

Coopers  
& Lybrand

Shaw Trust Limited  
Annual report  
for the year ended 4 April 1992

Registered no: 1744121  
Registered Charity no: 287785  
A Company Limited by Guarantee

COMPANIES HOUSE  
LONDON  
EC2A 4PU

Shaw Trust Limited

Annual report

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# **Shaw Trust Limited**

## **Annual report for the year ended 4 April 1992**

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# **Shaw Trust Limited**

1

## **Board of Trustees and Advisers**

### **President**

Sir Derek Hornby

### **Vice Presidents**

Lord Carter  
Lord Farnham  
H Orr-Ewing  
C Richards

### **Chairman**

JR Bradbeer

### **Hon Treasurer**

IEL Harris

### **Trustees**

DR Ayshford Sandford  
Mrs PP Crean  
LA Gale  
Mrs TE Hammond  
DJ Hinton  
MJW King  
Mrs M Leach  
CW Lillystone  
RM Mansell-Jones  
LI Packer  
RP Rhodes  
Mrs ME Robins  
GWE Short  
Mrs J Shrimpton  
Miss A Wadlow  
TP Wingfield

### **Director General**

TVP Papé

### **Finance Director**

JF Woods

### **Operations Director**

Mrs J Fellows

### **Fundraising Director**

NF Lowe

### **Secretary and registered office**

JF Woods  
Caithness House  
Western Way  
Melksham  
Wiltshire, SN12 8DZ

### **Solicitors**

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

### **Bankers**

Barclays Bank Plc  
PO Box 47  
37 Milsom Street  
Bath, BA1 1DW

### **Auditor**

Coopers & Lybrand  
66 Queen Square  
Bristol, BS1 4JP

## Trustees' report for the year ended 4 April 1992

### The aims of the Trust

Shaw Trust's mission is to enable people with disabilities to achieve their potential in work opportunities.

### Major events and developments

#### Review of the year

During the year the Trust has made significant headway in achieving two strategic priorities - the securing of financial stability and a controlled increase in both the range and activity of the services that it delivers. This is no small achievement in a period of deep economic recession.

The core activity of the Trust continues to be its role as the major voluntary sector sponsor of the Government's Sheltered Placement Scheme. In the year ended 4 April 1992 we supported more than 2,000 people with severe disabilities in permanent employment throughout the UK.

The Trust contributed to the funding review for the Sheltered Placement Scheme undertaken by the Employment Service. While results of this review are still awaited, it is generally considered that a more flexible funding regime would allow increased numbers to be supported and a wider range of job opportunities to be accessed.

Working with the Employment Rehabilitation Service, we established short term work experience programmes for more than 400 people, each programme being tailored to individual needs.

In partnership with local statutory bodies we have been able to expand our services for people with disabilities including specialised job search and support initiatives and the support of open employment and career progression programmes.

In accordance with its development strategy the Trust is increasing the range of its training services, preparing people with disabilities for the world of work. Skill training with recognised qualifications is being undertaken at our Work Preparation Centres and other locations. This training network was considerably enhanced with the opening of Shaw Line, a purpose built centre in Spalding.

It has long been recognised that people who experience mental health problems require specialist help to support their pre-employment and employment needs. During the year, five new projects were launched, mainly in Southern England. Further progress is expected in the year ahead.

As a key national player in the fields of training and employment of people with disabilities, the Trust contributes actively to debates on future policy and practice.

We are represented on the National Advisory Council for the Employment of People with Disabilities, on many county based Committees for Employment for People with Disabilities and on training and Enterprise Councils. In recognition of its expertise, the Trust was commissioned to conduct needs analysis and audits, provide information to various research groups, select committees and other statutory bodies and to provide key speakers at seminars.

In addition to our involvement with statutory bodies, we have widened our commercial network. Any profile of the host companies with which people with disabilities are placed reads like a who's who of British industry and includes many household name companies. We acknowledge with gratitude the support we receive from all host companies.

### **Fundraising**

The imbalance between statutory and voluntary income has been a matter of concern for some years. It is therefore gratifying to report a substantially increased contribution from voluntary income.

