

Charity Registration No. 701331

Company Registration No. 02357285 (England and Wales)

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Meeting Challenge with Expertise and Compassion



**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION**

Trustees	Anthony Gilmore Mandy MacDonald Janet Hardman David Egan	
Secretary	Margaret Ollivier Debra Collins	(resigned 14 April 2021) (appointed 14 April 2021)
Charity number	701331	
Company number	02357285	
Registered office	151 Stanley Road Bootle Liverpool Merseyside L20 3DL	
Auditor	BWM Castle Chambers 43 Castle Street Liverpool L2 9SH	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Solicitors	Excello Law 1 Derby Square Liverpool L2 9XX	
Investment advisors	Eden Tree Investment Management 24 Monument Street London EC3R 8AJ	

EXPECT LTD. COMPANY LIMITED BY GUARANTEE CONTENTS

	Page
Trustees' report	1 - 7
Statement of trustees' responsibilities	8
Independent auditor's report	9 - 11
Consolidated statement of financial activities	12
Consolidated balance sheet	13
Charity balance sheet	14
Consolidated statement of cash flows	15
Notes to the financial statements	16 - 42

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The trustees present their report and financial statements for the year ended 30 September 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "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)".

Objectives and activities

The objects of the charity are to:

- 1) promote the value of ordinary living opportunities and to eliminate the segregation and stigmatisation of people who consider themselves to be disadvantaged by reason of their physical ill health, mental health or learning disability.
- 2) provide support services with the aim of preserving and protecting the health and well-being of people with physical health needs, mental health needs and/or learning disabilities.
- 3) undertake the management of housing projects, including the responsibilities of a management agent, which provide an alternative to institutionalised care for people with physical health needs, mental health needs and/or learning disabilities.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's guidance on public benefit.

Our Vision

To be market leader and the first choice provider of high quality services to people living with learning disabilities and/or experiencing mental health problems. Expect Ltd. will achieve this by being acknowledged as a considerate, inspiring and empowering provider and employer; committed to the achievement of excellence with a reputation for 'going the extra mile' whilst, at the same time, maintaining traditional values and principles.

Our Mission

To improve the quality of life and independence of people living with learning disabilities and/or mental health problems. Services will be delivered by a well trained, experienced and supportive team whose primary aim is to go the extra mile in providing quality and flexible support in a way that promotes and enables independence and choice.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Our Values

Everything Expect Ltd. does will be driven by the following values:

E - Empathy
X - eXtra mile
P - Partnership
E - Empowerment
C - Compassion
T - Truthfulness

Empathy - Expect Ltd. will endeavour to identify with the aspirations, concerns and difficulties of the people we work with in order to better understand their wishes and feelings.

eXtra mile - Expect Ltd. has developed a well earned reputation with Commissioners, users and relatives of our services for perseverance and tenacity when providing services to people living with learning disability and/or experiencing mental health problems. This, succinctly summed up as 'going the extra mile,' will be at the heart of our service development.

Partnership - Expect Ltd. will work in partnership and collaboration with people we support, their relatives, commissioning agencies and other likeminded Voluntary, Community and Faith Sector organisations and groups.

Empowerment - Expect Ltd. will support and encourage the people it works with to make difficult, sometimes challenging but safe decisions in relation to all aspects of their lives. Peoples' independence will be fostered as will their retention of links with their communities.

Compassion - Expect Ltd. will strive to understand the individual needs of the people we work with and be driven by a desire to help. This will be demonstrated by our actions and behaviours.

Truthfulness - Expect will be open and straightforward in its dialogue with service users, their relatives and employees in order to ensure that quality of care, transparency and honesty underpin all its actions.

The charity aims to achieve it's objects through the provision of the following services:-

- 1) Registered Residential Services - the provision of small registered care homes for up to three people.
- 2) Supported Living Schemes - the provision of supported living housing and support services to enable people to live as independently as possible in homes of their choice.
- 3) Day Centre Services - the provision of support, advice and structured activity for people experiencing mental ill health.
- 4) Domiciliary Care - the provision of ongoing outcomes based interventions and short term crisis management.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

Achievements and performance

Expect's reputation for the provision of high quality, responsive services, alongside its demonstrable commitment to responsible social values, has been maintained throughout the relevant period, albeit it with a number of COVID-related challenges. Despite the impact that the pandemic has had on the operational day to day running of the Company activity levels have been maintained and remain consistent with Expect's charitable objectives and Strategic Business Plan 2014-2019. The Strategic Plan and associated Action Plans have been subject to regular formal review and revision during their lifetime and as in previous years the reviewing process has been facilitated by an experienced and talented external business consultant. The new Strategic Business Plan is already in its formative stages for the 2020 – 2025 period and will build on the existing plan with regard to an aspiration for growth in both the Charity's reach and offer. All stakeholders clearly value the Charity's adherence to its faithful commitment to **"Meeting Challenge with Expertise and Compassion"** as well as to the closely related pledge to **"Going the Extra Mile"**. Both promises underscore the Charity's motivation to offer services to Service Users whose Challenging Behaviours may be regarded by other providers as too much to handle. From Expect's perspective such challenges are there to be managed in order to provide positive and person focused support and assistance.

Your Future Training Solutions (YFTS) was significantly impacted by COVID as the pandemic meant that all planned face to face training from March 2020 to the end of September 2020 could not go ahead. To ensure that the Expect Group's support staff were still able to access the mandatory training the Director of YFTS utilised Google classroom but there was very little external buy in, understandably, during this period.

The restructure referred to in the previous year's trustees' report was reviewed and some changes were made, the most significant being that it was decided to reduce the number of Divisional Directors to two from three and the position of Head of Estates was created to oversee Housing Initiatives and the maintenance team.

