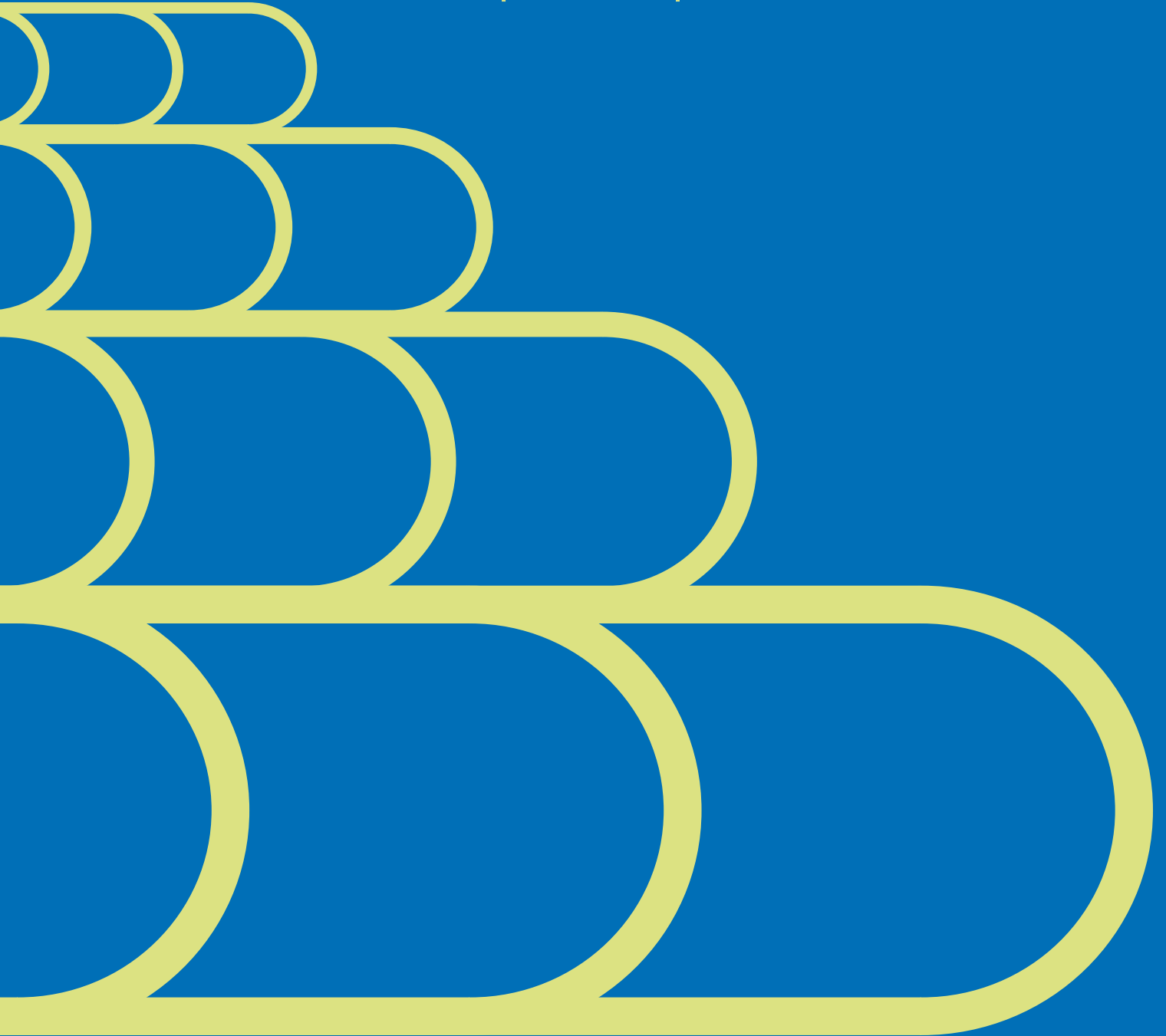




Disability Rights Commission

Annual Report and Accounts

April to September 2007



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Annual Report and Accounts

April to September 2007

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Chief Executive's Report and Management Commentary

Key External Developments April – September 2007

The wide-ranging provisions of the Disability Discrimination Act (DDA) 2005 on transport and the establishment of a Disability Equality Duty (DED) on all public bodies came into effect in December 2006, and these had a major impact on the work of the Disability Rights Commission (DRC) in this six month period.

The DRC also prepared and published a major report in September 2007 which summarised the progress made on disability issues in the seven years since it came into being. Equally importantly it laid out clearly the issues and targets for what yet needed to be achieved in the expectation this would assist the Equality and Human Rights Commission (EHRC) in the discharge of their statutory duties. This report can still be downloaded from the EHRC's website at: <http://www.equalityhumanrights.com/en/publicationsandresources/pages/publications.aspx?k=Creating%20an%20Alternative%20Future>

Throughout this period the Government, with DRC support, worked to finish creating the Equality and Human Rights Commission in accordance with the terms of the Equality Act 2006. The EHRC took over all the DRC's assets and liabilities on 1 October 2007, at which point the DRC together with the Equal Opportunities Commission and the Commission for Racial Equality ceased to exist.

Review of the DRC's Activities

The Commission came into operation on 25 April 2000 and occupied four main offices located in Manchester, London, Edinburgh and Cardiff.

Retention, and where necessary temporary recruitment, continued throughout the half-year within the DRC's ceiling of 205 full-time equivalent, well-qualified staff, as previously agreed with the DWP as sponsor. Around one-third of these declared a disability.

The DRC's key activities in the half-year to 30 September 2007 included:

- playing a key part in ensuring ongoing practical implementation of the Government's wide-ranging, decade-long programme of reform of disability rights legislation through the Disability Discrimination Act (DDA) 1995, the Special Education Needs and Disability Act (SENDA) 2001 and the provisions of the Disability Discrimination Act 2005;
- the preparation and revision of statutory Codes of Practice and related targeted guidance; information, advice and other materials for employers, service providers and disabled people and their organisations; major promotional campaigns, media and other communications activity; legal and other strategies to clarify and highlight what the law requires, with particular emphasis on the DRC's powers to conduct Formal Investigations, to reach binding agreements with employers and service providers, and to support and intervene in cases at the higher, precedent-setting levels of the courts and tribunals;
- continuing effective delivery of quality services, in particular through the DRC Helpline, Website and Conciliation Service, covering all aspects of disability rights legislation;
- taking forward research and programmes of work to tackle major barriers to participation

and securing positive outcomes that are faced by disabled people in key sectors of society and the economy – education; employment; services and transport; and health and independent living;

- working to ensure that the EHRC sustains high priority for effectively tackling discrimination faced by disabled people;
- working effectively in the devolved contexts in Scotland and Wales, and with appropriate Whitehall government departments as well as the other equality commissions;
- influencing and then commenting on the Green Paper that set out the results of the Government's Discrimination Law Review;
- promotion of a DRC proposed agenda of action in the main areas of public policy that will be crucial to tangible progress on disability equality over the next 10 years; and
- continuous improvement in the use of DRC resources and ways of working.

