

REGISTERED COMPANY NUMBER: 01946544 (England and Wales)
REGISTERED CHARITY NUMBER: 1075118

REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
SHAP LIMITED

C A Hunter Limited
Statutory Auditors
Britannia Chambers
26 George Street
St Helens
Merseyside
WA10 1BZ

THURSDAY



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28/12/2023

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COMPANIES HOUSE

SHAP LIMITED

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FOR THE YEAR ENDED 31 MARCH 2023

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SHAP LIMITED (REGISTERED NUMBER: 01946544)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

Aims and objectives for the public benefit

SHAP's principle activities continue to be the provision of accommodation with support and community well-being services. The focus of our work is young, single, homeless people, looked after children and care leavers. However, we also provide services for people of all ages or for those with specific needs such as those related to alcohol, drug mis-use or offending behaviour. Over the past three years we have also developed a service offer for asylum seekers, refugees and displaced Ukrainian families.

Our values as defined by our staff and service users are:

Approachable: being open, friendly and welcoming

Trustworthy, honest and dependable: being respectful and honest, doing the right thing, focussing on our service users and being committed to the organisation and our colleagues

Safe: making people feel safe and at home, giving them a sense of belonging, making SHAP a place where they feel able to return

Creative: delivering a diverse range of services, being dynamic and flexible in our approach and responsive to people's needs

Positive: looking for solutions, not problems, being helpful and confident, empowering people to take up opportunities

Supportive: listening, understanding, supporting people to achieve their goals, supporting each other

Determined: being persistent, going the extra mile, challenging poor attitudes and practices

Respectful: being generous in spirit, making people feel they matter, not judging and not discriminating

Achievement and performance

SHAP's services continue to be extremely busy and many of our accommodation services have a waiting list. SHAP's Board and Chief Executive continue to make sure that the charity's activities are in line with our core objective and values. In 2022/23 we provided services for nearly 2,000 people. As well as our core beneficiaries, young homeless people, we also provided new services for asylum seekers and refugees including people displaced from Afghanistan.

Quality Assurance

SHAP holds the ISO 9001:2015 quality mark and following re-inspection in 2021 we were re-accredited for a further three years. We have reviewed and revised our approach to internal audit against the ISO 9001 standard with the aim of assessing all services against key elements of the standard during the three-year cycle. This re-accreditation is a real achievement for the Quality Group and the person who has assumed part time responsibility for ISO:9001 management and oversight. The organisation's resources in this regard have reduced significantly since we initially achieved the quality mark and considerable work was required to ensure that we retained it.

Succession planning

SHAP's Board and Chief Executive have continued to focus on succession planning. The strategy for appointing a Chair Designate was successful and the new Chair of Trustees took up her appointment in January 2023. The Board has also agreed a succession strategy for the Chief Executive as part of a plan to secure longer term stability for the charity. This plan is commercially sensitive and therefore remains confidential to the Board.

Financial review

In 2022-2023 the Charity was once again able to produce a slight surplus. This is encouraging as it is in the face of an increasingly challenging financial environment. The current cost of living crisis has seen significant cost pressures across all areas of SHAP's activity and is increasing the levels of hardship faced by many of our service users.

SHAP LIMITED (REGISTERED NUMBER: 01946544)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

The plan to transfer the charity's nursery setting out of the Charity and into another mechanism is now set to take place between January and March of 2024.

SHAP continues to look for opportunities to work collaboratively with other agencies and organisations and is always open to discussions around mutually beneficial strategic partnerships.

It is for these reasons that SHAP's Trustees believe that the charity remains a going concern for a period of at least the next 12 months.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Financial risk

We continue to review the viability of all of our services in the context of national, regional and local politics and decision making. This has been and remains extremely challenging. The cost of living crisis combined with a sector-wide workforce shortage have combined to produce an exceptionally difficult set of financial circumstances. For the second year running it has been necessary to make a substantial pay award to our staff. A fixed sum for all staff was agreed as the most equitable way to deliver this. The sum is equivalent to around 6% for the majority of frontline roles.

Achieving full cost recovery over many of our service contracts is now virtually impossible. Contract budgets were generally set to increase at around 2-2.2% each year but in reality we have seen costs rising by an average of 8% over the past 12 months.