Expect Ltd's Bowersdale Resource Centre closed for a brief period between March 2020 and May 2020 before re-opening on a reduced service basis. Following a rigorous risk assessment it was decided that the maximum number of people in the Centre at any one time was ten and so each day was split into three sessions to accommodate as many service users as possible who wished to access the facilities. This arrangement has worked well and has ensured that the vulnerable client group with whom the Centre staff work have been able to continue to be provided with an effective service, which has been of even greater importance to them during such a difficult and unprecedented time. The service is essentially a partnership between Expect and the Borough of Sefton's two Clinical Commissioning Groups (CCGs). The work of the Centre continues to be supported via a grant from the CCG's which is reviewed on an annual basis. During the period, this grant was successfully retained.

The organisation remains committed to the ethos of the Real Living Wage and operates three different pay scales for its support staff that take into account relevant qualifications and working for the charity for 12 months or more. All support staff are encouraged to achieve the Level 2 Diploma in Health and Social Care during the first year of employment.

Officers of Expect have continued to play an active role in the maintenance and development of broader community based services and remain committed to offering assistance and support to the umbrella organisation Sefton Council for Voluntary Services of which it is a formal member. Expect's CEO and DCEO continue to work closely with the leaders of other similar organisations operating in the geographical area and colleagues in Local Council Commissioning teams, particularly those in Conway, Denbighshire, Sefton, Knowsley and Liverpool to drive up standards and maximise knowledge through effective partnerships. This involvement takes the form of being represented on working groups and at development events.

The recruitment of suitable and motivated staff has been an even bigger issue than usual during the pandemic but staff have rallied round and worked extra hours to cover when their colleagues have had to isolate.

Expect's HR Manager has made safe recruitment priority during this period and we continue to recruit based on attitude. New staff are provided with a comprehensive programme of skill and knowledge-based learning to be utilised in concert with their already identified appropriate personal values and ethics.

The Expect Board of trustees have continued to meet regularly and once the pandemic hit remote board meetings were convened so that the decision making progress was not hindered.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Financial review

The operational deficit for the group during the year was £234k (2019: £128k). The deficit is after accounting for the amortisation of goodwill for the year of £147k (2019: £129k). When this is removed the operating deficit of the group for the year is £87k (2019: surplus £1k).

As at 30 September 2020 total group funds of £3M (2019: £3.2M) were held all in unrestricted funds available for the general purposes of the charity.

Our primary sources of funding are the fees received from Local Authority Social Services Departments or from Clinical Commissioning Groups, depending upon which body is responsible for financing the care needs of the individual client. Upon referral clients are assessed and a Care Plan agreed with the funders. To assist in this Expect Ltd. has previously agreed set rates with funders depending upon the type and level of care provided. For clients living in one of our residential units, Expect Ltd. also receives additional payments to cover the cost of providing, running and maintaining the homes in which our clients live.

Part of our financial strategy over the last few years has been to reduce the group's reliance upon Sefton MBC which historically has been responsible for over 90% of the charity's income. For the year ended 30 September 2020, Sefton MBC contributed 50% of group income, and this is expected to reduce further over the next year or so.

Reserves Policy

The trustees have considered the need to maintain an appropriate level of reserves for the charity. Consideration has been given to the nature of income and expenditure streams, the need to match income with fixed commitments and the nature of reserves. The trustees have concluded that the following reserves should be maintained.

The trustees wish to have 3 months running costs, based on the last 3 years general fund expenditure in case of a major problem or delays in payments from our funders. The average annual expenditure over the last 3 years (2018-2020 incl.) is £5.5M. This equates to a reserve level of £1.4M, of which £0.5M is required to be kept as cash for working capital. As at 30 September 2020 the amount of reserves held in the general fund was £1,583,867. The trustees consider that this level of reserves satisfies the charitable company's policy on reserves.

The trustees have designated certain funds to assist in the financial management of the charity.

In order to assist the trustees to identify the free cash reserves a designated Fixed Asset Fund should hold the value of both intangible and tangible fixed assets less any loans secured on these assets and less the Revaluation Reserve as at each year-end.

The Project Development Fund is to fund initial costs in exploring and starting new projects. Given the likely requirements on this fund going forward the trustees have agreed to maintain the fund balance of £75,000 as at the 30 September 2020.

Following the purchase of Focus Care Wales Limited in the prior year, the Acquisition Fund has been reduced to £Nil. It is now expected that the group's focus will shift towards organic growth of the group rather than growth through acquisition.

Investment Strategy and Performance

Trustees took the decision in December 2019 to cash in the Eden Tree Investment to assuage cash flow issues arising out of historical monies owed to Expect Ltd. The Group will look to making further investments in the near future.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

Risk Management

The trustees have a risk management strategy which comprises:

- an annual review of the principal risks and uncertainties that the charity faces;
- the establishment of policies, systems and procedures to mitigate those risks identified in the annual review; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

This work has identified that financial sustainability is the major financial risk for the charity. A Key element in the management of financial risk is a regular review of available liquid funds to settle debts as they fall due, regular liaison with the bank and active management of trade debtors and creditors balances to ensure sufficient working capital by the charity.

Attention has also been focused on non-financial risks arising from fire, health and safety of clients and food hygiene. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular awareness training for staff working in these operational areas. The organisation recruited a dedicated Health and Safety Officer to provide support and guidance to the Senior Management Team and support staff.

Future Plans

In the autumn of 2020 the Expect Group endorsed its second five year Strategic Business Plan. The latest plan builds on the success of the previous plan taking into account anticipated future social care and broader societal circumstances. The plan is evolutionary rather than revolutionary, building on the robust platform that has been established in recent years. It retains the strong ethical underpinnings and values that the Expect Group has become synonymous with and strikes a balance between prudence and ambition. A calculated and considered approach will remain central to the Expect Group's strategic development and evolution over the next five years. The main aspirational tenets during the five years will be:

- To continue in the provision of services of the highest quality
- To nurture and support the Expect Group's ethical and socially sensitive approach to delivering and commissioning services
- To seek opportunities to work in partnership with commissioners and Service Users/Citizens to develop solutions to challenges currently affecting the delivery of effective and comprehensive levels of Service Provision
- To demonstrate to existing and potential employees that working for the Expect Group is the decision of choice. In a competitive recruitment market place the *offer* of high levels of support, training and comradeship as well genuine intent to pay the highest possible rates of pay to those who often feel undervalued will prove a strong inducement to recruitment.
- To give investment in local communities a high level status
- To continue to work for a social care market place where the choices and preferences of individuals are given the highest level of importance. Where choice is seen as a key driver to the design and delivery of services.
- To place the maximisation of individuals, both Service Users, Citizens and employees as a high level objective.
- To acknowledge opportunities to acquire suitable potential members of the Expect Group but to give priority to the consolidation, strengthening and development of those services and in areas where the Group currently operates.
- To ensure that the Group's business evolution takes place within a strategic framework that places the highest value on retaining tight control over quality as it is a central belief that this provides the most effective means of securing the best.

