

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 2021

Meeting Challenge with Expertise and Compassion



EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr A F Gilmore	
	Mrs J E Hardman	
	Ms T Boylin	(Appointed 24 September 2021)
	Mr D Broad	(Appointed 24 September 2021)
	Ms S McCabe	(Appointed 24 September 2021)
Secretary	Ms M Ollivier	(Resigned 14 April 2021)
	Mrs D Collins	(Appointed 14 April 2021 & resigned 9 May 2022)
	Mr S Dewhurst	(Appointed 10 May 2022)
Charity number	701331	
Company number	02357285	
Registered office	151 Stanley Road Bootle Liverpool Merseyside L20 3DL	
Auditor	BWM Suite 5.1 12 Tithebarn Street Liverpool L2 2DT	
Bankers	CAF Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	
Solicitors	Excello Law 1 Derby Square Liverpool L2 9XX	

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**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The trustees present their annual report and financial statements for the year ended 30 September 2021.

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 2021**

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.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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 continued to have 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 2020-2025. 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 Strategic Business Plan for 2020 – 2025 period details the planned 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.

Expect Ltd's Bowersdale Resource Centre remained open from May 2020 albeit with a reduced number of people in the Centre at any one time, in line with the continued COVID guidance. Feedback from service users indicates that being able to continue attending the Centre had a positive impact on their lives during what has been an extremely challenging time for people with learning disabilities and mental ill-health. 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 continued to operate 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 as a minimum 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.

The HR Department has continued to make safe recruitment a priority and we continue to recruit based on attitude and behaviour. New staff are provided with a comprehensive training programme of skill and knowledge-based learning, which is delivered both face-to-face and digitally; the training programme is constructed to be utilised in concert with their already identified appropriate personal values and ethics.

The Expect Board of trustees have continued to meet regularly with board meetings being held both remotely and, more recently, face to face to ensure a consistent and continuous decision making process.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Financial review

The operational deficit for the group during the year was £298k (2020: £234k). The deficit is after accounting for the amortisation of goodwill for the year of £150k (2020: £152k). When this is removed the operating deficit of the group for the year is £148k (2020: £82k).

As at 30 September 2021 total group funds of £2.7M (2020: £3M) 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.

Our financial strategy is focused on Expect diversifying its income streams and the types of services that we provided in line with the Government's white paper on Adult Social Care. It is extremely important that we increase the number of local authorities with whom we work to ensure the longevity of the charity moving forward.

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 (2019-21 incl.) is £4.6M. This equates to a reserve level of fl.5M, of which £0.5M is required to be kept as cash for working capital. As at 30 September 2021 the amount of reserves held in the general fund was £1,766,449. 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 2021.

The group's focus will remain on organic growth rather than growth through acquisition.

Investment Strategy and Performance

Due to the pandemic and its resultant challenges trustees have been unable to consider making investments. However, this is a priority for Trustees to explore in the upcoming financial year.

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.

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Financial sustainability continues to be a major risk for the charity but the management of this risk ensures that we maintain sufficient working capital.

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 has a dedicated Health and Safety Manager to provide support and guidance to the Senior Management Team and support staff and they ensure that all of the group's obligations in this area are met.

Plans for future periods

The Expect Group continues to work in line with its latest five year Strategic Business Plan, which is regularly reviewed and updated as appropriate. We continue to build on the robust platform that has been established in recent years and the plan retains our strong ethical underpinnings and values. 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 2018), each of whom agrees to contribute £10 in the event of the charity winding up.

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:

Mr A F Gilmore	
Mrs M MacDonald	(Resigned 30 September 2021)
Mrs J E Hardman	
Mr D Egan	(Resigned 4 August 2021)
Ms T Boylin	(Appointed 24 September 2021)
Mr D Broad	(Appointed 24 September 2021)
Ms S McCabe	(Appointed 24 September 2021)

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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 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.