SHAP continues to look for ways to generate additional income which can support core funds whilst ensuring that services are as cost effective and efficient as they can be. SHAP's services for young people present outstanding value for money and our strategic plan includes an objective around developing a wider offer for the young people - including providing care as well as support. This requires specialist knowledge and experience and we are developing a senior management post to lead the management and development of care and support services for young people.

SHAP maintains a risk register which identifies all the key risks that the charity is facing at any given time. The risk register identifies a number of financial risks that the charity faces and grades them in terms of likelihood. SHAP's leadership team then set out how these risks will be managed or mitigated. The risk register is reviewed regularly by the Chief Executive, the Finance Officer and Senior Managers and is discussed by the Board twice a year.

Detailed quarterly management accounts are provided to the Board to enable them to review the significant risk of our failing to deliver against our cost controls. Increasing pressure costs, particularly around energy and building materials, have led to this risk being increased. Although less than in previous years risks associated with Covid are still present and we also face continuing uncertainty as a result of high inflation, political instability and escalating workforce challenges.

Transactions and financial position

The current financial climate is reflected in SHAP's financial position as it manages to sustain increasing services with decreasing resources. The pattern of funds is changing between restricted and unrestricted income as some of our funders are increasingly aware of the need for us to be more flexible with our resources.

The statement of financial activities shows a surplus of £78,697 (2022 surplus of £95,877). Total reserves carried forward as at 31 March 2023 stand at £703,591 (2022: £624,894) with unrestricted funds of £693,538 (2022: £624,894) and restricted funds of £10,053 (2022: £nil).

The charity continues to hold restricted and unrestricted funds and to maintain reserves in line with its Reserves Policy. The aim of the policy is to maintain a reserve of unrestricted funds at a level that will enable the charity to operate for an optimum period of 6 months and a minimum period of 3 months. The Board of Trustees regularly review the amount of reserves that are required to ensure that this financial stability is maintained and that the charity is able to continue to fulfil its obligations. This policy has been reviewed in light of the increased use of core funds during financial years 2017-18 and 2018-19. This resulted in a diminished reserve but one which still meets our minimum requirement of 3 months' running costs. The Trustees are satisfied that our provision and our process for monitoring are prudent and appropriate. They will continue to review this situation every 6 months.

In anticipation of the Charity's nursery moving across to a new charitable organisation early in 2024 a fund has been designated for this purpose within SHAP's unrestricted funds.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

Future plans

Future plans - Our strategy for the future

The Trustees and executive management of the organisation will continue to refresh our strategic business development plans. We want to ensure that the organisation is able to meet the challenges of the far-reaching changes which will be affecting the public and third sectors over the coming months and years.

We remain committed to the following objectives:

1. Contributing to the creation of sustainable communities in the area where we work and to the prevention of homelessness.
2. Communicating brilliantly.
3. Promoting diversity, anti-racism and social justice.
4. Achieving a structure that ensures maximum stability for our existing services and provides best opportunities for growth; a clear, strong, effective and flexible management structure.
5. Having skilled and motivated staff empowering service users who have access to a wide range of opportunities.
6. Enabling people's views about their own situations to be heard.
7. Enabling children and young people to make a positive impact on the world around them.

In pursuit of these objectives the Board has agreed an important strategic development: SHAP's primary offer has always been providing young people with good standard accommodation and structured support around life skills and independent living. Over recent years we have seen a marked increase in young people who also have significant care needs. These needs must be met in order for them to confidently move towards independence. SHAP will therefore look to realign some of its service offers and develop new ones which will enable us to develop models of care and support. Initially this will be through the development of models of semi-independent living for children and young people who are looked after by local authorities or preparing to leave their care. We are confident that our values and core expertise provide a good foundation for such a service development and will ensure that suitably experienced and qualified managers are brought into the organisation to ensure their effective delivery.

We believe that the pandemic has shown the importance of public/private collaboration at a national and local level and as an organisation we are keen to work in the space. Many local authorities will be making service changes because of financial pressures but this will create a need for innovation. Health and social care services will be commissioned and delivered differently over the next few years and a focus on population health measures delivered at a local level will again provide opportunities for imaginative collaborative responses from public and third sector organisations. SHAP intends to become a leading provider/enabler of these community well-being services.

Following a protracted negotiation around the management of a housing scheme at Octavia Court in Huyton, Knowsley SHAP made an offer to buy. The Housing Association that owned the properties accepted and SHAP completed the purchase in July 2022. This 24 flat scheme is a long term investment which is planned to support the purchase of further properties in the future.

