

# **The Register of Training Organisations**

## **Due Diligence Assurance Gateway**

Additional Financial Information – Guidance

January 2013



**European Union**  
**European Social Fund**  
Investing in jobs and skills

Of interest to all training organisations who have failed the Due Diligence Assurance Gateway

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# 1. Purpose

The Chief Executive assesses a provider's financial health to understand the degree of risk in contracting with these organisations. This document sets out supplementary documentation an organisation can submit as business plan information if they have previously failed their financial health assessment on the basis of their financial statements, and new financial statements are unavailable at the point of reapplying to the Due Diligence Assurance Gateway.

## 2. Additional Financial Information

Where providers have submitted their financial statements and failed the financial health assessment on the basis of those financial statements, and new financial statements are unavailable, they are able to submit the following documents as business plan information for consideration as part of their next Due Diligence Assurance Gateway application:

### 2.1 Prior to their next accounting year end

- Business plan forecast for the current year including:
  - income and expenditure forecast for the year (monthly not required)
  - balance sheet forecast for the year (monthly not required)
  - cash flow forecast for the year (monthly where available)
  - detailed narrative to substantiate each of the above financial forecasts.
- Management accounts showing the actual performance to date including income and expenditure and balance sheet.

### 2.2 If their next accounting year end has passed

- Where the submission is after the provider's year end, but prior to the formal financial statements being available:
  - draft financial statements for that year
- Or where draft financial statements are unavailable:
  - final management accounts for that year, incorporating income and expenditure, balance sheet and commentary

### 2.3 Director or Parental Guarantee

The provider may also wish to consider providing a Director or Parental Guarantee which will be considered alongside the other financial information supplied.

### **3. Financial Statements – Definition**

The term 'financial statements' refers to:

- where available, audited financial statements which are submitted to Companies House. The financial statements as a whole are required. An extract is insufficient.
- where an organisation produces abbreviated financial statements, we require the full accounts from which the abbreviated accounts are extracted. These should consist of, as a minimum, profit and loss account with turnover figure, balance sheet and notes to the accounts.
- where the company has taken advantage of audit exemption, we require the financial statements as a whole. An extract is insufficient.

If the company is a sole trader or partnership we require the full accounts. These should consist of, as a minimum, profit and loss account, balance sheet and notes to the accounts.

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