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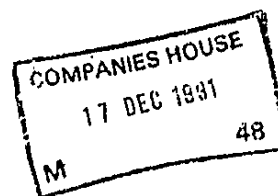
SHAW TRUST

THE WAY TO WORK



ANNUAL ACCOUNTS

1990/1991



SHAW TRUST LIMITED
BOARD OF TRUSTEES

<i>President:</i>	Lord Farnham	
<i>Vice-President:</i>	H. Orr-Ewing	
<i>Chairman:</i>	J.R. Bradbeer	
<i>Hon. Treasurer:</i>	I.E.L. Harris	
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<i>Director General:</i>	T.V.F. Papé
<i>Finance Director:</i>	J.F. Woods
<i>Operations Director:</i>	Mrs J. Fellows
<i>Fundraising Director:</i>	N. Lowe

Solicitors: Mann, Rodway & Green
9 Union Street, Trowbridge
Wiltshire BA14 8RX

Bankers: Barclays Bank Plc
P.O. Box 47, 37 Milsom Street
Bath, Avon BA1 1DW

Auditors: David Owen & Co.
17 Market Place, Devizes
Wiltshire SN10 1BAA

A Company Limited by Guarantee

Reg No 1744121

Reg Charity No 287785

TRUSTEES' REPORT

THE AIMS OF THE TRUST

Shaw Trust's mission is 'to enable people with disabilities to achieve their potential in work opportunities'. This it sets out to do by developing and delivering a range of quality employment related services that include pre-vocational and vocational training, job search and job support. By focusing on ability, not disability, the Trust seeks to act as an equal opportunity employer for all people with disabilities. The Trust employs a highly competent team that is committed to working in partnership with both the statutory and commercial sectors, providing appropriate and effective services.

MAJOR EVENTS AND DEVELOPMENTS

In the year ended 31 March 1991, the Trust consolidated its role as the major sponsor of the Government supported Sheltered Placement Scheme which offers financial and practical support to jobseekers and for which demand far exceeds the number of opportunities available. In November 1990, the Trust reacted overnight to offer assistance to 230 people with disabilities who were affected by the liquidation of the Allen Graham Trust.

In order to open up an increased range of choices for people to progress towards being ready for work, the Trust introduced a planned, effective programme of expansion in conjunction with local funding partners. The Shaw Centre, High Wycombe, opened to offer training and preparation for work, a similar facility in Hereford relocated to improved premises and negotiations commenced for Shaw Linc in Lincolnshire.

Recognising the importance of National Vocational Qualifications, the Trust enabled four staff to become work-based assessors and became involved in providing innovative training for people with learning difficulties to gain NVQ qualifications in the care industry.

The number of work experience opportunities provided in conjunction with the Employment Rehabilitation Service increased and the geographical area covered was extended.

New community based employment initiatives included finding jobs in open supported employment in Dudley, and pioneering work in the very under-provided field of mental health in Portsmouth and Winchester, with negotiations started for further expansion in Suffolk, Basingstoke and Kent.

To demonstrate the Trust's broad approach to its work and following requests from host companies, a successful disability awareness training day was held for their staff. Many of the people with disabilities with whom we work took the opportunity to join Shaw Trust staff on holiday in the UK and abroad. A new weekend course was run in Norfolk to enable people to try new leisure pursuits.

FINANCIAL OVERVIEW

The financial results of the Trust for the year have been disappointing.

Over the period covered by the attached accounts, the majority of the Trust's activities have centred around the Sheltered Placement Scheme, government funding for which is restricted. As a result of this limitation, severe difficulties have been encountered and a substantial operating deficit incurred.

The underlying cause of this deficit is that wage inflation in host companies has forged ahead of the increases in subsidy offered by Government. In addition, the current recessionary climate in the UK has exacerbated bad debt write-offs through increased host company failures.

The problems giving rise to the Trust's present position did not just occur in the last year. The Auditors have recognised that the previous year's accounts (1989/90) contained fundamental errors and should be re-stated. It is immensely disappointing that the Trust was unaware of the true 1989/90 position following completion of that year's audit.

In future, the Trust will not only ensure that the Sheltered Placement Scheme is operated on a strict self-financing basis, but will recoup the accumulated deficit within that scheme itself. The reduction in year on year deficit, evident from the accounts, gives cause for optimism that this can be achieved within the next two years.