Specific outputs and achievements included:

- volumes handled by DRC services continued pro rata at levels similar to or higher than in previous years including at the DRC Helpline (some 47,000 contacts), Website (2.086 million visitor sessions) and the Conciliation Service (130 cases);
- extensive programmes of external capacity building and transfer of expertise programmes, with a large volume of cases supported at local level as well as DRC-led training sessions and guidance for organisation with roles to play in promoting disability rights and equality;
- 27 new legal cases as well as ten legally binding s.5 agreements with companies and other organisations;
- preparation and completion of a statutory Code of Practice on General Qualifications Bodies, as well as a wide range of guidance and related materials on statutory disability rights and obligations including in the areas of transport and especially the Disability Equality Duty (DED) on public bodies. By September 2007, virtually all relevant public bodies across Britain had published a Disability Scheme as required under the legislation, and legal enforcement was being initiated by the DRC on the handful of outstanding cases.
- sustained promotional and related activity on the DED, addressing disability as a key factor in the successful delivery of public policy priorities, human rights as they affect disability, and disabled people in ethnic minority communities. This activity – across England, Scotland and Wales – included programmes of conferences and publicity as well as advice to key organisations and disabled people;
- the conduct and completion of an extended promotional campaign on the transport provisions of the DDA, with particular emphasis on encouraging disabled people (especially younger disabled people) to have greater confidence in their opportunities and rights;
- a well received launch of the report and recommendations from the DRC's Formal Investigation into the discriminatory impact of the currently required fitness standards governing recruitment to and progression in the teaching, social services and nursing professions;
- joint working with the new EHRC to help it become operational on 1 October 2007, to secure continuation of key DRC services and projects, and more generally to help ensure that the new body's plans, programmes and services meet the needs and interests of disabled people;
- as an employer and with respect to its outward-facing work, updating and implementing the DRC's own equality schemes on disability, race and gender as required under law,

as well as drawing up statements of policy and practice with respect to age, sexual orientation, religion and belief; and

- successful measures to ensure the retention of DRC staff combined with sustained motivation to deliver throughout the DRC's final months.

I Management of Risks

The DRC had a robust system of risk management that, in conjunction with the annual business planning process and quarterly reviews of performance against the Business Plan, assessed: key generic risks (financial, staff and other resources, reputational and the environment in which the DRC operates); risks to the DRC's specific key objectives for the year in question; and for each project within the Business Plan. At all three levels, controls were identified and put in place to manage those risks within acceptable levels.

Risks were reviewed regularly both by Audit Committee and the more frequent Corporate Management Team meetings. As risks inevitably increase in the transition to a new body, for its last six months the DRC had EHRC issues as one of their key objectives in the high level risk register. In addition, the Chief Executive reported progress against Business Plan objectives and risks to every Commission meeting.

In accordance with the terms of its Management Statement, the DRC kept its sponsor department, the Department for Work and Pensions, apprised of its risk management by approximately monthly meetings with senior officials.

DRC Governance Arrangements and Use of Resources

Statutory Authority and Principal Activities

The Disability Rights Commission was established as a Non-Departmental Public Body (NDPB) under the Disability Rights Commission (DRC) Act 1999. The DRC ceased to exist on 30 September 2007, and its functions were subsumed into the new Equality and Human Rights Commission (EHRC). The principal activities in the financial half-year April – 30 September 2007 were to enable the Commission to continue to carry out the general duties, powers and specific powers as outlined in the Act.

These are summarised as to:

- work towards the elimination of discrimination against disabled people;
- promote the equalisation of opportunities for disabled people;
- take steps to encourage good practice in the treatment of disabled people;
- to keep the Disability Discrimination Act (DDA) under review;
- assist disabled people by offering information, advice and support in taking cases forward;
- provide information and advice to employers and service providers;
- undertake formal investigations;
- prepare statutory codes of practice providing practical guidance on how to comply with the law; and
- arrange independent conciliation between service providers and disabled people in the area of access to goods and services.

In addition to fulfilling its statutory duties, the DRC also made a significant input to the creation of the Commission for Equality and Human Rights, more usually known as the Equality and Human Rights Commission (EHRC).

The accounts for the half-year ended 30 September 2007 were prepared in accordance with the Accounts Direction dated 13 February 2006 given by the Secretary of State for Work and Pensions, with the approval of the Treasury, in accordance with the Disability Rights Commission Act 1999.

Commission Members and Their Responsibilities

Under the Constitution (Schedule 1, section 2) of the Disability Rights Commission Act 1999, Commissioners are appointed by the Secretary of State. During this half-year, the following served as members of the commission serving under the throughout the half-year were:

Sir Bert Massie (Chairman)

Saghir Alam

Stephen Alambritis

Baroness Jane Campbell

Timothy Escudier

Richard Exell

Dr Kevin Fitzpatrick
Christopher Holmes
John Hougham (Deputy Chairman)
Elaine Noad
Eve Rank
Philippa Russell
Jenny White

Details of Commission members' remuneration are shown in the Remuneration Report.

A register of Commissioners' interests was held on the DRC website at www.drc-gb.org and can still be obtained from the Commissioners' office at the EHRC.

The responsibilities of the Commissioners were to:

- establish the Commission's vision and strategy and agree policy on major new areas;
- agree the corporate and business plans and budget and ensure that these were consistent with the Commission's overall purpose and statutory role and sensitive to the context of devolution;
- monitor progress against plans and evaluate strategy;
- ensure good corporate governance; and
- approve the support of individual legal cases.

Robert Niven was Chief Executive throughout this period.