SHAP LIMITED (REGISTERED NUMBER: 01946544)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

SHAP Limited is a charitable company, limited by guarantee, incorporated in September 1985 and registered as a charity. The company was established under its Memorandum and Articles of Association that set out the objects and powers of the charitable company. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Trustees

The directors of the charitable company are also Trustees for the purpose of charity law. Trustees are known as members of the management Board of Trustees and are elected to serve for a period of three years, after which they may be re-elected at the next annual general meeting.

The Charity successfully recruited a chair designate in 2022 - Diane Williams became Chair during the period covered by these accounts. The Trustees recorded their grateful thanks to Mary Milton who had undertaken the role of Chair of Trustees for a number of years.

Induction and training of new trustees

New trustees are invited to attend meetings with the chief executive and the senior management team to familiarise themselves with the charitable company's activities and the context within which it operates. Areas covered would include the obligations and responsibilities of becoming a trustee, a review of the governing document and the current financial position.

Organisational structure

The Board of Trustees, of which there is no maximum number but a minimum number of two, meets quarterly to administer activities and set the policy and strategic direction of the charity. The Board elects the Chair every three years who is responsible for organising Board meetings and meeting regularly with the Chief Executive. A published scheme of delegation sets out the responsibilities which the Board keeps to itself and those which it delegates to the Chief Executive and managers. The day to day responsibility of the provision of services and overall management of the charity rests with the Chief Executive who also acts as the Company Secretary.

Related parties

SHAP delivers three services in partnership with other agencies - a homeless families centre and a harm reduction residential service in Liverpool in partnership with The Whitechapel Centre and a floating support service in Halton in partnership with Plus Dane Housing.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01946544 (England and Wales)

Registered Charity number

1075118

Registered office

Bearly House
67 Liverpool Road
St Helens
Merseyside
WA10 1PQ

SHAP LIMITED (REGISTERED NUMBER: 01946544)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Trustees

M Milton
S Cotter-Burgess
P J Barron
D Williams (appointed 6.5.22)

Company Secretary

M C Weights

Auditors

C A Hunter Limited
Statutory Auditors
Britannia Chambers
26 George Street
St Helens
Merseyside
WA10 1BZ

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of SHAP Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, C A Hunter Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

SHAP LIMITED (REGISTERED NUMBER: 01946544)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2023

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors,
on 12/12/2023 and signed on the board's behalf by:


.....
M C Weights - Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHAP LIMITED

Opinion

We have audited the financial statements of SHAP Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHAP LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SHAP LIMITED

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we have ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with senior managers and the trustees, and from our commercial knowledge and experience of the industry sector, and the relevant laws and regulations have been communicated within the audit team throughout the course of our work;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, the Charities SORP, employment, health and safety legislation; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and trustees as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing management reporting processes to the board of trustees;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the Charity Commission and other relevant regulators.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SHAP LIMITED

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Keith Rotheram (Senior Statutory Auditor)
for and on behalf of C A Hunter Limited
Statutory Auditors
Britannia Chambers
26 George Street
St Helens
Merseyside
WA10 1BZ

Date: 13th December 2023

SHAP LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	4,710	25,000	29,710	1,965
Charitable activities	4				
Accommodation & support services		3,367,119	-	3,367,119	3,194,162
Advocacy services		-	-	-	7,546
Community development		49,642	-	49,642	49,017
Children's nursery		541,990	-	541,990	480,443
Investment income	3	4,438	-	4,438	873
Total		<u>3,967,899</u>	<u>25,000</u>	<u>3,992,899</u>	<u>3,734,006</u>
EXPENDITURE ON					
Charitable activities	5				
Accommodation & support services		3,333,671	14,947	3,348,618	3,064,489
Advocacy services		-	-	-	25,221
Community development		64,588	-	64,588	67,976
Children's nursery		500,996	-	500,996	480,443
Total		<u>3,899,255</u>	<u>14,947</u>	<u>3,914,202</u>	<u>3,638,129</u>
NET INCOME		68,644	10,053	78,697	95,877
RECONCILIATION OF FUNDS					
Total funds brought forward		624,894	-	624,894	529,017
TOTAL FUNDS CARRIED FORWARD		<u>693,538</u>	<u>10,053</u>	<u>703,591</u>	<u>624,894</u>

The notes form part of these financial statements

SHAP LIMITED (REGISTERED NUMBER: 01946544)