It is not intended that any government sponsored scheme will be shored up by other forms of finance and any monies raised through the Trust's fundraising efforts will be made available to support the development of existing initiatives and the creation of new ones.

SHAW TRUST LIMITED
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 MARCH 1991

	1991	1990
	£	£
INCOME:		
Grants from Government schemes	6,411,983	4,994,091
Host employer's contributions to Sheltered Placement wages	6,541,315	4,924,162
Grants received for year	223,101	94,365
Sales and receipts from activities	126,276	92,940
Agency, training and management fees	12,206	10,048
Interest receivable and sundry receipts	19,090	32,003
Fundraising and donations	53,006	68,091
Capital grants brought to account	20,424	9,178
	<u>13,407,401</u>	<u>10,224,878</u>
EXPENDITURE:		
Wage costs of Sheltered Placements	11,391,300	8,928,452
Staff costs	1,596,915	1,116,196
Costs of sales and activities	69,452	45,820
Administration expenses	222,350	152,984
Audit and accountancy fees	10,255	2,970
Bank interest and charges	232,017	139,364
Depreciation	32,377	23,010
Fundraising costs	22,137	48,098
Bad debts	113,694	98,946
	<u>13,690,497</u>	<u>10,555,840</u>
Deficit for the year	<u>(283,096)</u>	<u>(330,962)</u>
Relating to the Sheltered Placement Scheme activities of the Trust:		
Those of the Shaw Trust (Note 12)	(190,300)	(366,552)
Those inherited from the absorption of the Allen Graham Trust	(34,675)	-
	<u>(224,975)</u>	<u>(366,552)</u>
Relating to other activities	<u>(58,121)</u>	<u>35,590</u>
	<u>(283,096)</u>	<u>(330,962)</u>

SHAW TRUST LIMITED
BALANCE SHEET AS AT 31 MARCH 1991

	Note	1991	1990
		£	£
FIXED ASSETS			
Tangible assets	6	156,174	153,562
CURRENT ASSETS	7		
Stocks		29,018	19,291
Debtors		1,883,819	1,156,116
Cash at bank and in hand		-	158,245
		<u>1,912,837</u>	<u>1,333,652</u>
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	8		
Creditors		1,003,841	813,548
Bank loans and overdrafts		1,607,480	784,300
		<u>2,611,321</u>	<u>1,597,848</u>
NET CURRENT LIABILITIES		<u>(698,484)</u>	<u>(264,196)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(542,310)</u>	<u>(110,634)</u>
CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR	9		
		<u>-</u>	<u>148,582</u>
NET LIABILITIES		<u>(542,310)</u>	<u>(259,216)</u>
CAPITAL AND RESERVES			
Guarantee fund		47	45
Revenue reserves	10	(542,357)	(259,261)
		<u>(542,310)</u>	<u>(259,216)</u>

These accounts were approved by the Board of Trustees on 18 September 1991 and signed on its behalf by:

J. R. Bradbeer

J. R. Bradbeer

I. E. L. Harris

I. E. L. Harris

SHAW TRUST LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1991

1. PRIOR YEAR ADJUSTMENT

Following the finalising of the accounts for the year ended 31 March 1990, negotiations with the Department of Employment have disclosed a fundamental mis-statement of the liability at that date. The nature of this error is such that it has required a re-statement of the comparative figures in the accounts for the year ended 31 March 1991.

The effects of this re-statement are as follows:

1. Balance Sheet:

- a. Reduction in debtors of £366,552.
- b. Reduction in net assets of the company previously stated as £107,336 to net liabilities of £259,216.

2. Income and Expenditure:

- a. Reduction in grants from government schemes of £291,552.
- b. Increase in bad debt provisions of £75,000.
- c. A re-statement of the surplus originally stated at £35,590 a deficit of £330,962.

2. STATEMENT OF ACCOUNTING POLICIES

The accounts have continued to be prepared under the historical cost convention, and there has been no change in the basis of accounting.

a. Depreciation of fixed assets

Fixed assets are depreciated at the following rates:

Land	Not depreciated
Buildings	2% straight line basis
Equipment	20% straight line basis
Furniture and fittings	20% straight line basis

b. Stock

Stock at Palmer Gardens continues to be valued at the lower of cost and net realisable value.