Structure, governance and management

Expect Ltd. is a company limited guarantee governed by its Memorandum and Articles of Association dated 20th May 2005. It is registered with Companies House (No. 2357285) and with the Charity Commission (No. 701331). Anyone over the age of 18 can become a member of the charitable company and there are currently 4 members (4 in 2019), each of whom agrees to contribute £10 in the event of the charity winding up.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Anthony Gilmore
Mandy MacDonald
Janet Hardman
David Egan

Appointment of trustees

As set out in the Articles of Association the trustees are elected by the members of the charitable company attending the Annual General Meeting. The longest serving one third of trustees retires each year and is able to offer themselves for re-election.

Organisation

The Board of Trustees, which shall be no less than 3 members, administers the charity. The board normally meets bi-monthly. A Chief Executive is appointed by the trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within the terms of delegation approved by the trustees, for operational matters including service delivery activity, finance, and human resources.

Trustee induction and training

New trustees are provided with an Induction Pack to brief them on; their legal obligations under charity and company law; the Charity Commission guidance on public benefit; the content of the Memorandum and Articles of Association; the board and the decision making process; the strategic plan; recent financial performance. During the induction process they meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Pay policy for senior staff

The trustees consider that the board of trustees and the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All trustees give of their time freely and no trustees received remuneration in the year.

The pay of the senior staff excluding the Chief Executive are reviewed annually and normally increased in accordance with at least inflation, adjusted for any additional responsibilities. The pay for the Chief Executive has been assessed using the principles contained within the Association of Chief Executives of Voluntary Organisations (ACEVO) 'The Good Pay Guide.' Annual reviews are carried out through discussion between the trustees and the Chief Executive.

Auditor

The auditors, BWM, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

Small Company exemptions

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
*FOR THE YEAR ENDED 30 SEPTEMBER 2020***

The trustees' report was approved by the Board of Trustees.

Anthony Gilmore
Trustee
Dated: 29 July 2021

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

The trustees, who are also the directors of Expect Ltd. for the purpose of company law, are responsible for preparing the Trustees' Report 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF EXPECT LTD.**

Opinion

We have audited the financial statements of Expect Ltd. (the 'charity') and its subsidiary (the 'group') for the year ended 30 September 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Balance Sheets, the Consolidated Statement of Cash Flows and the 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 September 2020 and of the group's incoming resources and application of resources, 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 Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the group and the charity in accordance with the ethical requirements that are relevant to our audit of the accounts 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF EXPECT LTD.**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charity and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees, who are also the directors of the charity for the purpose 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 directors 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 group's and the charity'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 group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF EXPECT LTD.**

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.

**Peter Taaffe FCA CTA DChA (Senior Statutory Auditor)
for and on behalf of BWM**

29 July 2021

**Chartered Accountants
Statutory Auditor**

Castle Chambers
43 Castle Street
Liverpool
L2 9SH

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	Unrestricted funds 2020 £	Unrestricted funds 2019 £
<u>Income from:</u>			
Donations and legacies	3	7,017	2,033
Income from charitable activities	4	4,276,407	4,391,670
Other trading activities	5	1,668,577	1,241,633
Investments	6	2,697	12,481
Total income		5,954,698	5,647,817
<u>Expenditure on:</u>			
Raising funds	7	1,474,141	1,159,495
Charitable activities	8	4,716,653	4,612,274
Other	12	(1,845)	2,631
Total expenditure		6,188,949	5,774,400
Net gains/(losses) on investments	13	177	(1,768)
Net expenditure		(234,074)	(128,351)
Other recognised gains and losses			
Other gains or losses	15	-	664,278
Net movement in funds		(234,074)	535,927
Fund balances at 1 October 2019		3,247,083	2,711,156
Fund balances at 30 September 2020		3,013,009	3,247,083

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	16		360,251		507,119
Other intangible assets	16		15,974		21,299
Total intangible assets			376,225		528,418
Tangible assets	18		2,017,341		2,104,721
Investments	20		-		195,225
			2,393,566		2,828,364
Current assets					
Debtors	25	1,235,869		1,045,621	
Cash at bank and in hand		446,035		384,539	
			1,681,904		1,430,160
Creditors: amounts falling due within one year	27	(431,955)		(335,529)	
Net current assets			1,249,949		1,094,631
Total assets less current liabilities			3,643,515		3,922,995
Creditors: amounts falling due after more than one year	29		(630,506)		(675,912)
Net assets			3,013,009		3,247,083
Income funds					
<u>Unrestricted funds</u>					
Designated funds	34	1,075,078		1,014,559	
General unrestricted funds		1,583,867		1,766,065	
Revaluation reserve		354,064		466,459	
			3,013,009		3,247,083
			3,013,009		3,247,083

The financial statements were approved by the Trustees on 29 July 2021

Anthony Gilmore
Trustee

Company Registration No. 02357285

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	17	15,974		21,299	
Tangible assets	19	805,284		861,073	
Investments	21	1,124,308		1,319,533	
		<u>1,945,566</u>		<u>2,201,905</u>	
Current assets					
Debtors	26	986,817		747,897	
Cash at bank and in hand		54,282		33,181	
		<u>1,041,099</u>		<u>781,078</u>	
Creditors: amounts falling due within one year	28	(322,722)		(228,906)	
Net current assets		<u>718,377</u>		<u>552,172</u>	
Total assets less current liabilities		<u>2,663,943</u>		<u>2,754,077</u>	
Income funds					
<u>Unrestricted funds</u>					
Designated funds	35	832,085		891,723	
General unrestricted funds		1,767,685		1,796,705	
Revaluation reserve	35	64,173		65,649	
		<u>2,663,943</u>		<u>2,754,077</u>	
		<u>2,663,943</u>		<u>2,754,077</u>	