BALANCE SHEET
31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	31.3.23 Total funds £	31.3.22 Total funds £
FIXED ASSETS					
Tangible assets	12	1,259,794	-	1,259,794	211,113
CURRENT ASSETS					
Debtors	13	379,425	-	379,425	357,943
Cash at bank		257,133	10,053	267,186	582,443
		<u>636,558</u>	<u>10,053</u>	<u>646,611</u>	<u>940,386</u>
CREDITORS					
Amounts falling due within one year	14	(472,741)	-	(472,741)	(526,605)
NET CURRENT ASSETS		<u>163,817</u>	<u>10,053</u>	<u>173,870</u>	<u>413,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,423,611	10,053	1,433,664	624,894
CREDITORS					
Amounts falling due after more than one year	15	(730,073)	-	(730,073)	-
NET ASSETS		<u><u>693,538</u></u>	<u><u>10,053</u></u>	<u><u>703,591</u></u>	<u><u>624,894</u></u>

The notes form part of these financial statements

SHAP LIMITED (REGISTERED NUMBER: 01946544)

BALANCE SHEET - continued
31 MARCH 2023

FUNDS

18

Unrestricted funds:

General fund

377,544

349,894

Designated unrestricted funds

315,994

275,000

693,538

624,894

Restricted funds:

Asylum seeker/refugee support fund

10,053

-

TOTAL FUNDS

703,591

624,894

The financial statements were approved by the Board of Trustees and authorised for issue on 12/12/2023 and were signed on its behalf by:



D Williams - Trustee



P J Barron - Trustee

The notes form part of these financial statements

SHAP LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31.3.23 £	31.3.22 £
Cash flows from operating activities			
Cash generated from operations	1	11,081	28,695
Interest paid		(30,305)	-
Net cash (used in)/provided by operating activities		(19,224)	28,695
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,065,597)	-
Interest received		4,438	873
Net cash (used in)/provided by investing activities		(1,061,159)	873
Cash flows from financing activities			
New loans in year		787,500	-
Loan repayments in year		(22,374)	-
Net cash provided by financing activities		765,126	-
Change in cash and cash equivalents in the reporting period		(315,257)	29,568
Cash and cash equivalents at the beginning of the reporting period		582,443	552,875
Cash and cash equivalents at the end of the reporting period		267,186	582,443

The notes form part of these financial statements

SHAP LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.3.23 £	31.3.22 £
Net income for the reporting period (as per the Statement of Financial Activities)	78,697	95,877
Adjustments for:		
Depreciation charges	16,918	6,874
Interest received	(4,438)	(873)
Interest paid	30,305	-
Increase in debtors	(21,482)	(114,262)
(Decrease)/increase in creditors	(88,919)	41,079
Net cash provided by operations	<u>11,081</u>	<u>28,695</u>

2. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1.4.22 £	Cash flow £	At 31.3.23 £
Net cash			
Cash at bank	582,443	(315,257)	267,186
	<u>582,443</u>	<u>(315,257)</u>	<u>267,186</u>
Debt			
Debts falling due within 1 year	-	(35,055)	(35,055)
Debts falling due after 1 year	-	(730,073)	(730,073)
	<u>-</u>	<u>(765,128)</u>	<u>(765,128)</u>
Total	<u>582,443</u>	<u>(1,080,385)</u>	<u>(497,942)</u>

The notes form part of these financial statements

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 MARCH 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

As outlined in the Trustees' Report, the board continues to monitor the financial performance of the charity and undertake appropriate steps to maintain its ongoing financial stability. The Trustees are satisfied that the charity has sufficient reserves to enable it to continue to implement the steps outlined, and improve its financial performance.

Having considered these factors outlined above the trustees consider it appropriate to prepare the financial statements on the going concern basis.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

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

Allocation and apportionment of costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Long leasehold	- 2% on cost
Plant and machinery	- 20% - 33% on cost
Fixtures and fittings	- 20% - 33% on cost
Motor vehicles	- 25% on reducing balance

Taxation

The charity is exempt from corporation tax on its charitable activities.

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are unrestricted funds earmarked by management for particular purposes.