Resources

The DRC operated from premises in Manchester, London, Edinburgh and Cardiff. Notes 5 and 5.2 to the accounts detail the tangible and intangible assets of the organisation and note 3 the staff numbers.

The success of the DRC was most dependent on retaining and recruiting high-calibre staff, who were skilled, competent and possessed specialist knowledge not freely available generally. The expertise and dedication of the staff was recognised as the prime contributory factor to furthering the rights of disabled people. This applied at all levels of the organisation and across all Directorates.

Financial Position

Grant-in-Aid, unlike other income, is treated as financing and taken straight into the Balance Sheet Reserves. Cash Grant-in-Aid for the six months to 30 September 2007, taking into account the amounts required to meet the DRC's liabilities falling due in that period, had already been included in the Department for Work and Pensions (DWP) estimates for the year, which have been approved by Parliament.

Because under the terms of the Transfer Order made under the Equality Act 2006, the DRC's assets and liabilities transferred automatically to the EHRC, it was accordingly considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Results for the Half Year

Grant-in-Aid for this period amounted to £10.650m from the Department for Work and Pensions (DWP). This was used for recurrent expenditure of £10.645m and £5k for the purchase of capital assets. The Commission recorded an operating cost result of (£10.542m) during the half-year ended 30 September 2007.

The Commission held assets with a net book value of £0.932m. These were transferred to the EHRC under the terms of the Transfer Order.

Charitable Donations

The Commission made no charitable donations during the half-year.

Pension Benefits

Pension benefits for employees were provided through the Civil Service Pension Scheme arrangements. Information about how pension liabilities were treated is given in note 3.2 in the notes to the Accounts and in the Remuneration Report.

Further details of the Civil Service Pension Scheme arrangements can be found at the website www.civilservice-pensions.gov.uk

Payment of Creditors

The Commission was committed to complying with the Better Payment Practice Code (available from www.payontime.co.uk). Unless subject to specific negotiation at the outset with a new supplier or when contracts were being renewed, the Commission's policy with regard to all suppliers was to make payment within the stated credit terms or within 30 days of receipt of a valid invoice.

A review of invoices paid during the year shows that 83% were paid within 30 days of receipt.

Employees

The Commission aimed to give all staff equal access to training, career development and promotion opportunities, including opportunities to ensure successful careers beyond 30 September, either within the Equality and Human Rights Commission or elsewhere.

Disabled people comprised around 32% of all DRC staff. In cases where an employee became disabled, or a disability became more severe, the Commission considered all reasonable adjustments to help the employee to continue in employment. The Commission welcomed job applications from people with disabilities in accordance with its equal opportunities policy, which was to provide equal access to employment for all who were eligible, on the basis of ability, qualifications and fitness for work. Ten of the fourteen Commissioners who served during the period were themselves disabled.

Employee Involvement

Effective communication with staff was a key factor in achieving the DRC's business objectives. Management held regular team briefings, with the Chief Executive Officer

holding a mixture of Open Forums and written briefings to keep staff up to date with developments. Information Technology is used extensively for staff communication. The Commission recognises the Public and Commercial Services Union (PCS) for collective bargaining purposes on behalf of staff.

Statement on the Disclosure of Information to the Auditors

As far as I am aware there is no relevant audit information of which the DRC's auditors are unaware and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the DRC's auditors are aware of that information.

Environmental Issues

The DRC had an active 'Green Group' which monitored the Commission's impact on the environment and assessed DRC progress and achievement in this area against BS8555.

Robert Niven

Chief Executive Officer and Accounting Officer

15 January 2009

Remuneration Report

a) Remuneration Committee (audited)

The Commission had an Audit and Remuneration Committee. The terms of reference stated that the committee could make recommendations to the Chair and Commission on the appropriate level of remuneration for the Commission's Chief Executive. It may also offer advice to the Chief Executive on the recruitment and remuneration of senior DRC staff.

The members of the Audit and Remuneration Committee were:

John Hougham (Chair)

Saghir Alam

Stephen Alambritis

Tim Escudier

Chris Holmes

Bert Massie

Until April 2007, Bert Massie, the DRC's Chair since January 2000, was employed by the Royal Association for Disability and Rehabilitation (RADAR) and was on secondment to the Commission. In 2006/7 he received an annual salary of £88,618 per year and remained a member of RADAR's Pension Scheme, which provides one based on length of service and final salary. The Commission met the costs of the employer's pension contributions, set at 27.7% of salary; Employer's National Insurance; and VAT charged by RADAR on their invoice. From 1 April 2007 the Chair's secondment ceased and, by prior agreement with the sponsor department (DWP), he became an employee of the DRC, receiving salary payments from them. During the reporting period the Chair's actual remuneration was as follows:

	2007/8 (6 months) £'000	2006/7 £'000
Remuneration	60	89
Employers National Insurance	7	10
Pension	0	39
VAT	0	24
Total Remuneration	67	162

b) Commissioners' Costs (excluding Chairman) (audited)

The Commissioners received a fixed fee of £250 plus expenses for each day that they attended meetings of the Commission. The appointments were not pensionable. Analysis of the fees and expenses received by the Commissioners is shown in the following table.

Commissioner	Actual Fees Paid		Actual Expenses Paid		Tax on T&S Expenses		Total Expenditure	
	2007/8 (6 months) £'000	2006/7 £'000	2007/8 (6 months) £'000	2006/7 £'000	2007/8 (6 months) £'000	2006/7 £'000	2007/8 (6 months) £'000	2006/7 £'000
	Sagir Alam	4	10	1	4	1	2	6
Stephen Alambritis	1	3	0	1	0	0	2	4
Michael Burton	0	1	0	0	0	0	0	1
Jane Campbell	1	7	0	4	0	2	1	13
Susan Daniels	1	3	0	0	0	0	1	3
Richard Exell	5	10	0	2	0	1	5	13
Kevin Fitzpatrick	3	7	2	4	1	3	6	14
Christopher Holmes	6	15	1	3	1	2	8	20
John Hougham	2	4	1	1	0	1	3	6
Elaine Noad	1	6	1	2	1	1	3	9
Eve Rank	1	5	0	2	0	1	1	8
Phillipa Russell	11	15	1	1	0	0	12	16
Jenny White	11	9	1	0	0	0	12	9
Tim Escudier	2	2	0	0	0	0	2	2
	49	97	8	24	4	13	62	134

c) Chief Executive's Costs (audited)

Robert Niven was Chief Executive throughout the period. The Chief Executive's basic annual salary pro-rated for the six month period was £47,534, plus entitlement to a non-pensionable bonus in recognition of his performance against a personal responsibility plan. For the period April to September 2007 a bonus of £4,774 was awarded. Total actual emoluments were £83,945, including the employer's contributions of £12,174 to the Principal Civil Service Pension Scheme. The Chief Executive was an ordinary member of the Principal Civil Service Pension Scheme, with the Commission's contribution to the scheme amounting to the equivalent of 25.5% of salary.