Donations come from a wide range of sources, all of which we acknowledge with gratitude. Particular thanks are due to Allied Dunbar, Barclays Bank, The Baring Foundation, British Petroleum, Prudential Assurance, Rothmans International and UK Charity Lotteries.

Development of a wider donor base and the support derived from it is crucial to secure our strategic objectives. Despite the nationwide recession, every effort will be made to maximise all forms of voluntary income.

The Trust, as a relatively young charity, acknowledges the challenge of making its name and work more widely known. Profile raising is seen as a high priority.

### **Trustees**

During the year, Sir Derek Hornby who is Chairman of the British Overseas Trade Board succeeded Lord Farnham as President. The Trust expresses its appreciation to Lord Farnham as President during its first decade. He now becomes a Vice President being joined, during the year, by Lord Carter and Clive Richards, High Sheriff of Greater London. Laurie Packer also joined the Board, bringing a wealth of valuable experience. Three Trustees resigned - Ken Hester, John Gisby and Ernie Readings and we thank them for their important and invaluable service over the years.

### **Financial overview**

The financial results for the year show a very much improved position from that reported in 1991.

In operating terms, income rose by 22% and a substantial surplus was achieved in the year compared with the considerable deficits recorded in each of the two previous years. The improvement can be attributed to a number of factors including higher fundraising income, improved control over wage subsidy levels and reductions in both bad debt provisions and financing charges. During the year there were a number of transactions in respect of previous years which were not provided in the financial statements at 31 March 1991. The extent of these prior year adjustments has been outlined in Note 16 to these financial statements and the comparative figures have been adjusted accordingly.

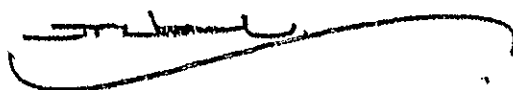
The balance sheet has also strengthened considerably. Although the Trust still carries an accumulated deficit at the year end, the level of deficit has been greatly reduced. This improvement, coupled with much lower commercial borrowings, has been warmly welcomed by our bankers who have confirmed their continuing support.

During the year we embarked on a comprehensive IT project covering all the Trust's financial requirements. The results to date have been gratifying. Priority was given to areas of cash conservation, the results of which are evident in the financial statements. Further progress is expected in the year ahead.

This process of continuous improvement is taking place against a backdrop of continuing growth necessitating heavy demands being placed on staff. Their response and efforts are warmly appreciated and will ensure we continue to provide quality services to all our customers.

## The future

In 1991/92, significant progress was made on a number of fronts. The Trustees are confident that these improvements will be maintained and provide the springboard for further initiatives in the years ahead.



J.F. Woods

Company Secretary

4.9.92

# Income and expenditure account for the year ended 4 April 1992

	Note	1992		1991 Restated (see note 16)	
		£	£	£	£
<b>Income</b>					
Sheltered Placement Scheme:					
Employment service		7,600,437		6,189,357	
Host employer's contributions		7,965,593		6,539,872	
			15,566,030		12,729,229
Other grants			434,787		310,781
Agency, training and management fees			248,096		269,395
Sales and activities			103,621		114,420
Fundraising and donations			222,439		116,198
Sundry other income			12,485		28,768
			16,587,458		13,568,791
<b>Expenditure</b>					
Personnel costs:					
Sheltered placements		13,757,450		11,427,351	
Staff		1,625,811		1,395,257	
			15,383,261		12,822,608
Overhead expenses:					
Establishment costs		285,895		229,047	
Vehicles and travelling		253,176		203,194	
Other expenses		53,811		37,241	
			592,882		469,482
Depreciation		43,137		32,377	
Cost of sales and activities		39,714		23,869	
Publicity expenses		41,958		34,197	
Stewardship expenses	3	1,895		2,150	
Bad debts written off		24,046		113,694	
			150,750		206,287
			16,126,893		13,498,377
Surplus before finance charges			440,565		70,414
Net finance charges	4		197,599		232,016
Surplus/(deficit) for the year	15		262,966		(161,602)