The financial statements were approved by the Trustees on 29 July 2021

Anthony Gilmore
Trustee

Company Registration No. 02357285

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash absorbed by operations	40		(104,188)		(533,998)
Investing activities					
Purchase of tangible fixed assets		(990)		(75,340)	
Proceeds on disposal of tangible fixed assets		15,465		-	
Purchase of subsidiaries		-		(391,447)	
Proceeds on disposal of other investments		195,402		-	
Investment income received		2,697		12,481	
Net cash generated from/(used in) investing activities			212,574		(454,306)
Financing activities					
Repayment of bank loans		(46,890)		(3,942)	
Net cash used in financing activities			(46,890)		(3,942)
Net increase/(decrease) in cash and cash equivalents			61,496		(992,246)
Cash and cash equivalents at beginning of year			384,539		1,037,865
Cash acquired in period			-		338,920
Cash and cash equivalents at end of year			446,035		384,539

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1 Accounting policies

Charity information

Expect Ltd. is a private company limited by guarantee incorporated in England and Wales. The registered office is 151 Stanley Road, Bootle, Liverpool, Merseyside, L20 3DL.

1.1 Accounting convention

The financial statements have been prepared in accordance 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)" (as amended for accounting periods commencing from 1 January 2016), and the Companies Act 2006 and the UK Generally Accepted Accounting Practice as it applies from 1st January 2015.

Expect Ltd. meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Consolidation

The group financial statements consolidate those of the charity and its wholly owned subsidiary undertakings drawn up to 30 September 2020. The results of the charity's subsidiaries have been incorporated on a line by line basis.

A separate Statement of Financial Activities and Income and Expenditure Account for the parent charitable company has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.2 Going concern

At the time of approving the accounts and as detailed in note 38, the trustees have considered the impact of Covid-19 on the charity and the group and the trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

All income and expenditure together with gains and losses are allocated to a specific charitable fund.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Further details of designated funds together with their purpose are set out in note 34 and 35.

Restricted funds are donations which the donor has specified are to be used solely for particular areas of the charity's work or for specific projects being undertaken by the charity.

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(continued)

1.4 Income

Income is recognised when the charity has entitlement to the funds, after any performance conditions have been met, it is probable that income will be received and the amounts can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividend income is recognised when the right to receive payment is established, usually when the investment is declared ex-dividend.

Trading income is the amount derived from the provision of services by the subsidiary, and stated after trade discounts, other sales taxes and net of VAT.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Residential Care
- Supported Living
- Domiciliary Care
- Day Services

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charities programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of incorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill shall be considered to have a finite useful life, and shall be amortised on a straight line basis over five years.

Any negative goodwill is written off to the SOFA in the year of acquisition.

1.7 Intangible fixed assets other than goodwill

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised over their estimated useful life, on the following basis.

Software	25% per annum reducing balance
----------	--------------------------------

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

1 Accounting policies

(continued)

Where factors such as technological advancement or changes in market price, indicate that residual value or useful life may have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carry amount may be impaired.

Costs associated with maintaining computer software are recognised as an expenses, as incurred.

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset into its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Land and buildings include freehold offices and community centres. Land and buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses

The charitable company previously adopted a policy of revaluing freehold land and buildings and they were stated at their revalued amount less any subsequent depreciation and accumulated impairment losses. The charitable company has adopted the transition exemption under FRS 102 paragraph 35.10(d) and has elected to use the latest revaluation as deemed cost.

Depreciation is provided at the following annual rates in order to write each asset off over its anticipated useful economic life. A full year's depreciation charge is charged in the year of acquisition and no depreciation is charged in the year of disposal:

Freehold land and buildings	No depreciation is charged on land
Leasehold property	Straight line basis over 50 years
Freehold improvements	Straight line basis over 5 years
Plant and equipment	25% on a reducing balance basis
Fixtures and fittings	15% on a reducing balance basis
Computers	33% on a reducing balance basis
Motor vehicles	25% on a reducing balance basis

The difference between depreciation based on the deemed cost charged in the Statement of Financial Activities and the assets original cost is charged to the Revaluation Reserve. Plant and machinery and fixtures and fittings and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the charitable company and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed, as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Activities.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1 Accounting policies

(continued)

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price including transaction costs, and are subsequently measured at fair value at each reporting date.

The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

1.10 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.11 Cash and cash equivalents

Cash at bank and cash equivalents includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

1 Accounting policies

(continued)

1.13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

The subsidiaries gift aid their profits during the year and post year end to the parent Expect Ltd. As such there is no tax charge to the subsidiaries.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.17 Revaluation Reserve

Gains or losses arising on the revaluation of individual fixed assets other than investment properties are credited or debited to a non-distributable reserve known as the revaluation reserve (see note 34 and 35).

Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the statement of financial activities.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Donations and gifts	1,047	2,033
Grant income	5,970	-
	<u>7,017</u>	<u>2,033</u>

4 Income from charitable activities

	Residential Care Services	Supported Living Services	Domiciliary Care Services	Day Services	Total 2020	Total 2019
	2020	2020	2020	2020		
	£	£	£	£	£	£
Care Package Income	1,025,062	2,642,225	313,189	145,089	4,125,565	4,187,940
Client Contributions	78,386	-	-	-	78,386	69,901
Service Charge Income	1,578	45,368	-	-	46,946	69,783
Property Management Fees	3,213	4,762	-	-	7,975	13,570
Utility recharges	34	16,520	150	-	16,704	35,141
Other income	65	-	-	766	831	15,335
	<u>1,108,338</u>	<u>2,708,875</u>	<u>313,339</u>	<u>145,855</u>	<u>4,276,407</u>	<u>4,391,670</u>
Analysis by fund						
Unrestricted funds	<u>1,108,338</u>	<u>2,708,875</u>	<u>313,339</u>	<u>145,855</u>	<u>4,276,407</u>	<u>4,391,670</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

4 Income from charitable activities (continued)

For the year ended 30 September 2019

	Residential Care Services	Supported Living Services	Domiciliary Care Services	Day Services	Total 2019
	£	£	£	£	£
Care Package Income	528,764	2,991,788	527,200	140,188	4,187,940
Client Contributions	67,760	2,141	-	-	69,901
Service Charge Income	45,986	23,797	-	-	69,783
Property Management Fees	8,808	4,762	-	-	13,570
Utility recharges	23,730	10,641	770	-	35,141
Other income	11,252	-	-	4,083	15,335
	<u>686,300</u>	<u>3,033,129</u>	<u>527,970</u>	<u>144,271</u>	<u>4,391,670</u>
Analysis by fund					
Unrestricted funds	<u>686,300</u>	<u>3,033,129</u>	<u>527,970</u>	<u>144,271</u>	<u>4,391,670</u>

5 Other trading activities

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Trading activity income: Young People's Support	553,280	542,067
Trading activity income: Supported Living	696,671	430,977
Trading activities income: Housing support	158,232	15,202
Trading activity income: Domiciliary Care	260,394	253,387
Other trading activities	<u>1,668,577</u>	<u>1,241,633</u>

All trading income is unrestricted.

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

6 Investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Income from listed investments	2,122	10,817
Interest receivable	575	1,664
	<u>2,697</u>	<u>12,481</u>

All investment income is unrestricted.

7 Raising funds

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
<u>Trading costs</u>		
Other trading activities - non-charitable	163,373	146,749
Other trading activities - charitable	70,296	4,964
Staff costs	1,193,129	993,735
Depreciation and impairment	32,580	3,363
Support costs	14,763	10,684
Trading costs	<u>1,474,141</u>	<u>1,159,495</u>
	<u>1,474,141</u>	<u>1,159,495</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

8 Charitable activities

	Residential Care Services 2020 £	Supported Living Services 2020 £	Domiciliary Care Services 2020 £	Day Services 2020 £	Total 2020 £	Total 2019 £
Staff costs	588,821	2,232,075	201,456	52,795	3,075,147	3,615,267
Other charitable expenditure	94,985	75,150	2,272	34,205	206,612	363,553
	<u>683,806</u>	<u>2,307,225</u>	<u>203,728</u>	<u>87,000</u>	<u>3,281,759</u>	<u>3,978,820</u>
Share of support costs (see note 9)	214,581	917,466	196,698	46,767	1,375,512	595,894
Share of governance costs (see note 9)	14,847	14,845	14,845	14,845	59,382	37,560
	<u>913,234</u>	<u>3,239,536</u>	<u>415,271</u>	<u>148,612</u>	<u>4,716,653</u>	<u>4,612,274</u>

For the year ended 30 September 2019

	Residential Care Services £	Supported Living Services £	Domiciliary Care Services £	Day Services £	Total 2019 £
Staff costs	404,500	2,468,944	577,988	163,835	3,615,267
Other charitable expenditure	269,259	53,504	10,408	30,382	363,553
	<u>673,759</u>	<u>2,522,448</u>	<u>588,396</u>	<u>194,217</u>	<u>3,978,820</u>
Share of support costs (see note 9)	89,721	412,914	81,103	12,156	595,894
Share of governance costs (see note 9)	9,390	9,390	9,390	9,390	37,560
	<u>772,870</u>	<u>2,944,752</u>	<u>678,889</u>	<u>215,763</u>	<u>4,612,274</u>
Analysis by fund					
Unrestricted funds	<u>772,870</u>	<u>2,944,752</u>	<u>678,889</u>	<u>215,763</u>	<u>4,612,274</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

9 Support costs

	Support costs £	Governance costs £	2020 £	Support costs £	Governance costs £	2019 £
Staff costs	887,510	-	887,510	257,976	-	257,976
Depreciation	194,362	-	194,362	184,804	-	184,804
Central office costs	293,640	-	293,640	153,114	-	153,114
Audit fees	-	10,500	10,500	-	10,380	10,380
Accountancy	-	29,951	29,951	-	37,744	37,744
Legal and professional	-	33,694	33,694	-	120	120
	<u>1,375,512</u>	<u>74,145</u>	<u>1,449,657</u>	<u>595,894</u>	<u>48,244</u>	<u>644,138</u>
Analysed between						
Trading	-	14,763	14,763	-	10,684	10,684
Charitable activities	<u>1,375,512</u>	<u>59,382</u>	<u>1,434,894</u>	<u>595,894</u>	<u>37,560</u>	<u>633,454</u>
	<u>1,375,512</u>	<u>74,145</u>	<u>1,449,657</u>	<u>595,894</u>	<u>48,244</u>	<u>644,138</u>

Support costs represent the costs of the Central Office and the governance costs represent the annual audit fee and other professional fees.

Where these are directly attributable costs these have been allocated to the relevant activity.

Premises costs have been allocated on a floor area basis and other costs have been allocated on the basis of the head count.

Governance costs attributable to charitable activities have been split equally between the activities.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current year or previous year.