Comparative figures for the previous 2006/7 year were: Basic salary £94,860, plus entitlement to a non-pensionable bonus in recognition of his performance against a personal responsibility plan. Bonus awarded was £9,486. Total actual emoluments were £141,572, including the employer's contribution to the Principal Civil Service Pension Scheme.

d) Remuneration of Senior Managers (Directors) (audited)

Their pay was determined by the DRC pay system, which provided a mechanism for employees to move through Pay Zones towards a guaranteed rate for the job. Progression was based on the individual's development towards achieving the competencies related to the Zone they were in, with a 5-step process to reach the 80% point of each pay zone.

This guarantee applied where the individual's performance in their respective role was assessed, under the performance management system, as being good (level B) or outstanding (level A), and where progress was made towards meeting the Zone competencies. Pay progressed through the pay points, year on year until the 80% point was reached. After this time a cost of living increase only was applied.

	Salary including performance pay pro-rated for six months (£k)	Benefits in kind (rounded to nearest £100)	Real increase in pension and related lump sum at age 60 (£k)	Total accrued pension at age 60 at 30 Sept 2007 and related lump sum (£k)	CETV at 1 Apr 2007 (nearest £k)	CETV at 30 Sept 2007 (nearest £k)	Real increase in CETV after adjustment for inflation and changes in market investment factors (nearest £k)	Compensation Lump Sum Awarded (nearest £k)	Compensation Payment Awarded (nearest £k)
Robert Niven ** Chief Executive	70-75 (115-120)	0 (0)	0-2.5 plus 0-2.5 lump sum	35-40 plus 115-120 lump sum	879	919	4	8	40
Will Bee * Director for Wales	25-30 (50-55)	0 (0)	0-2.5 plus 0-2.5 lump sum	5-10 plus 10-15 lump sum	128	136	5	74	
Caroline Gooding * Special Advisor	30-35 (55-60)	0 (0)	0-2.5	15-20	207	212	8	71	
Ann Wilmot * Director of Resources	30-35 (65-70)	0 (0)	0-2.5	20-25	282	312	33		
Mark Shrimpton Assistant Director	25-30 (50-55)	0 (0)	0-2.5	15-20	229	238	12	76	
Agnes Fletcher Director Policy and Communications	30-35 (50-55)	0 (0)	0-2.5 plus 0-2.5 lump sum	5-10 plus 5-10 lump sum	77	83	5	60	
Mike Adams Director Delivery and Learning	30-35 (50-55)	0 (0)	0-2.5	10-15	99	98	1	16	
Adam Gaines Director for Scotland	25-30 (50-55)	0 (0)	0-2.5 plus 0-2.5 lump sum	10-15 plus 0-5 lump sum	124	127	4	63	
Jackie Tattersall Director Resources	25-30 (50-55)	0 (0)	0-2.5 plus 0-2.5 lump sum	0-5 plus 10-15 lump sum	76	87	10		
Nick O'Brien Director of Legal and Operations	30-35 (60-65)	0 (0)	0-2.5 plus 0-2.5 lump sum	10-15 plus 35-40 lump sum	209	212	6	190	

Notes

* Due to certain factors being incorrect in last years CETV calculator, there is a difference between the final period CETV for 2006/07 and the start period CETV for 2007/08.

** Salary decreased for period 18/04/06 to 31/01/07 - resulting in different CETV.

Figures in brackets are comparative ones for 2006/7.

Robert Niven, Caroline Gooding, Nick O'Brien, Will Bee, Mike Adams, Adam Gaines, Agnes Fletcher and Mark Shrimpton all received payments under the voluntary severance/early retirement scheme.

Directors' pensions contributions were made to the Classic Scheme and others were made to the Premium Scheme. There were no payments made in respect of benefits in kind or to partnership pensions.

e) Performance was assessed through the DRC performance management system, which incorporated a performance related pay element. This was a requirement under guidelines laid down by the Treasury and Department for Work and Pensions. The DRC system supported the DRC strategic business plan, as well as its values and themes. It aimed to be fair and equitable and was applied consistently across all groups and grades. An explanatory note on the system can be found in the DRC's 2006/7 Annual Report, Appendix 1.

f) There were no elements of remuneration which were not subject to performance conditions.

g) All Directors were on permanent contracts within the DRC and were required to give and to receive three months notice to terminate their contracts.

h) There were no elements of the remuneration package that were not cash.

i) No compensation was paid to former senior managers.

VES/VER Payments (not audited)

The EHRC invited staff from the legacy commissions to apply for an Early Exit Scheme. The aim of the scheme was to:

- increase opportunities for staff wanting to move across to the EHRC by reducing the pool of applicants and thus helping to reduce any risk of unwanted redundancy;
- increase EHRC's scope for acquiring new externally recruited expertise, particularly from the new areas of equality work for which it was to be responsible;
- maintain business continuity up to the point of transfer.

The scheme provided early retirement or severance benefits on compulsory terms or, for those aged 60 and over, a payment consisting of a compensation payment in lieu of notice for those who voluntarily chose this option. Sixty-nine staff from the DRC chose to leave via the Early Exit Scheme.

Definitions of salary and pensions scheme were as follows:

Salary

'Salary' includes gross salary: performance pay or bonuses; overtime; reserved rights to London weighting, or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

CETV

The table on page 11 includes an analysis of the Cash Equivalent Transfer Value (CETV) and its real increase for each of the senior managers involved.