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

Mr A F Gilmore
Trustee

22 July 2022

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 MEMBERS 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 2021 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 2021 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

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 charity'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 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 contained within the annual report. 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. 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 course of 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 our audit:

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

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

Matters on which we are required to report by exception

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities, including fraud

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:

- the engagement partner 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 company through discussions with directors and other management;
- 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 company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

- making enquiries of management 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;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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 directors 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 2022

**Chartered Accountants
Statutory Auditor**

Suite 5.1
12 Tithebarn Street
Liverpool
L2 2DT

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Unrestricted funds 2021 £	Unrestricted funds 2020 £
<u>Income and endowments from:</u>			
Donations and legacies	3	25,300	7,017
Income from charitable activities	4	4,120,320	4,276,407
Other trading activities	5	1,457,460	1,668,577
Investments	6	197	2,697
Other income	7	24,046	-
Total income		5,627,323	5,954,698
<u>Expenditure on:</u>			
Raising funds	8	1,388,139	1,474,141
Charitable activities	9	4,535,243	4,716,653
Other	13	1,718	(1,845)
Total expenditure		5,925,100	6,188,949
Net gains/(losses) on investments	14	-	177
Net expenditure for the year/ Net movement in funds		(297,777)	(234,074)
Fund balances at 1 October 2020		3,013,009	3,247,083
Fund balances at 30 September 2021		2,715,232	3,013,009

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
CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	16		213,383		360,251
Other intangible assets	16		10,692		15,974
Total intangible assets			224,075		376,225
Tangible assets	18		1,943,341		2,017,341
			2,167,416		2,393,566
Current assets					
Debtors	24	1,138,688		1,235,869	
Cash at bank and in hand		455,387		446,035	
			1,594,075		1,681,904
Creditors: amounts falling due within one year	26	(420,258)		(431,955)	
Net current assets			1,173,817		1,249,949
Total assets less current liabilities			3,341,233		3,643,515
Creditors: amounts falling due after more than one year	29		(626,001)		(630,506)
Net assets			2,715,232		3,013,009
Income funds					
<u>Unrestricted funds</u>					
Designated funds	34	1,394,825		1,075,078	
General unrestricted funds		885,533		1,583,867	
Revaluation reserve	34	434,874		354,064	
			2,715,232		3,013,009
			2,715,232		3,013,009

The financial statements were approved by the Trustees on 22 July 2022

Mr A F Gilmore
Trustee

Company registration number 02357285

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
CHARITY BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	17		10,692		15,974
Tangible assets	19		763,830		805,284
Investments	20		1,124,308		1,124,308
			<u>1,898,830</u>		<u>1,945,566</u>
Current assets					
Debtors	25	916,047		986,817	
Cash at bank and in hand		140,340		54,282	
		<u>1,056,387</u>		<u>1,041,099</u>	
Creditors: amounts falling due within one year	27	(294,928)		(322,722)	
Net current assets			<u>761,459</u>		<u>718,377</u>
Total assets less current liabilities			<u>2,660,289</u>		<u>2,663,943</u>
Income funds					
<u>Unrestricted funds</u>					
Designated funds	35	786,825		832,085	
General unrestricted funds		1,810,767		1,767,685	
Revaluation reserve	35	62,697		64,173	
			<u>2,660,289</u>		<u>2,663,943</u>
			<u>2,660,289</u>		<u>2,663,943</u>

The financial statements were approved by the Trustees on 22 July 2022

Mr A F Gilmore
Trustee

Company Registration No. 02357285

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	39		4,081		(104,188)
Investing activities					
Purchase of tangible fixed assets		-		(990)	
Proceeds on disposal of tangible fixed assets		-		15,465	
Proceeds on disposal of investments		-		195,402	
Investment income received		197		2,697	
Net cash generated from investing activities			197		212,574
Financing activities					
Proceeds of new bank loans		50,000		-	
Repayment of bank loans		(44,926)		(46,890)	
Net cash generated from/(used in) financing activities			5,074		(46,890)
Net increase in cash and cash equivalents			9,352		61,496
Cash and cash equivalents at beginning of year			446,035		384,539
Cash and cash equivalents at end of year			455,387		446,035

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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 with the charity's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "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). The charity is a Public Benefit Entity as defined by FRS 102.

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 2021. 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 financial statements, the trustees have a reasonable expectation that the charity 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 financial statements.