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Key management personnel	5	5
Other management & administration	6	6
Client care and support	222	224
Total	<u>233</u>	<u>235</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

11 Employees

(continued)

Employment costs	2020	2019
	£	£
Wages and salaries	4,658,347	4,446,925
Social security costs	386,062	340,521
Other pension costs	111,377	79,532
	<u>5,155,786</u>	<u>4,866,978</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2020	2019
	Number	Number
£60,000 to £69,999	1	-
£80,000 to £89,999	1	1
	<u>1</u>	<u>1</u>

Contributions totalling £18,453 (2019: £11,034) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

12 Other

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Net loss on disposal of intangible fixed assets	-	2,631
Net profit on disposal of tangible fixed assets	(1,845)	-
	<u>(1,845)</u>	<u>-</u>

13 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Revaluation of listed investments	-	(1,768)
Gain/(loss) on sale of listed investments	177	-
	<u>177</u>	<u>(1,768)</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

14 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditors	2020 £	2019 £
Audit of the charitable group's annual accounts	10,500	10,380
Non-audit services		
Audit-related assurance services	-	7,000
Taxation compliance services	1,000	800
Services relating to corporate finance transactions	-	15,696
All other non-audit services	29,951	21,005
Total non-audit fees	30,951	44,501

15 Other gains or losses

	Unrestricted funds	Unrestricted funds
	2020 £	2019 £
Goodwill on acquisition written off	-	(664,278)

16 Intangible fixed assets - group

	Goodwill £	Software £	Total £
Cost			
At 1 October 2019 and 30 September 2020	733,318	49,580	782,898
Amortisation and impairment			
At 1 October 2019	226,199	28,281	254,480
Amortisation charged for the year	146,868	5,325	152,193
At 30 September 2020	373,067	33,606	406,673
Carrying amount			
At 30 September 2020	360,251	15,974	376,225
At 30 September 2019	507,119	21,299	528,418

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

17 Intangible fixed assets - charity

	Software £
Cost	
At 1 October 2019 and 30 September 2020	49,580
	<hr/>
Amortisation and impairment	
At 1 October 2019	28,281
Amortisation charged for the year	5,325
	<hr/>
At 30 September 2020	33,606
	<hr/>
Carrying amount	
At 30 September 2020	15,974
	<hr/> <hr/>
At 30 September 2019	21,299
	<hr/> <hr/>

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

18 Tangible fixed assets - group										
	Freehold land and buildings £	Leasehold property improvements £	Freehold improvements £	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £		
Cost or valuation										
At 1 October 2019	1,512,360	528,782	111,256	5,951	86,905	-	46,905	2,292,159		
Additions	-	-	-	-	-	990	-	990		
Disposals	-	-	-	-	-	-	(30,402)	(30,402)		
At 30 September 2020	1,512,360	528,782	111,256	5,951	86,905	990	16,503	2,262,747		
Depreciation and impairment										
At 1 October 2019	65,668	1,092	34,877	757	59,152	-	25,892	187,438		
Depreciation charged in the year	32,470	13,102	21,676	1,038	4,713	272	1,479	74,750		
Eliminated in respect of disposals	-	-	-	-	-	-	(16,782)	(16,782)		
At 30 September 2020	98,138	14,194	56,553	1,795	63,865	272	10,589	245,406		
Carrying amount										
At 30 September 2020	1,414,222	514,588	54,703	4,156	23,040	718	5,914	2,017,341		
At 30 September 2019	1,523,071	527,690	-	5,194	27,752	-	21,014	2,104,721		

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

18 Tangible fixed assets - group

(continued)

The carrying value of land included in land and buildings comprises:

	2020	2019
	£	£
Freehold	35,000	34,000

Two of Expect Ltd.'s freehold properties were revalued on an open market basis as at 31 March 2014 by Sutton Kersh, Chartered Valuation and Building Surveyors.

The trustees are not aware of any material changes in value since this last valuation.

At 30 September 2020, had the revalued freehold land and buildings been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £1,266,227 (2019: £1,338,628).

The revaluation surplus is disclosed in note 34.

There is a first legal charge over 7 St Edmond's Road, 14/15 Tarbrock Court, 445 Stanley Road, 443 A/B Stanley Road and 1 Hougoumont Grove. The bank loans secured on the properties amounted to £679,173 which is 56% of the net book value of the properties. Social Investment Business (formerly Futurebuilders England Limited) has a first legal charge over 2-8 Gainsford Road.

19 Tangible fixed assets - charity

	Freehold land and buildings	Freehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 October 2019	800,082	111,256	86,905	46,905	1,045,148
Disposals	-	-	-	(30,402)	(30,402)
At 30 September 2020	800,082	111,256	86,905	16,503	1,014,746
Depreciation and impairment					
At 1 October 2019	64,153	34,877	59,152	25,892	184,074
Depreciation charged in the year	14,302	21,676	4,713	1,479	42,170
Eliminated in respect of disposals	-	-	-	(16,782)	(16,782)
At 30 September 2020	78,455	56,553	63,865	10,589	209,462
Carrying amount					
At 30 September 2020	721,627	54,703	23,040	5,914	805,284
At 30 September 2019	735,929	76,379	27,753	21,013	861,073

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

19 Tangible fixed assets - charity **(continued)**

The carrying value of land included in land and buildings comprises:

	2020	2019
	£	£
Freehold	35,000	34,000
	<u> </u>	<u> </u>

Two of Expect Ltd.'s freehold properties were revalued on an open market basis as at 31 March 2014 by Sutton Kersh, Chartered Valuation and Building Surveyors.

The trustees are not aware of any material changes in value since this last valuation.

At 30 September 2020, had the revalued freehold land and buildings been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £614,579 (2019: £686,980).

The revaluation surplus is disclosed in note 35.

20 Fixed asset investments - group

	Listed investments £
Cost or valuation	
At 1 October 2019	195,225
Disposals	(195,225)
	<hr/>
At 30 September 2020	-
	<hr/>
Carrying amount	
At 30 September 2020	-
	<hr/> <hr/>
At 30 September 2019	195,225
	<hr/> <hr/>
	2020
	£
Investments at fair value comprise:	
Amity Balanced Fund for Charities (176,835 units)	-
	195,225
	<hr/>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

21 Fixed asset investments - charity

	Listed investments £	Other investments £	Total £
Cost or valuation			
At 1 October 2019	195,225	1,124,308	1,319,533
Disposals	(195,225)	-	(195,225)
	<hr/>	<hr/>	<hr/>
At 30 September 2020	-	1,124,308	1,124,308
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 September 2020	-	1,124,308	1,124,308
	<hr/>	<hr/>	<hr/>
At 30 September 2019	195,225	1,124,308	1,319,533
	<hr/>	<hr/>	<hr/>
		2020	2019
		£	£
Other investments comprise:			
Investments in subsidiaries	22	1,124,308	1,124,308
		<hr/>	<hr/>
		2020	2019
		£	£
Investments at fair value comprise:			
Amity Balanced Fund for Charities (2020: nil, 2019: 176,835 units)		-	195,225
		<hr/>	<hr/>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

22 Subsidiaries: Charity

Consolidated financial statements for the group are prepared and publicly available.