Pension

Pension benefits were delivered through the Civil Service Pension Scheme arrangements. From 1 October 2002, employees may have been in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The Schemes were unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 were able to choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the website www.civilservice-pension.gov.uk

Robert Niven

Chief Executive Officer and Accounting Officer

15 January 2009

Statement of Accounts

6 months to 30 September 2007

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Statement of Accounting Officer's Responsibilities

Under paragraph 15 of Schedule 3 to the Sex Discrimination Act 1975 (as amended by paragraph 9 of Schedule 4 to the Race Relations Act 1976) the Secretary of State, with the consent of the Treasury, directed the Disability Rights Commission to prepare for each financial year a statement of accounts in the form directed by the Secretary of State. The accounts were prepared on an accruals basis and must give a true and fair view of the state of affairs of the Disability Rights Commission and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the accounts direction determined by the Secretary of State, with the consent of the Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis.

The Permanent Secretary of the sponsor department had appointed the Chief Executive as Accounting Officer of the Disability Rights Commission. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer was answerable, for keeping proper records and for safeguarding the Disability Rights Commission's assets are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and set out in 'Managing Public Money'. During the period covered by these accounts therefore it was the then Chief Executive of the Disability Rights Commission – Robert Niven – who was responsible for the proper conduct of its affairs in accordance with the above guidance.

Under the terms of the Equality Act 2006, the Disability Rights Commission was wound up on 30 September 2007, with its residual assets and liabilities transferring to the Equality and Human Rights Commission. SI 2602 of 2007 required the Equality and Human Rights Commission to discharge the remaining functions of the Disability Rights Commission in preparing a final annual report and accounts. In those circumstances therefore, the Accounting Officer of the Equality and Human Rights Commission – Nicola Brewer – also became responsible for arranging for the Secretary of State to lay the annual report and accounts before Parliament.

Accounting Officer's Statement on the System of Internal Control

Scope of Responsibility

As Accounting Officer at the Disability Rights Commission until 30 September 2007, I had responsibility for maintaining a sound system of internal control that supported the achievement of the Commission's policies, aims and objectives, set by the Department's Ministers, whilst safeguarding the public funds and the Commission's assets for which I was personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

The Disability Rights Commission (DRC) came to end on 30 September 2007 and its functions were subsumed into the new Equality and Human Rights Commission (EHRC).

The Purpose and System of Internal Control

The DRC's system of internal control was sustained throughout its final half-year, April – September 2007. The system was designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives: it could therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of the Commission's policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system accorded with Treasury guidance.

Capacity to Handle Risk

The DRC took the following actions:

- developed a risk policy and management framework and circulated it to all staff;
- incorporated identification and impact of risk as an integral part of project planning;
- designated the Head of Strategic Planning and Caring Policy as Risk Coordinator and also Transition Manager to the EHRC who was responsible for ensuring that risks were identified and managed through the agreed process;
- managed risks, including EHRC transition risks, as an integral part of management by the Corporate Management Team, including in the development of new policies, where a risk assessment was given to the Commission as a standard process for each new policy.

Risk and Control Framework

The DRC had a thorough system of risk management that, in conjunction with the annual business planning process and quarterly reviews of performance against the Plan, assessed: key generic risks (financial, staff and other resources, reputational and the environment in which the DRC operates); risks to the DRC's specific key objectives for the year in question; and for each project within the Business Plan. At all three levels, controls were put in place to manage those risks within acceptable limits.

The CEO had overall responsibility for ensuring effective operation of the Commission's risk management system, and for enabling the full Commission and its Audit Committee

to review regular reports on outcomes and any re-assessment of risk. Ownership of risk on specific objectives and projects was assigned to the most appropriate senior officer. As in previous years, the system operated effectively in the half-year covered by this Statement. Management of risk was successful in respect of the main generic types of risks faced by the DRC (financial, reputational, a helpful environment in which to operate, and having sufficient skilled and competent staff).

The DRC also sustained a strong record on delivery to time and standard of the Commission's key objectives and projects as set out in its Business and Strategic Plans, including with respect to the new statutory Disability Equality Duty as well as the disability rights and obligations in transport and other legislative provisions that came into effect at the end of 2006. The system in particular also enabled the DRC to continue to deliver effectively in the face of uncertainties and pressures connected with the impending establishment of the Equality and Human Rights Commission in October 2007, in particular risks in respect of recruitment, retention and motivation of staff as well as to the authority of the DRC itself. The system and its operation were also reviewed by the NAO and the DRC's internal auditors, and received favourable reports.

The DRC Audit Committee's overall purpose was to assist the Accounting Officer to meet the standards of propriety and good governance expected of the Commission. Responsibilities included:

- approving the annual accounts with special regard to their compliance with UK GAAP;
- reviewing all relevant reports on the DRC by the National Audit Office as external auditor of the Commission (in accordance with the DRC Act), and the proposed course of action to be taken in response;
- considering the Commission's proposed internal audit plan and reports from the internal auditors to include the audit needs assessment;
- reviewing internal control systems and their ability to ensure propriety and deliver economic, effective and efficient use of the Commission's resources; and
- assessing the adequacy of the financial information presented to the Commission.

Review of Effectiveness

As Accounting Officer, I had responsibility for reviewing the effectiveness of the system of internal control. My review of its effectiveness was informed by the work of the internal auditors who report to the Audit Committee and of the DRC executive managers who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other comments. I discussed the implications with the Audit Committee and plans were drawn up and implemented to address weaknesses and ensure that continuous improvement of the system was in place.

In the six month period, the DRC implemented a number of improvements to its processes and controls in the light of these helpful recommendations including in respect of its ICT operations, management of external contracts, recording of staff sickness and absence, financial profiling and reporting and business planning. Steps were taken as soon as practicable in all cases in response to internal reports and other information with a view to increasing the effectiveness of controls to the high levels to which the Commission subscribed.

As in previous years, the DRC pursued continuous improvement in its policies, processes and practices. Further scope was identified for improvement in devolved financial processes, including the methodology and professional support provided to non-financial managers. We provided enhanced advice and guidance for managers as well as additional tightened arrangements on profiling and reporting. We continued to monitor closely our recruitment and retention strategies in the light of the accelerating transition to the EHRC. These measures included enhanced opportunities for training and development (including on linkages between disability and the other equality 'strands' within the EHRC's remit) as well as for successful careers for staff beyond 1 October. Retention and temporary recruitment held up well throughout the period.

The Commission contracted with a highly-regarded accountancy firm for provision of an internal (i.e. systems) audit service. All audits were performed to standards defined in the Government Internal Audit Manual. Regular reports were submitted to the Audit Committee, including the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Commission's systems of internal control together with recommendations for improvement.