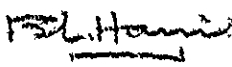


# Balance sheet at 4 April 1992

	Note	1992		1991 Restated (see note 16)	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		188,787		156,174
<b>Current assets</b>					
Stocks	11	33,172		29,018	
Debtors	12	1,534,175		1,949,212	
Cash at bank and in hand		1,927		424	
		<u>1,569,274</u>		<u>1,978,654</u>	
<b>Creditors</b>					
Amounts falling due within one year	13	<u>1,902,542</u>		<u>2,555,644</u>	
Net current liabilities			(333,268)		(576,990)
Total assets less current liabilities			(144,481)		(420,816)
<b>Creditors</b>					
Amounts falling due after more than one year	13		<u>13,355</u>		-
Net liabilities			<u>(157,836)</u>		<u>(420,816)</u>
<b>Capital and reserves</b>					
Guarantee fund			61		47
Revenue reserves	15		<u>(157,897)</u>		<u>(420,863)</u>
			<u>(157,836)</u>		<u>(420,816)</u>

The financial statements on pages 5 to 15 were approved by the Board of Trustees on 4 September 1992 and were signed on its behalf by:

  
JR Bradbeer

  
IEL Harris

# Cash flow statement for the year ended 4 April 1992

	Note	1992		1991	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	18		1,594,872		(714,422)
Returns on investments and servicing of finance					
Interest received	4	1,094		19,090	
Interest paid	4	(196,615)		(251,106)	
Interest element of finance lease rental payments	4	(2,078)		-	
Net cash outflow from returns on investments and servicing of finance			(197,599)		(232,012)
Investing activities					
Purchase of tangible fixed assets			(66,210)		(34,989)
Net cash inflow/(outflow) before financing			1,331,063		(981,427)
Financing					
Guarantee Fund	21	14		2	
Capital element of finance lease rental payments	21	(9,540)		-	
Net cash (outflow)/inflow from financing			(9,526)		2
Increase/(decrease) in cash	20		1,321,537		(981,425)

## **Notes to the financial statements for the year ended 4 April 1992**

### **1 Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements have been prepared on the historical cost basis.

#### **Accounting period**

The company's accounting period ends on the Saturday prior to, or on, 5 April. The year to 4 April 1992 consists of 53 weeks (1991: 52 weeks).

#### **Donations, subscriptions, legacies and other voluntary income**

All donations, subscriptions, legacies and other voluntary income are included in the income and expenditure account and accounted for according to the date of receipt.

#### **Grants/fees**

All grants or fees receivable from the Employment Service, County Councils, and government agencies relating to the period are included in the income and expenditure account.

#### **Expenditure**

All expenditure, other than that which has been capitalised, is included in the income and expenditure account.

#### **Donated assets**

All donated assets are included in the financial statements at a reasonable estimate of their market value at the date of receipt.

## Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements, which transfer to the Trust substantially all the benefits and risk of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as an obligation under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets.

## Pension costs

All applicable pension costs are charged in the income and expenditure account as incurred.

## Stocks

Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

## Depreciation

Long leasehold properties are amortised by equal annual instalments over 50 years. All other fixed assets are depreciated on a straight line basis at 20% per annum.

## 2 Comparative figures

The 1991 comparatives have changed since the finalisation of last year's financial statements due to the prior year adjustment outlined in note 16 below. Although there has also been a reclassification of income, expenditure and balance sheet categories this year due to changes in nominal ledger classification, the 1991 comparatives have not been further adjusted.

## 3 Stewardship expenses

These expenses relate to travelling costs for Trustees.

**4 Finance charges**

	1992 £	1991 £
On bank overdrafts, repayable within 5 years not by instalments	171,023	236,922
Bank charges	25,592	14,184
Finance lease charges	2,078	
	<u>198,693</u>	<u>251,106</u>
Interest receivable	1,694	19,090
	<u>197,599</u>	<u>232,016</u>

**5 Surplus/(deficit) for the year**

	1992 £	1991 £
The surplus/(deficit) for the year is stated after charging:		
Depreciation on tangible fixed assets	43,137	32,377
Auditor's remuneration	10,000	10,255
Operating leases - motor vehicles	97,568	52,876
	<u></u>	<u></u>

**6 Taxation**

No liability to taxation arises from these accounts.