Details of the charity's subsidiaries at 30 September 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Access to Care Ltd	England & Wales	Housing Support for Young People	Ordinary £1	100.00	
Rowan Care Ltd	England & Wales	Domiciliary Care	Ordinary £1	100.00	
Focus Care Wales Ltd	England & Wales	Supported Living Domicillary Support Service	Ordinary £1	100.00	
Focus On Work Ltd	England & Wales	Delivering opportunities to people with learning disabilities	Ordinary £1	100.00	
Your Future Training Solutions Ltd	England & Wales	Provision of training services to the Health & Social Care sector	Ordinary £1	100.00	
Housing Initiatives (U.K.) Ltd	England & Wales	Housing support for people with learning disabilities and other vulnerable people	Company Limited by Guarantee	100.00	

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Access to Care Ltd	45,572	198,217
Rowan Care Ltd	54,305	73,849
Focus Care Wales Ltd	48,762	189,316
Focus On Work Ltd	4,210	200
Your Future Training Solutions Ltd	(11,352)	(12,063)
Housing Initiatives (U.K.) Ltd	(976)	663,905

23 Financial instruments - group	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,621,058	1,360,281
Instruments measured at fair value through profit or loss	-	195,225
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	265,114	182,678
Loan commitments measured at cost less impairment	679,173	720,002
	<u> </u>	<u> </u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

24	Financial instruments - charity	2020	2019
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	947,984	620,098
	Equity instruments measured at cost less impairment	1,124,308	1,124,308
	Instruments measured at fair value through profit or loss	-	195,225
		<u></u>	<u></u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	233,068	150,008
		<u></u>	<u></u>
25	Debtors - group	2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	445,395	707,492
	Corporation tax recoverable	44,631	44,631
	Other debtors	729,628	268,250
	Prepayments and accrued income	16,215	25,248
		<u></u>	<u></u>
		1,235,869	1,045,621
		<u></u>	<u></u>
26	Debtors - charity	2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	208,921	321,069
	Amounts due from subsidiary undertakings	76,900	137,311
	Other debtors	684,781	265,848
	Prepayments and accrued income	16,215	23,669
		<u></u>	<u></u>
		986,817	747,897
		<u></u>	<u></u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

27 Creditors: amounts falling due within one year - group

	Notes	2020 £	2019 £
Bank loans	30	48,667	44,090
Corporation tax payable		-	6,061
Other taxation and social security		118,174	102,700
Trade creditors		127,878	89,146
Other creditors		68,481	37,492
Accruals and deferred income		68,755	56,040
		<u>431,955</u>	<u>335,529</u>

A number of Expect's service users have been unable to open personal bank accounts due to the difficulty in appointing suitably independent advocates. As a result Expect Ltd. continues to receive all benefits and monies due to some service users. In order to protect the long term financial position of these service users, Expect Ltd. has operated a specially designated Client Money Account with the Buckinghamshire Building Society to hold these balances.

As at 30 September 2020 £442,805 (2019: £398,029) was held for service users and this amount has been excluded from the cash at bank and in hand figure and from trade creditors.

28 Creditors: amounts falling due within one year - charity

	2020 £	2019 £
Other taxation and social security	82,239	72,804
Trade creditors	125,158	88,531
Amounts due to subsidiary undertakings	7,415	6,094
Other creditors	61,547	25,769
Accruals and deferred income	46,363	35,708
	<u>322,722</u>	<u>228,906</u>

Some of our service users have been unable to open personal bank accounts due to the difficulty in appointing suitably independent advocates. As a result Expect Ltd. continues to receive all benefits and monies due to some service users. In order to protect the long term financial position of these service users, Expect Ltd. has operated a specially designated Client Money Account with the Buckinghamshire Building Society to hold these balances.

As at 30 September 2020 £442,805 (2019: £398,029) was held for service users and this amount has been excluded from the cash at bank and in hand figure and from trade creditors.

29 Creditors: amounts falling due after more than one year - group

	Notes	2020 £	2019 £
Bank loans	30	<u>630,506</u>	<u>675,912</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

30 Loans and overdrafts - group

	2020	2019
	£	£
Bank loans	679,173	720,002
	<u> </u>	<u> </u>
Payable within one year	48,667	44,090
Payable after one year	630,506	675,912
	<u> </u>	<u> </u>
Amounts included above which fall due after five years:		
Payable by instalments	427,850	481,221
	<u> </u>	<u> </u>

Security has been given in respect of bank loans of £679,173 (2019: £720,002).

The bank borrowings with Lloyds Bank of £435,834 (2019: £467,341) are secured by a fixed and floating charge over the assets of Housing Initiatives (U.K.) Ltd.

The loan with Futurebuilders of £243,339 (2019: £252,661) is secured by way of a legal charge over the leasehold buildings held by Housing Initiatives (U.K.) Ltd.

31 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £111,377 (2019 - £79,532).

At 30 September 2020 the group owed £20,843 (2019: £7,023) in respect of pension contributions.