We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the Disability Rights Commission's risk management, control and governance processes. In our opinion, for the six months ended 30 September 2007 the Disability Rights Commission has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

Robert Niven
Accounting Officer

15 January 2009

Discharging the Residual Functions of the Disability Rights Commission

Following dissolution of the Disability Rights Commission on 30 September 2007, SI 2602 of 2007 required the Equality and Human Rights Commission to discharge the remaining functions of the DRC in preparing a final annual report and accounts. I, Nicola Brewer (as Accounting Officer of the Equality and Human Rights Commission) therefore inherited responsibility for completing the final annual report and accounts of the DRC and making the necessary arrangements to allow the Secretary of State to lay the annual report and accounts before Parliament. To discharge this responsibility I ensured that:

- With the consent of the NAO, I engaged the services of Robert Niven, who was Accounting Officer for DRC until 30 September 2007, to sign off the accounts.
- Those physical assets of the DRC which transferred to the Equality and Human Rights Commission were duly recorded.
- The outstanding liabilities were discharged and assets collected under the guidance of a former senior manager of another legacy Commission and a professional accounting firm, and that the work done was regularly reported to Robert Niven.
- The National Audit Office was provided with all assistance in the discharge of their auditing duties.

Nicola Brewer

Chief Executive, Equality and Human Rights Commission

19 January 2009

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Disability Rights Commission for the six months ended 30 September 2007 under the Disability Rights Commission Act 1999. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Disability Rights Commission, the Chief Executive and Auditor

The Disability Rights Commission and the Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Disability Rights Commission Act 1999 and Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Disability Rights Commission and the Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the remuneration report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Disability Rights Commission Act 1999 and the Treasury directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Chief Executive's Report and the Management Commentary, and the unaudited part of the Remuneration Report, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them.

In addition I report to you if the Disability Rights Commission has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Disability Rights Commission's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Disability Rights Commission's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the matters to be dealt with in a Director's Report as set out in Section 234 and Schedule 7 of the Companies Act 1985 (as amended), a Management Commentary and a Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of Audit Opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Disability Rights Commission and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Disability Rights Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Disability Rights Commission Act 1999 and Treasury directions made thereunder, of the state of the Disability Rights Commission's affairs as at 30 September 2007 and of its deficit for the six months then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Disability Rights Commission Act 1999 and Treasury directions made thereunder; and
- information, which comprises the Chief Executive's Report and Management Commentary, and the unaudited part of the Remuneration Report, included in the Annual Report is consistent with the Financial Statements.

Audit Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them.

Report

I have no observations to make on these financial statements.

T J Burr

Comptroller and Auditor General

National Audit Office

151 Buckingham Palace Road

Victoria

London

SW1W 9SS

12 March 2009

Income and Expenditure Account

For the six months ended 30 September 2007

	Note	6 months to 30 Sept 2007		2006/7	
		£'000	£'000	£'000	£'000
Income					
Access to Work		157		180	
EHRC Income	2	2,725		0	
Release of Deferred Grant	11	0		0	
Release of Donated Asset Reserve	11	61		126	
Other Income		3		378	
			2,946		684
Commission and Running Costs					
Staff and Commissioners Costs	3	(4,195)		(8,697)	
Early Retirement and Severance Costs		(2,540)		0	
Depreciation on Fixed Assets	5	(207)		(532)	
Downward Revaluation of Fixed Assets		0		(6)	
Other Operating Charges	4	(6,546)		(12,430)	
			(13,488)		(21,665)
Surplus/(Deficit) for the Year			(10,542)		(20,981)
Loss on Disposal of Fixed Assets			0		(2)
Cost of Capital			(33)		(35)
Surplus/(Deficit) on Ordinary Activities			(10,575)		(21,018)
Write Back Cost of Capital			33		35
Surplus/(Deficit) for Financial Year			(10,542)		(20,983)
Retained Deficit Brought Forward			(20,842)		141
Retained Surplus/(Deficit) Carried Forward			(31,384)		(20,842)

All amounts relate to continuing activities.

The notes on pages 28 to 37 form part of these accounts

Statement of Total Recognised Gains and Losses

For the six months ended 30 September 2007

	Note	6 months to 30 Sept 2007 £'000	2006/7 £'000
Result for the Year (Prior to Adjustment in Respect of Notional Costs)		(10,542)	(20,983)
Unrealised Surplus on Revaluation of Fixed Assets		0	6
Total Recognised Gains (Losses) for the Year		(10,542)	(20,977)

Balance Sheet

As at 30 September 2007

	Note	30 September 2007		31 March 2007	
		£'000	£'000	£'000	£'000
Fixed Assets					
Tangible Assets	5	895		1,067	
Intangible Assets	5	37		68	
			932		1,135
Current Assets					
Debtors and Prepayments	6	3,445		531	
Cash at Bank and in Hand	10	2,048		2,181	
Current Liabilities					
Creditors (due within One Year)	7	(4,431)		(2,256)	
Net Current Liabilities			1,062		456
Total Assets Less Current Liabilities			1,994		1,591
Provisions for Liabilities and Charges	8		(403)		(47)
Net Assets			1,591		1,544
Financed By:					
Capital and Reserves					
Donated Assets	11		311		372
Deferred Capital Grant Reserve			0		0
General Reserve	11		1,280		1,172
			1,591		1,544

Signed on behalf of the Board of Commissioners by:

Robert Niven
Accounting Officer

15 January 2009

The notes on pages 28 to 37 form part of these accounts

Cash Flow Statement

For the six months ended 30 September 2007

	Note	6 months to 30 Sept 2007 £'000	2006/7 £'000
Net Cash Outflow from Continuing Operating Activities	9	(10,779)	(20,928)
Capital Expenditure			
Payments to Acquire Fixed Assets	5	(4)	(74)
Capital Financing			
Capital Financing	2	10,650	21,052
Cash Outflow Before Financing		(133)	50
Financing			
Increase/(Decrease) in Cash	10	(133)	50

The notes on pages 28 to 37 form part of these accounts

Notes to the Accounts

1. Accounting Policies

1.1 Basis of Accounting

The accounts for the Commission have been prepared in accordance with the Accounts Direction issued by the Secretary of State for Work and Pensions on 13 February 2006.

The accounts are prepared on an accruals basis and the historical cost convention, modified to include revaluations of fixed assets to reflect their current costs.