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 2021

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 10.

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 2021

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 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 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.

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	Straight line basis over 50 years
Long 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

Freehold land and assets in the course of construction are not depreciated.

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.

1.9 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).

**EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1 Accounting policies

(continued)

1.10 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.

1.11 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.

1.12 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 on these distributed profits.

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

1.13 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.

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies **(continued)**

1.14 Retirement benefits

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

1.15 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.

1.16 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.

1.17 Group relief

The financial statements have been prepared on the assumption that group relief will be used to facilitate the transfer of corporation tax losses between companies in the group. No compensation is made in respect of any loss relief between companies.

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.

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Donations and gifts	1,890	1,047
Grant income	23,410	5,970
	<u>25,300</u>	<u>7,017</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Income from charitable activities

	Residential Care Services	Supported Living Services	Domiciliary Care Services	Day Services	Total 2021	Total 2020
	2021	2021	2021	2021		
	£	£	£	£	£	£
Care Package Income	731,221	3,166,157	16,415	149,108	4,062,901	4,125,565
Client Contributions	12,402	3,733	-	-	16,135	78,386
Service Charge Income	75	219	-	-	294	46,946
Property Management Fees	3,219	4,614	-	-	7,833	7,975
Utility recharges	-	32,297	-	-	32,297	16,704
Other income	-	330	-	530	860	831
	<u>746,917</u>	<u>3,207,350</u>	<u>16,415</u>	<u>149,638</u>	<u>4,120,320</u>	<u>4,276,407</u>
Analysis by fund						
Unrestricted funds	<u>746,917</u>	<u>3,207,350</u>	<u>16,415</u>	<u>149,638</u>	<u>4,120,320</u>	<u>4,276,407</u>

For the year ended 30 September 2020

	Residential Care Services	Supported Living Services	Domiciliary Care Services	Day Services	Total 2020
	£	£	£	£	£
Care Package Income	1,025,062	2,642,225	313,189	145,089	4,125,565
Client Contributions	78,386	-	-	-	78,386
Service Charge Income	1,578	45,368	-	-	46,946
Property Management Fees	3,213	4,762	-	-	7,975
Utility recharges	34	16,520	150	-	16,704
Other income	65	-	-	766	831
	<u>1,108,338</u>	<u>2,708,875</u>	<u>313,339</u>	<u>145,855</u>	<u>4,276,407</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>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Trading activity income: Young People's Support	287,691	553,280
Trading activity income: Supported Living	779,683	696,671
Trading activities income: Housing support	140,735	158,232
Trading activity income: Domiciliary Care	249,351	260,394
	<u>1,457,460</u>	<u>1,668,577</u>
Other trading activities	<u>1,457,460</u>	<u>1,668,577</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Income from listed investments	-	2,122
Interest receivable	197	575
	<u>197</u>	<u>2,697</u>
	<u>197</u>	<u>2,697</u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Other income	24,046	-
	<u>24,046</u>	<u>-</u>
	<u>24,046</u>	<u>-</u>

8 Raising funds

Unrestricted funds	Unrestricted funds
2021	2020
£	£

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 Raising funds (continued)

<u>Trading costs</u>		
Other trading activities - non-charitable	151,461	163,373
Other trading activities - charitable	125,906	70,296
Staff costs	1,055,184	1,193,129
Depreciation and impairment	32,545	32,580
Support costs	23,043	14,763
	<hr/>	<hr/>
Trading costs	1,388,139	1,474,141
	<hr/>	<hr/>
	<u>1,388,139</u>	<u>1,474,141</u>

9 Charitable activities

	Residential Care Services 2021 £	Supported Living Services 2021 £	Domiciliary Care Services 2021 £	Day Services 2021 £	Total 2021 £	Total 2020 £
Staff costs	657,746	2,143,503	79,779	46,808	2,927,836	3,075,147
Other charitable expenditure	114,349	30,787	1,399	25,616	172,151	206,612
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	772,095	2,174,290	81,178	72,424	3,099,987	3,281,759
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Share of support costs (see note 10)	214,159	915,669	196,313	46,676	1,372,817	1,375,512
Share of governance costs (see note 10)	15,609	15,610	15,610	15,610	62,439	59,382
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,001,863</u>	<u>3,105,569</u>	<u>293,101</u>	<u>134,710</u>	<u>4,535,243</u>	<u>4,716,653</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