**7 Pension costs**

The Trust operates insured money purchase pension schemes for eligible employees. The Schemes are currently insured through Allied Dunbar, Norwich Union and Scottish Amicable and the total pension cost for the Trust was £106,051 (1991: £94,829). There was a prepayment of £43,825 at the year end.

**8 Trustees' remuneration**

During 1991 and 1992, no Trustee received any emoluments from the company. The directorships outlined on page 1 of these financial statements are nominal titles and as such the employees concerned are not officers of the company. Accordingly no disclosure of directors' emoluments is included in these financial statements.

## 9 Employees

	1992 Number £	1991 Number £
The average number of persons employed by the Trust was 2,027 (1991: 1,983) split as follows:		
Sheltered Placements	1,901	1,869
Administrative staff	126	114
	<u>2,027</u>	<u>1,983</u>
Staff costs during the year were:	1992 £	1991 £
Wages and salaries	13,537,119	11,756,604
Social security costs	1,042,164	914,125
Other pension costs	106,051	94,829
	<u>14,685,334</u>	<u>12,765,558</u>

## 10 Tangible fixed assets

	Long leaseholds £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 April 1991	96,166	3,192	4,792	163,928	268,078
Additions	2,249	1,729	5,050	66,722	75,750
At 4 April 1992	<u>98,415</u>	<u>4,921</u>	<u>9,842</u>	<u>230,650</u>	<u>343,828</u>
Depreciation					
At 1 April 1991	9,834	2,558	3,004	96,508	111,904
Charge for the year	1,927	796	1,638	38,776	43,137
At 4 April 1992	<u>11,761</u>	<u>3,354</u>	<u>4,642</u>	<u>135,284</u>	<u>155,041</u>
Net book value at 4 April 1992	<u>86,654</u>	<u>1,567</u>	<u>5,200</u>	<u>95,366</u>	<u>188,787</u>
Net book value at 31 March 1991	<u>86,332</u>	<u>634</u>	<u>1,788</u>	<u>67,420</u>	<u>156,174</u>

The net book value of tangible fixed assets includes an amount of £30,335 (1991: £Nil) in respect of assets held under finance leases.

## 11 Stocks

	1992 £	1991 £
Goods held for resale:		
Plants, shrubs and trees	22,862	24,734
Retail and nursery sundries	7,110	4,284
Printing materials	3,200	-
	<u>33,172</u>	<u>29,018</u>

## 12 Debtors

	1992 £	1991 restated (see note 16) £
Amounts falling due within one year:		
Trade debtors	1,430,509	1,937,717
Other debtors	70,274	-
Related companies current accounts	28,572	4,995
Prepayments	4,829	6,500
	<u>1,534,175</u>	<u>1,949,212</u>

## 13 Creditors

	1992 £	1991 restated (see note 16) £
Amounts falling due within one year:		
Bank overdraft	287,871	1,607,905
Finance leases (see note 14)	11,448	-
Advance loan funding	707,180	126,493
Trade creditors	124,445	248,551
Other taxation and social security	683,975	553,695
Other creditors	77,623	-
Accruals	10,000	19,000
	<u>1,902,542</u>	<u>2,555,644</u>
Amounts falling due after more than one year:		
Finance leases (see note 14)	<u>13,355</u>	<u>-</u>

The bank overdraft is secured by a charge on the book debts of the company and on the long leasehold premises comprising the Hereford Centre. It is repayable on demand.