Without limiting the information given in the accounts, and subject only to compliance with the requirements set out in the Accounts Direction, they also comply with the accounting and disclosure requirements of the Companies Act 1985, and with applicable accounting standards issued by the Accounting Standards Board except to the extent where HM Treasury has issued alternative guidance.

1.2 Grant-in-Aid

Grant-in-Aid received used to finance activities and expenditure which support the statutory and other objectives of the Disability Rights Commission are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

Grant relating to capital expenditure used to acquire capital items is credited to a government grant reserve. It is released to expenditure over the useful life of the asset it has been used to acquire and an equal amount is transferred from the government grant reserve is released to income.

1.3 Government Grants

1.3.1 Grant-in-Aid Received from DWP

Grant-in-Aid is paid to the Commission from the Department for Work and Pensions, Request for Resources 4, in 2007/8, and is credited to reserves in the year in which it is received.

1.3.2 Deferred Capital Grant

Grants received, in respect of Commission capital expenditure, are credited to a Deferred Capital Grant Reserve.

1.4 Access to Work

The Commission makes use of the Access to Work scheme run by Jobcentre Plus, who consider what reasonable adjustments are needed to allow a person with a disability to perform a suitable role. The equipment or service to make the adjustment is bought by the Commission with Jobcentre Plus reimbursing an agreed proportion of the cost, up to 100%. The reimbursement by Jobcentre Plus is treated as exceptional income and is not included in the calculation of income the Commission may retain.

1.5 Interest on Capital

A notional charge for interest on capital has been included in the accounts. This is calculated on the average value of capital employed by the Commission during the year, at HM Treasury's cost of capital rate of 3.5%.

1.6 Analysis of Employees

The analysis of employees at note 3.1 reports the number of full time equivalent members of staff and is made on the following basis:

- Managerial includes senior management and heads of department.
- Operational includes operational staff including those providing administration support to teams.
- Administration and Support includes staff providing support services (Finance, IT and Human Resource functions).

1.7 Fixed Assets and Depreciation

Purchases and donated assets are capitalised where the expected useful lives of the assets exceed one year and where the cost of acquisition exceeds £2,500, either individually or in related groups. The fixed assets were not re-valued during the year as there were no material differences between historical cost amounts and the re-valued amounts.

The value of purchased and donated tangible fixed assets are reflected in a Deferred Capital Grant Reserve and a Donated Asset Reserve which is credited with the value of the original purchase or donation. Any subsequent downward revaluation of purchased or donated assets is charged to the income and expenditure account. Any upward revaluation is credited to the Deferred Capital Grant Reserve or Donated Asset Reserve. An amount equal to the depreciation and, where appropriate, the downward revaluation is released from the Donated Asset Reserve each year to the income and expenditure account.

Assets are depreciated over their expected useful life by the straight line method. The classes and standard asset lives are reviewed annually. The depreciation rates applied to the main categories of assets are as follows:

Class of Asset	Standard Useful Life
Fixtures and Fittings	10 years or the remaining life of the lease if shorter
IT and Telecommunications Equipment	3 years
Furniture	10 years

A full year's depreciation is charged in the year of acquisition and none in the year of disposal for all assets.

Software development is not capitalised.

1.8 Leases

Expenditure in respect of operating leases is recognised in the accounts in the year to which the payments relate.

1.9 Pensions

Employees were covered by the provision of the Civil Service Pension Schemes which are described at Note 3.2. The defined benefit elements of the scheme are unfunded and are non-contributory except in respect of dependents' benefits. The Commission recognises the expected cost of these elements on a systematic basis over the period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution scheme, the Commission recognises the contributions payable for the year.

1.10 Tax

The Commission has no trading activity and therefore is not registered for VAT. It also falls outside the scope of Corporation Tax.

2. Income

2.1 Grants Received

		6 months to 30 Sept 2007 £'000	2006/7 £'000
Deferred Revenue Grant	(DWP RfR 4)	10,650	20,978
Deferred Capital Grant	(DWP RfR 4)	0	74
Deferred Income	(DWP RfR 4)	0	150
Capital Funding		10,650	21,202

2.2 EHRC Income

The EHRC income figure is analysed as follows:

	£'000
Redundancy	2,274
Unused Holiday	48
Dilapidations	137
Pension Commitments VER/VES	266
Total	2,725

3. Remuneration

3.1 Analysis of Employees

The average numbers of employees in post are shown below.

	6 months to 30 Sept 2007	2006/7
Management	35	31
Operational Staff	116	121
Administration and Support	31	36
Agency Staff (inc. secondees)	11	21
	193	209

3.2 Analysis of Staff Costs

The table below shows total staff costs for the year.

	6 months to 30 Sept 2007 £'000	2006/7 £'000
Wages and Salaries	2,979	5,912
Social Security Costs	241	480
Other Pension Costs	568	1,127
Seconded and Temporary Staff	344	819
Sub-Total	4,132	8,338
Commissioner Costs	63	359
Total	4,195	8,697

For 2007/8, employers' contributions of £568,242 were payable to the PCS (2006/7 £1,127,434) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. Rates have increased for 2007/8 following the scheme's actuaries' review of employer contributions. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation.

Pension

The PCS is an unfunded multi-employer defined benefit scheme but the Disability Rights Commission is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003.

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder based arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee

does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the website www.civilservice-pensions.gov.uk

Employees joining after 1 October 2002 could opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £5,225 were paid to one or more of a panel of four appointed **stakeholder** pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £330.70, 0.8 per cent of pensionable pay, are due to the **PCSPS** to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £956. Contributions prepaid at that date were nil.

4. Other Operating Charges Analysed

	6 months to 30 Sept 2007 £'000	2006/7 £'000
Running Costs		
Staff Recruitment and Training	309	451
Staff and Chairman's Travel and Subsistence	240	544
Equipment Lease Costs	2	4
Premises Lease Costs	168	336
Premises Costs (non-lease)	603	1,111
Dilapidations	137	0
Support and Office Services	646	687
IT and Telecomm Costs	144	355
Losses and Special Payments	2	0
Loss on Disposal of Fixed Assets	0	2
Access to Work	167	123
Auditor's Remuneration	35	30
Programme		
Systems Development	156	227
Research and Consultation	754	1,366
Raising Disability Awareness	477	818
Providing Advice and Support	2,190	4,757
Education	109	275
Access to Goods and Services	83	100
Health and Independent Living	69	501
Employment	13	234
Disability Equality Duty	242	509
Total	6,546	12,430

5. Assets

5.1 Fixed Assets

The table below shows the analysis of Fixed Assets.