9 Charitable activities

(continued)

For the year ended 30 September 2020

	Residential Care Services £	Supported Living Services £	Domiciliary Care Services £	Day Services £	Total 2020 £
Staff costs	588,821	2,232,075	201,456	52,795	3,075,147
Other charitable expenditure	94,985	75,150	2,272	34,205	206,612
	<u>683,806</u>	<u>2,307,225</u>	<u>203,728</u>	<u>87,000</u>	<u>3,281,759</u>
Share of support costs (see note 10)	214,581	917,466	196,698	46,767	1,375,512
Share of governance costs (see note 10)	14,847	14,845	14,845	14,845	59,382
	<u>913,234</u>	<u>3,239,536</u>	<u>415,271</u>	<u>148,612</u>	<u>4,716,653</u>
Analysis by fund					
Unrestricted funds	<u>913,234</u>	<u>3,239,536</u>	<u>415,271</u>	<u>148,612</u>	<u>4,716,653</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Support costs

	Support costs	Governance costs	2021 Support costs	Governance costs	2020
	£	£	£	£	£
Staff costs	954,132	-	954,132	887,510	887,510
Depreciation	191,886	-	191,886	194,362	194,362
Central office costs	226,799	-	226,799	293,640	293,640
Audit fees	-	11,022	11,022	-	10,500
Accountancy	-	38,022	38,022	-	29,951
Legal and professional	-	36,438	36,438	-	33,694
	<u>1,372,817</u>	<u>85,482</u>	<u>1,458,299</u>	<u>1,375,512</u>	<u>1,449,657</u>
Analysed between					
Trading	-	23,043	23,043	-	14,763
Charitable activities	<u>1,372,817</u>	<u>62,439</u>	<u>1,435,256</u>	<u>1,375,512</u>	<u>1,434,894</u>
	<u>1,372,817</u>	<u>85,482</u>	<u>1,458,299</u>	<u>1,375,512</u>	<u>1,449,657</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.

11 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.

12 Employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Key management personnel	5	5
Other management & administration	6	6
Client care and support	181	222
Total	<u>192</u>	<u>233</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Employees

(continued)

Employment costs	2021 £	2020 £
Wages and salaries	4,448,086	4,658,347
Social security costs	385,545	386,062
Other pension costs	103,521	111,377
	<u>4,937,152</u>	<u>5,155,786</u>

During the year the group paid £51,843 (2020: £nil) in redundancy costs.

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2021 Number	2020 Number
£60,000 to £69,999	1	1
£80,000 to £89,999	-	1
£90,000 tp £99,999	1	-
	<u>1</u>	<u>2</u>

Contributions totalling £21,619 (2020: £18,453) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

13 Other

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Net loss on disposal of intangible fixed assets	1,718	-
Net profit on disposal of tangible fixed assets	-	(1,845)
	<u>1,718</u>	<u>(1,845)</u>

14 Net gains/(losses) on investments

	Total	Unrestricted funds
	2021 £	2020 £
Gain/(loss) on sale of listed investments	-	177
	<u>-</u>	<u>177</u>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

15 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

Fees payable to the charity's auditors	2021 £	2020 £
Audit of the charitable group's annual accounts	11,022	10,500
Non-audit services		
Taxation compliance services	1,040	1,000
All other non-audit services	38,022	29,951
Total non-audit fees	39,062	30,951

16 Intangible fixed assets - group

	Goodwill £	Software £	Total £
Cost			
At 1 October 2020	733,318	49,580	782,898
Disposals	-	(4,886)	(4,886)
At 30 September 2021	733,318	44,694	778,012
Amortisation and impairment			
At 1 October 2020	373,067	33,606	406,673
Amortisation charged for the year	146,868	3,564	150,432
Disposals	-	(3,168)	(3,168)
At 30 September 2021	519,935	34,002	553,937
Carrying amount			
At 30 September 2021	213,383	10,692	224,075
At 30 September 2020	360,251	15,974	376,225