32 Operating lease commitments - group

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	5,694	3,048
Between two and five years	4,080	278
	<u> </u>	<u> </u>
	9,774	3,326
	<u> </u>	<u> </u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

33 Operating lease commitments - charity

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	254	3,048
Between two and five years	-	278
	<hr/>	<hr/>
	254	3,326
	<hr/>	<hr/>

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

34 Designated funds - group

The unrestricted funds include:

	Balance at 1 October 2018	Expenditure	Transfers	Balance at 1 October 2019	Movement in funds				Transfers	Balance at 30 September 2020
	£	£	£	£	Income	Expenditure		£	£	£
Revaluation reserve	67,125	(1,476)	400,810	466,459	-	(112,395)		-	-	354,064
Fixed asset fund	798,704	(59,529)	200,384	939,559	89,931	-		(29,412)		1,000,078
Acquisition fund	384,791	-	(384,791)	-	-	-		-	-	-
Project development fund	75,000	-	-	75,000	-	-		-	-	75,000
	<u>1,325,620</u>	<u>(61,005)</u>	<u>216,403</u>	<u>1,481,018</u>	<u>89,931</u>	<u>(112,395)</u>		<u>(29,412)</u>		<u>1,429,142</u>

The trustees have designated certain funds to assist in the financial management of the charitable company.

In order to assist the trustees to identify the free cash reserves a designated Fixed Asset fund should hold the value of both intangible (excluding goodwill) and tangible fixed assets less any loan balance used to acquire fixed assets and less the Revaluation Reserve as at each year end.

The Project Development Fund is to fund initial costs in exploring and starting new projects.

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

35 Designated funds - charity

The unrestricted funds include:

	Balance at 1 October 2018	Expenditure	Transfers	Balance at 1 October 2019	Expenditure	Transfers	Balance at 30 September 2020
Revaluation reserve	67,125	(1,476)	-	65,649	(1,476)	-	64,173
Fixed asset fund	798,704	(57,321)	75,340	816,723	(29,236)	(30,402)	757,085
Acquisition fund	384,791	-	(384,791)	-	-	-	-
Project development fund	75,000	-	-	75,000	-	-	75,000
	<u>1,325,620</u>	<u>(58,797)</u>	<u>(309,451)</u>	<u>957,372</u>	<u>(30,712)</u>	<u>(30,402)</u>	<u>896,258</u>

The trustees have designated certain funds to assist in the financial management of the charitable company.

In order to assist the trustees to identify the free cash reserves a designated Fixed Asset fund should hold the value of both intangible (excluding goodwill) and tangible fixed assets less any loan balance used to acquire fixed assets and less the Revaluation Reserve as at each year end.

The Project Development Fund is to fund initial costs in exploring and starting new projects.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

36 Analysis of net assets between funds - group

Fund balances at 30 September 2020 are represented by:

	Unrestricted		Designated		Revaluation reserve		Total		Unrestricted		Designated		Revaluation reserve		Total	
	2020	2020	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019	2019	2019
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Intangible fixed assets	360,251	15,974	-	-	-	376,225	507,119	21,299	-	-	-	-	-	-	528,418	-
Tangible assets	-	1,663,277	354,064	2,017,341	1,638,262	2,104,721	-	-	-	-	-	-	-	-	2,104,721	-
Investments	-	-	-	-	-	-	195,225	-	-	-	-	-	-	-	195,225	-
Current assets/(liabilities)	1,223,616	26,333	-	1,249,949	1,063,721	1,094,631	1,063,721	30,910	-	-	-	-	-	-	1,094,631	-
Long term liabilities	-	(630,506)	-	(630,506)	-	(675,912)	-	(675,912)	-	-	-	-	-	-	(675,912)	-
	1,583,867	1,075,078	354,064	3,013,009	1,014,559	3,247,083	1,766,065	1,014,559	466,459	466,459	3,247,083	466,459	466,459	3,247,083	3,247,083	466,459

37 Analysis of net assets between funds - charity

Fund balances at 30 September 2020 are represented by:

	Unrestricted		Designated		Revaluation reserve		Total		Unrestricted		Designated		Revaluation reserve		Total	
	2020	2020	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019	2019	2019
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Intangible fixed assets	-	15,974	-	15,974	-	15,974	-	-	-	-	21,299	-	-	-	21,299	-
Tangible assets	-	741,111	64,173	805,284	795,425	861,074	-	-	-	-	795,425	65,649	65,649	861,074	861,074	-
Investments	1,124,308	-	-	1,124,308	-	1,319,533	1,319,533	-	-	-	-	-	-	-	1,319,533	-
Current assets/(liabilities)	643,377	75,000	-	718,377	75,000	552,171	477,171	75,000	-	-	-	-	-	-	552,171	-
	1,767,685	832,085	64,173	2,663,943	891,724	2,754,077	1,796,704	891,724	65,649	65,649	2,754,077	65,649	65,649	2,754,077	2,754,077	65,649

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

38 Coronavirus

During the first quarter of 2020 there was a global outbreak of Covid-19. The directors and senior management of the company have, from the outset, monitored the developments on a daily basis as well as developing, and reviewing, robust risk assessments in line with both central and local government guidance. In addition, a section on the pandemic has been added to the organisation's Business Continuity Plan.

All Head Office staff worked from home for a period of 11 weeks and prior to the office re-opening full social distancing and PPE measures were implemented. Although the impact on the company has been negligible we continue to monitor the situation daily.

39 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	414,925	365,737

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the current year or previous year.

40 Cash generated from operations	2020	2019
	£	£
(Deficit)/surplus for the year	(234,073)	(128,351)
Adjustments for:		
Investment income recognised in statement of financial activities	(2,697)	(12,481)
Gain on disposal of tangible fixed assets	(1,845)	-
(Gain)/loss on disposal of intangible assets	-	2,631
Gain on disposal of investments	(177)	-
Fair value gains and losses on investments	-	1,769
Amortisation and impairment of intangible assets	152,193	128,638
Depreciation and impairment of tangible fixed assets	74,750	59,529
Taxation charge/credit	-	(3,550)
Movements in working capital:		
(Increase) in debtors	(190,248)	(550,962)
Increase/(decrease) in creditors	97,910	(31,221)
Cash absorbed by operations	(104,187)	(533,998)

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2020

41 Analysis of changes in net (debt)/funds

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	384,539	61,496	446,035
Loans falling due within one year	(44,090)	(4,577)	(48,667)
Loans falling due after more than one year	(675,912)	45,406	(630,506)
	<u>(335,463)</u>	<u>102,325</u>	<u>(233,138)</u>
	=====	=====	=====