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

	31.3.23	31.3.22
	£	£
Donations	24,710	1,965
Gift aid	5,000	-
	<u>29,710</u>	<u>1,965</u>

3. INVESTMENT INCOME

	31.3.23	31.3.22
	£	£
Bank deposit interest	4,438	873
	<u>4,438</u>	<u>873</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	31.3.23	31.3.22
		£	£
Rental income	Accommodation & support services	1,211,065	1,071,518
Grants & contracts	Accommodation & support services	2,120,444	2,076,224
Other fees earned	Accommodation & support services	35,610	46,420
Grants & contracts	Advocacy services	-	7,546
Grants & contracts	Community development	49,642	49,017
Nursery income	Children's nursery	541,990	480,443
		<u>3,958,751</u>	<u>3,731,168</u>

Grants received, included in the above, are as follows:

	31.3.23	31.3.22
	£	£
Supporting People - St Helens	703,407	694,837
Supporting People - Knowsley	145,600	222,551
Supporting people - Halton	280,571	237,551
Supporting People - Liverpool	782,582	717,342
Liverpool Advocacy Services	-	7,546
Community Development	49,642	49,017
Temporary Accommodation Management	114,004	95,499
Parental Assessment Unit	94,280	108,444
	<u>2,170,086</u>	<u>2,132,787</u>

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 6) £	Totals £
Accommodation & support services	2,869,233	479,385	3,348,618
Community development	53,575	11,013	64,588
Children's nursery	434,142	66,854	500,996
	<u>3,356,950</u>	<u>557,252</u>	<u>3,914,202</u>

6. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Accommodation & support services	401,633	30,305	47,447	479,385
Community development	11,013	-	-	11,013
Children's nursery	65,705	-	1,149	66,854
	<u>478,351</u>	<u>30,305</u>	<u>48,596</u>	<u>557,252</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.3.23 £	31.3.22 £
Auditors' remuneration	15,000	14,000
Depreciation - owned assets	16,916	5,225
Other operating leases	<u>557,618</u>	<u>548,205</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

9. STAFF COSTS

	31.3.23 £	31.3.22 £
Wages and salaries	2,240,076	2,202,955
Furlough grants received	-	(2,824)
Social security costs	151,379	131,905
Pension costs	40,481	40,604
	<u>2,431,936</u>	<u>2,372,640</u>

Included within wages this year are invoiced costs totalling £285,574 (2022 £267,695) paid to The Whitechapel Centre for staffing costs they have incurred in relation to the Belvidere Family Hostel and £88,564 (2022 £79,146) of agency staff.

Number of employees with emoluments exceeding £60,000:

	31.3.23 Number	31.3.22 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

The average number of full-time equivalent employees during the year was as follows:

	31.3.23 £	31.3.22 £
Central services	7	7
Housing and residential services	89	90
	<u>96</u>	<u>97</u>

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,965	-	1,965
Charitable activities			
Accommodation & support services	3,194,162	-	3,194,162
Advocacy services	7,546	-	7,546
Community development	49,017	-	49,017
Children's nursery	480,443	-	480,443
Investment income	873	-	873
Total	<u>3,734,006</u>	<u>-</u>	<u>3,734,006</u>

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Accommodation & support services	3,064,489	-	3,064,489
Advocacy services	25,221	-	25,221
Community development	67,976	-	67,976
Children's nursery	480,443	-	480,443
Total	<u>3,638,129</u>	<u>-</u>	<u>3,638,129</u>
 NET INCOME	 95,877	 -	 95,877
 RECONCILIATION OF FUNDS			
Total funds brought forward	529,017	-	529,017
 TOTAL FUNDS CARRIED FORWARD	 <u>624,894</u>	 <u>-</u>	 <u>624,894</u>

11. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2022 and 31 March 2023	<u>4,000</u>
AMORTISATION	
At 1 April 2022 and 31 March 2023	<u>4,000</u>
NET BOOK VALUE	
At 31 March 2023	<u>-</u>
At 31 March 2022	<u>-</u>

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

12. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Plant and machinery £
COST			
At 1 April 2022	82,500	137,122	134,917
Additions	1,055,809	-	9,788
At 31 March 2023	1,138,309	137,122	144,705
DEPRECIATION			
At 1 April 2022	3,300	5,484	134,917
Charge for year	13,900	2,741	-
At 31 March 2023	17,200	8,225	134,917
NET BOOK VALUE			
At 31 March 2023	1,121,109	128,897	9,788
At 31 March 2022	79,200	131,638	-
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2022	73,875	40,635	469,049
Additions	-	-	1,065,597
At 31 March 2023	73,875	40,635	1,534,646
DEPRECIATION			
At 1 April 2022	73,875	40,360	257,936
Charge for year	-	275	16,916
At 31 March 2023	73,875	40,635	274,852
NET BOOK VALUE			
At 31 March 2023	-	-	1,259,794
At 31 March 2022	-	275	211,113