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 Intangible fixed assets - charity

	Software £
Cost	
At 1 October 2020	49,580
Disposals	(4,886)
	<hr/>
At 30 September 2021	44,694
	<hr/>
Amortisation and impairment	
At 1 October 2020	33,606
Amortisation charged for the year	3,564
Disposals	(3,168)
	<hr/>
At 30 September 2021	34,002
	<hr/>
Carrying amount	
At 30 September 2021	10,692
	<hr/> <hr/>
At 30 September 2020	15,974
	<hr/> <hr/>

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 Tangible fixed assets - group

	Freehold land and buildings	Long Leasehold property	Freehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 1 October 2020	1,512,360	528,782	111,256	5,951	86,905	990	16,503	2,262,747
At 30 September 2021	1,512,360	528,782	111,256	5,951	86,905	990	16,503	2,262,747
Depreciation and impairment								
At 1 October 2020	98,138	14,194	56,553	1,795	63,865	272	10,589	245,406
Depreciation charged in the year	33,470	13,102	21,101	1,038	3,869	237	1,183	74,000
At 30 September 2021	131,608	27,296	77,654	2,833	67,734	509	11,772	319,406
Carrying amount								
At 30 September 2021	1,380,752	501,486	33,602	3,118	19,171	481	4,731	1,943,341
At 30 September 2020	1,414,222	514,588	54,703	4,156	23,040	718	5,914	2,017,341

EXPECT LTD.
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

18 Tangible fixed assets - group

(continued)

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

	2021	2020
	£	£
Freehold	35,000	35,000

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 freehold and leasehold properties held by Housing Initiatives (U.K.) Limited were valued on 31 March 2009 by Collertons Surveyors and were valued at market value assuming vacant possession.

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

At 30 September 2021, 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 £1,174,562 (2020: £1,266,227).

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 2020	800,082	111,256	86,905	16,503	1,014,746
At 30 September 2021	800,082	111,256	86,905	16,503	1,014,746
Depreciation and impairment					
At 1 October 2020	78,455	56,553	63,865	10,588	209,461
Depreciation charged in the year	15,302	21,101	3,869	1,183	41,455
At 30 September 2021	93,757	77,654	67,734	11,771	250,916
Carrying amount					
At 30 September 2021	706,325	33,602	19,171	4,732	763,830
At 30 September 2020	721,627	54,703	23,040	5,915	805,284

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21 Subsidiaries: Charity

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

Details of the charity's subsidiaries at 30 September 2021 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 (dormant)	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	(82,083)	51,134
Rowan Care Ltd	88,319	77,168
Focus Care Wales Ltd	119,804	219,119
Focus On Work Ltd	-	200
Your Future Training Solutions Ltd	(7,878)	(19,941)
Housing Initiatives (U.K.) Ltd	(25,416)	638,489

22 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,538,411	1,621,058
Carrying amount of financial liabilities		
Measured at amortised cost	937,013	944,287

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23	Financial instruments - charity	2021	2020
		£	£
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	956,834	947,984
	Equity instruments measured at cost less impairment	1,124,308	1,124,308
		<u></u>	<u></u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	201,592	233,068
		<u></u>	<u></u>
24	Debtors - group	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	828,376	445,395
	Corporation tax recoverable	44,631	44,631
	Other debtors	254,648	729,628
	Prepayments and accrued income	11,033	16,215
		<u></u>	<u></u>
		1,138,688	1,235,869
		<u></u>	<u></u>
25	Debtors - charity	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	615,727	208,921
	Amounts due from subsidiary undertakings	90,025	76,900
	Other debtors	200,767	684,781
	Prepayments and accrued income	9,528	16,215
		<u></u>	<u></u>
		916,047	986,817
		<u></u>	<u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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26 Creditors: amounts falling due within one year - group

	Notes	2021 £	2020 £
Bank loans	30	58,249	48,667
Other taxation and social security		107,370	118,174
Deferred income	28	1,876	-
Trade creditors		142,580	127,878
Other creditors		47,595	68,481
Accruals		62,588	68,755
		<u>420,258</u>	<u>431,955</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 2021 £315,966 (2020: £442,805) was held for service users and this amount has been excluded from the cash at bank and in hand figure and from creditors.