# 14 Finance leases

	1992 £	1991 £
In one year or less	11,448	-
Between one and two years	11,448	-
Between two and five years	1,907	-
	<u>24,803</u>	<u>-</u>

# 15 Reserves

	1992 £
At 1 April 1991	
- as previously reported	(542,357)
- prior year adjustment	121,494
	<u>(420,863)</u>
As restated	
Surplus for the year	262,966
	<u>(157,897)</u>
At 4 April 1992	

# 16 Prior Year Adjustment

	£
Trade/other debtors	65,393
Trade creditors	(39,289)
Other creditors	95,390
	<u>121,494</u>

The prior year adjustments relate to income amounts and expenditures arising in 1991/92 which relate to 1990/91 and not provided in the financial statements at 31 March 1991.

# 17 Capital commitments

There were no outstanding capital commitments at 4 April 1992 (1991: £Nil).



**18 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

	1992 £	1991 £
Operating surplus/(deficit)	460,565	70,414
Depreciation	43,137	32,377
Increase in stocks	(4,154)	(9,727)
(Increase)/decrease in debtors	349,644	(793,096)
Increase/(decrease) in creditors	624,186	(14,390)
Net cash inflow/(outflow) from continuing operating activities	1,473,378	(714,422)
Net cash inflow in respect of prior year items	121,494	-
Net cash inflow/(outflow) from operating activities	1,594,872	(714,422)

**19 Analysis of change in cash during the year**

	1992 £	1991 £
Balance at 1 April 1991	(1,607,481)	(626,056)
Net cash inflow/(outflow)	1,321,537	(981,425)
Balance at 4 April 1992	(285,944)	(1,607,481)

**20 Analysis of cash as shown in the balance sheet**

	1992 £	1991 £	Change £
Cash at bank and in hand	1,927	424	1,503
Bank overdraft	(287,871)	(1,607,905)	1,320,034
	(285,944)	(1,607,481)	1,321,537

**21 Analysis of changes in financing during the year**

	Guarantee Fund £	Finance Leases £
Balances at 1 April 1991	47	-
Cash inflow/(outflow) from financing	14	(9,540)
Balance at 4 April 1992	61	(9,540)

## 22 Related companies

Shaw Trust controls two related companies, whose activities differ from those of the mainstream charity although those activities are complementary. As a result, consolidated financial statements have not been prepared. None of the directors of either company receive any remuneration.

Chirton Limited undertakes gardening and landscaping contracts employing people with disabilities who work under supervision.

Shaw Trust Enterprises Limited undertakes the purchase and resale of Christmas Cards.

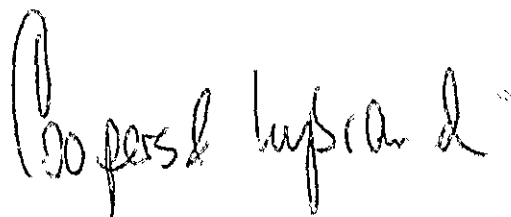
A summary of the transactions and financial position of these companies is set out below.

	Chirton Limited		Shaw Trust Enterprises Limited	
	1992	1991	1992	1991
	£	£	£	£
<b><u>Profit &amp; loss account</u></b>				
Turnover	158,004	157,073	5,339	-
Operating expenses	174,598	156,934	5,020	-
Profit/(loss) for the year	(16,594)	139	319	-
<b><u>Balance sheet</u></b>				
<b>Fixed assets</b>				
Tangible assets	7,417	11,558	-	-
<b>Current assets</b>				
Stocks	6,500	-	2,329	-
Debtors	18,639	27,056	2	2
Cash at bank and in hand	18	468	4,562	-
	25,157	27,524	6,893	2
<b>Creditors</b>				
Amounts falling due within one year	31,720	21,634	6,572	-
Net current assets/(liabilities)	(6,563)	5,890	321	2
Net assets	854	17,448	321	2
<b>Represented by:</b>				
Share capital	2	2	2	2
Profit and loss account	852	17,446	319	-
	854	17,448	321	2

## Report of the auditor to the members of Shaw Trust Limited

We have audited the financial statements on pages 5 to 15 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 4 April 1992 and of its surplus of income over expenditure and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Coopers & Lybrand', is written over a large, faint, circular watermark or stamp in the background.

**Coopers & Lybrand**

Chartered Accountants and Registered Auditor  
Bristol, 4 September 1992