us as your auditors.

The year-end audit involves an element of non-audit services being the preparation of the financial statements. This function involves importing your draft figures into software and working with you to then obtain the information for the supporting disclosures. The provision of such support gives rise to a self – review threat to our independence as external auditors but we have ensured that the level of review is enhanced to safeguard against this potential threat and have discussed all adjustments with management during our audit.

We are satisfied that adequate safeguards have been implemented and there is therefore no threat to our independence as auditors.