3. STAFF NUMBERS AND COST

The average number of persons employed by the Trust was 1,983 (1990: 1,740) split into the following categories:

	1991 Nos	1990 Nos
Head office and regional administration	40	28
Field operation	52	45
Employed on the Sheltered Placement Scheme	1,869	1,650
Employed at Palmer Gardens	3	3
Employed on Employment Training	13	12
Employed at Shaw Trust Centres:		
Hereford	2	2
High Wycombe	4	0
	<u>1,983</u>	<u>1,740</u>

The aggregate payroll costs were as follows:

	1991 £	1990 £
Wages and salaries	11,751,675	9,025,431
Social security costs	913,221	714,172
Other pension costs	93,610	103,910
Field officer expense costs	229,709	201,135

4. DEFICIT FOR THE YEAR

	1991 £	1990 £
This is stated after charging the following:		
Depreciation of tangible fixed assets	32,377	23,010
Auditors remuneration and expenses	10,255	2,970
Interest on bank overdrafts	217,832	135,124
And Crediting:		
Investment income	19,090	16,736

5. TAXATION

No liability to taxation will arise from these accounts.

6. TANGIBLE FIXED ASSETS

	Land and buildings £	Furniture and equipment £	Total £
Cost at 1 April 1990	91,130	136,744	227,874
Additions	5,036	29,953	34,989
Cost at 31 March 1991	96,166	166,697	262,863
Depreciation at 1 April 1990	8,579	65,733	74,312
Charges in year	1,255	31,122	32,377
Depreciation at 1 April 1991	9,834	96,855	106,689
Net book value at 31 March 1991	86,332	69,842	156,174
Net book value at 1 April 1990	82,551	71,011	153,562

7. STOCKS

	1991 £	1990 £
Stock at Palmer Gardens:		
Bedding plants, shrubs and trees	24,734	17,186
Retail and nursery sundries	4,284	2,105
	<u>29,018</u>	<u>19,291</u>

8. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	1991 £	1990 £
Trade creditors	346,119	109,071
Accruals	19,000	8,000
Other creditors	321,066	257,493
Loan funding	64,177	30,675
Capital grants and fundraising for future operations	104,897	134,883
Department of Employment	148,582	273,426
	<u>1,003,841</u>	<u>813,548</u>

a. Bank Loans and Overdrafts

On 1 November 1990, the company changed its bankers from Lloyds Bank Plc to Barclays Bank Plc and, as a result, now enjoys full offset arrangements for interest calculation purposes.

The bank loans and overdrafts are secured by a charge on the book debts of the company.

b. Loan Funding

This represents advance funding from Local Authorities to finance development in their areas and the results of fund raising during the year which have been carried forward to finance operations in 1991/92.

9. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	1991 £	1990 £
Trade creditors: repayable January to March 1992	-	148,582

10. REVENUE RESERVES

	1991 £	1990 £
Reserves at 1 April 1990	(259,261)	71,701
Surplus for the year		33,590
Prior year adjustment		(366,552)
Deficit for the year	(283,096)	

Reserves at 31 March 1991	(542,357)	(259,261)
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11. CAPITAL COMMITMENTS

There are no outstanding capital commitments.

12. DEFICIT FOR THE YEAR

The major activity of the Trust is that of the Sheltered Placement Scheme which is supported by Government subject to a financial ceiling per placement (1991: £3,520; 1990: £3,280).

During the two financial years 1990 and 1991, Government funding has failed to keep pace with wage inflation in many host companies. Furthermore, the general recessionary climate in the UK during this period has exacerbated bad debt write offs through company failures.

As a result of these factors, the operation of the ceiling restriction has necessitated substantial shortfalls being borne by the Trust on wage subsidies for its sheltered placements.

19-12-9

REPORT OF THE AUDITORS TO THE MEMBERS OF
SHAW TRUST LIMITED

We have audited the accounts on pages 3 to 9 in accordance with approved Auditing Standards.

These accounts have been prepared on a going concern basis. This basis is considered appropriate even though liabilities exceed assets by £542,310 having regard to the support offered by the Company's bankers and the Department of Employment.

Subject to the foregoing, in our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 1991 and of its deficit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

17 Market Place
DEVIZES

David Owen & Co.
David Owen & Co.
Auditors and Accountants

18 September 1991