	Fixtures and Fittings	IT and Telecomm. Equipment	Furniture	Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
1 April 2007	2,111	1,811	511	4,433
Additions	0	4	0	4
Disposals	0	(65)	(3)	(68)
Revaluation	0	0	0	0
30 September 2007	2,111	1,750	508	4,369
Depreciation				
1 April 2007	1,383	1,711	272	3,366
Charge for Year	105	46	26	177
Disposals	0	(67)	(2)	(69)
Revaluation	0	0	0	0
30 September 2007	1,488	1,690	296	3,474
Net Book Value				
30 September 2007	623	60	212	895
1 April 2007	728	100	239	1,067

The fixed assets were not revalued during the year as there were no material differences between historical cost amounts and the revalued amounts.

5.2 Intangible Assets

	Software £'000
Cost or Valuation	
1 April 2007	683
Additions	0
Disposals	0
Revaluation	0
30 September 2007	683
Depreciation	
1 April 2007	616
Charge for Year	30
Disposals	0
Revaluation	0
30 September 2007	646
Net Book Value	
30 September 2007	37
1 April 2007	67

Notes (continued)

The intangible assets were not revalued during the year as there were no material differences between historical cost amounts and the revalued amounts.

6. Debtors

The table below shows debtors and prepayments.

Debtors falling due within one year	30 September 2007 £'000	31 March 2007 £'000
EHRC Debtors	2,725	0
Trade Debtors	304	101
Access to Work	110	41
Prepayments and Accrued Income	306	389
	3,445	531

The EHRC debtors figure is analysed as follows:

	£'000
Redundancy	2,274
Unused Holiday	48
Dilapidations	137
Pension Commitments VER/VES	266
Total EHRC	2,725

This amount relates to costs initially incurred by DRC in respect of redundancy costs, holiday pay, dilapidations and pension commitments that are to be treated as expenses of EHRC as part of the arrangements for incorporation of the assets and liabilities DRC into EHRC.

7. Creditors: Amounts Falling Due within One Year

Creditors	30 September 2007 £'000	31 March 2007 £'000
Trade Creditors	496	480
Taxes and Social Security Costs	370	286
Accruals	3,565	1,340
Deferred Income	0	150
	4,431	2,256

The figure given above for accruals is analysed as follows:

	£'000
Voluntary Redundancy	2,274
Unused Holiday	48
General	1,243
	3,565

8. Provisions for Liabilities and Charges

A provision of £137,000 was made in respect of dilapidations and property disposal costs for Riverside House, Edinburgh and Ty Nant Court, Cardiff as at 30 September 2007.

A provision was made in the accounts of £265,681 to account for ongoing pension commitments arising from the VER/VES scheme.

9. Net Cash Inflow/(Outflow) from Operating Activities

	6 months to 30 Sept 2007 £'000	2006/7 £'000
Operating Surplus/(Deficit)	(10,542)	(20,981)
Depreciation Charges	207	532
Revaluation of Fixed Assets	0	6
Release of Donated Asset Reserve	(61)	(127)
Decrease/(Increase) in Debtors	(2,914)	84
(Decrease)/Increase in Creditors	2,175	(489)
(Decrease)/Increase in Provisions	356	47
Net Cash Inflow/(Outflow) from Operating Activities	(10,779)	(20,928)

10. Reconciliation of Movement in Net Funds

	£'000
Net Funds as at 1 April 2007	2,181
Increase in Cash in Period	(133)
Net Funds as at 30 September 2007	2,048

11. Movements on Reserves

	Donated Assets £'000	General Reserve £'000	Deferred Capital Grant Reserve £'000
Opening Balance	372	1,172	0
Grant-in-Aid		10,650	0
Historic Cost Charged to I&E in Year	(61)	0	0
Operating Cost Deficit		(10,542)	
Revaluation Cost	0	0	0
Revaluation Depreciation	0	0	0
Disposals	0	0	0
Balance at 30 September 2007	311	1,280	0

12. Financial Instruments

Because of the non-trading nature of its activities and the way in which government departments are financed, the Commission is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies.

The Commission has no significant exposure to liquidity, currency or interest rate risks.

13. Contingent Liabilities

The Commission had no contingent liabilities as at 30 September 2007.

14. Capital Commitments

No capital commitments were outstanding at 30 September 2007.

15. Leases and Hire Purchase Obligations

15.1 Operating Leases

The following amounts fell due during the year ending 30 September 2007 under operating leases.

Leases expiring within:	2007/8		2006/7	
	Land and Buildings £'000	Other Leases £'000	Land and Buildings £'000	Other Leases £'000
One Year	1	2	7	4
Two to Five Years	304	-	324	-
More than Five Years	-	-	-	-
Total	305	2	331	4

DRC staff occupied space on the third floor of Arndale House in Manchester for which there was no formal lease agreement with the landlord (Equal Opportunities Commission). The annual rent in 2007/8 on this space was £27,005.

The London office in Grays Inn Road also had no formal lease as DWP was the landlord. Annual rent costs in 2007/8 were £199,639.

15.2 Finance Leases

There were no obligations under finance leases.

16. Performance against Key Financial Targets

The Department for Work and Pensions, the sponsor department, has not set any financial targets for the Commission.

17. Related Party Transactions

The Commission is a Non-Departmental Public Body, which is sponsored by Department for Work and Pensions. During the period the Commission has had various material transactions with the Department and with the EHRC who were responsible for the funding of the VER/S scheme. None of the Commissioners undertook any material transactions with the Commission during the period.

18. Events after the Balance Sheet Date

The Disability Rights Commission ceased on 30 September 2007, when the Equality and Human Rights Commission took over all assets and liabilities.

The costs of preparing these accounts for audit by the NAO have been borne by the EHRC who, following a tender exercise, employed an experienced firm of accountants (The HELM Corporation) to prepare these closing accounts for the DRC.

The financial statements were authorised for issue on 12 March 2009.

Equality and Human Rights Commission

Contact us

You can find out more or get in touch with us via our website at:
www.equalityhumanrights.com
or by contacting one of our helplines below:

Helpline – England

Telephone: 0845 604 6610
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Helpline – Wales

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