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	340,290	272,692
Other debtors	39,135	85,251
	<u>379,425</u>	<u>357,943</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Bank loans and overdrafts (see note 16)	35,055	-
Trade creditors	99,142	151,222
Social security and other taxes	38,037	36,256
Accruals and deferred income	300,507	339,127
	<u>472,741</u>	<u>526,605</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.23	31.3.22
	£	£
Bank loans (see note 16)	730,073	-

16. LOANS

An analysis of the maturity of loans is given below:

	31.3.23	31.3.22
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>35,055</u>	<u>-</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>37,277</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>119,583</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 yr by instal	573,213	-

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

17. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.23 £	31.3.22 £
Bank loans	765,128	-

The bank loan is secured by a debenture creating a fixed & floating charge over the assets of the company and a legal first charge over Octavia Court, Byron Close, Huyton, Liverpool.

18. MOVEMENT IN FUNDS

	At 1.4.22 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	349,894	68,644	(40,994)	377,544
Designated unrestricted funds	275,000	-	40,994	315,994
	624,894	68,644	-	693,538
Restricted funds				
Asylum seeker/refugee support fund	-	10,053	-	10,053
TOTAL FUNDS	624,894	78,697	-	703,591

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,967,899	(3,899,255)	68,644
Restricted funds			
Asylum seeker/refugee support fund	25,000	(14,947)	10,053
TOTAL FUNDS	3,992,899	(3,914,202)	78,697

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.4.21 £	Net movement in funds £	At 31.3.22 £
Unrestricted funds			
General fund	254,017	95,877	349,894
Designated unrestricted funds	275,000	-	275,000
	<u>529,017</u>	<u>95,877</u>	<u>624,894</u>
TOTAL FUNDS	<u>529,017</u>	<u>95,877</u>	<u>624,894</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	3,734,006	(3,638,129)	95,877
	<u>3,734,006</u>	<u>(3,638,129)</u>	<u>95,877</u>
TOTAL FUNDS	<u>3,734,006</u>	<u>(3,638,129)</u>	<u>95,877</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.21 £	Net movement in funds £	Transfers between funds £	At 31.3.23 £
Unrestricted funds				
General fund	254,017	164,521	(40,994)	377,544
Designated unrestricted funds	275,000	-	40,994	315,994
	<u>529,017</u>	<u>164,521</u>	<u>-</u>	<u>693,538</u>
Restricted funds				
Asylum seeker/refugee support fund	-	10,053	-	10,053
	<u>529,017</u>	<u>174,574</u>	<u>-</u>	<u>703,591</u>
TOTAL FUNDS	<u>529,017</u>	<u>174,574</u>	<u>-</u>	<u>703,591</u>

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	7,701,905	(7,537,384)	164,521
Restricted funds			
Asylum seeker/refugee support fund	25,000	(14,947)	10,053
TOTAL FUNDS	<u>7,726,905</u>	<u>(7,552,331)</u>	<u>174,574</u>

19. RELATED PARTY DISCLOSURES

S Cotter-Burgess, during the year, was a director in Merseyside Law Centre Limited. A balance of £nil (2022 £3,763) was owed from Merseyside Law Centre Limited at the balance sheet date.

20. ANALYSIS OF FUNDS

Designated unrestricted funds

	At 1.4.22 £	Funds transfer £	At 31.3.23 £
Closure/redundancy costs	275,000	-	275,000
Children foundation	-	40,994	40,994
	<u>275,000</u>	<u>40,994</u>	<u>315,994</u>

Closure/redundancy costs - Costs designated for the recognised risk of losing a significant number of service contracts and the subsequent loss of jobs that this would entail.

Children foundation - Costs designated for the future transfer of the children's nursery into a new charitable organisation.

SHAP LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

21. DEFERRED INCOME

Deferred income comprises grant income received in advance from block contracts relating to services to be provided during the year ending 31 March 2024.

	£
Balance as at 1 April 2022	25,824
Amount released to incoming resources	(25,824)
Amount deferred in year	25,942
Balance as at 31 March 2023	<u>25,942</u>