27 Creditors: amounts falling due within one year - charity

	2021 £	2020 £
Other taxation and social security	87,816	82,239
Trade creditors	133,560	125,158
Amounts due to subsidiary undertakings	5,520	7,415
Other creditors	22,171	61,547
Accruals and deferred income	45,861	46,363
	<u>294,928</u>	<u>322,722</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 2021 £315,966 (2020: £442,805) was held for service users and this amount has been excluded from the cash at bank and in hand figure and from creditors.

28 Deferred income - group

	2021 £	2020 £
Other deferred income	<u>1,876</u>	<u>-</u>

Deferred income is included in the financial statements as follows:

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FOR THE YEAR ENDED 30 SEPTEMBER 2021

28 Deferred income - group		(continued)	
		2021	2020
		£	£
Deferred income is included within:			
Current liabilities		1,876	-
		<u> </u>	<u> </u>
Movements in the year:			
Deferred income at 1 October 2020		-	-
Resources deferred in the year		1,876	-
		<u> </u>	<u> </u>
Deferred income at 30 September 2021		1,876	-
		<u> </u>	<u> </u>
29 Creditors: amounts falling due after more than one year - group			
	Notes	2021	2020
		£	£
Bank loans	30	626,001	630,506
		<u> </u>	<u> </u>
30 Loans and overdrafts - group			
		2021	2020
		£	£
Bank loans		684,250	679,173
		<u> </u>	<u> </u>
Payable within one year		58,249	48,667
Payable after one year		626,001	630,506
		<u> </u>	<u> </u>
Amounts included above which fall due after five years:			
Payable by instalments		376,154	427,850
		<u> </u>	<u> </u>

Security has been given in respect of bank loans of £634,251 (2020: £679,173).

The bank borrowings with Lloyds Bank of £403,040 (2020: £435,834) are secured by a fixed and floating charge over four of the freehold properties held by Housing Initiatives (U.K.) Ltd.

The bank borrowings with Social Investment Business (formerly Futurebuilders England Limited) of £231,211 (2020: £243,339) are secured by a fixed and floating charge over the leasehold properties.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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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 £103,521 (2020 - £111,377).

At 30 September 2021 the group owed £1,306 (2020: £20,843) 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:

	2021	2020
	£	£
Within one year	32,962	32,393
Between two and five years	22,557	44,724
	<u>55,519</u>	<u>77,117</u>

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:

	2021	2020
	£	£
Within one year	<u>-</u>	<u>254</u>

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34 Designated funds - group

The unrestricted funds include:

	Movement in funds						
	Balance at 1 October 2019	Income	Expenditure	Transfers	Balance at 1 October 2020	Expenditure	Balance at 30 September 2021
	£	£	£	£	£	£	£
Revaluation reserve	466,459	-	(112,395)	-	354,064	(21,755)	434,874
Fixed asset fund	939,559	89,931	-	(29,412)	1,000,078	(4,886)	884,951
Project development fund	75,000	-	-	-	75,000	-	75,000
	<u>1,481,018</u>	<u>89,931</u>	<u>(112,395)</u>	<u>(29,412)</u>	<u>1,429,142</u>	<u>(26,641)</u>	<u>1,394,825</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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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35 Designated funds - charity

The unrestricted funds include:

	Balance at 1 October 2019	Expenditure	Transfers	Balance at 1 October 2020	Expenditure	Transfers	Balance at 30 September 2021
Revaluation reserve	65,649	(1,476)	-	64,173	(1,476)	-	62,697
Fixed asset fund	816,723	(29,236)	(30,402)	757,085	(40,374)	(4,886)	711,825
Project development fund	75,000	-	-	75,000	-	-	75,000
	<u>957,372</u>	<u>(30,712)</u>	<u>(30,402)</u>	<u>896,258</u>	<u>(41,850)</u>	<u>(4,886)</u>	<u>849,522</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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

36 Analysis of net assets between funds - group

	Unrestricted	Designated	Revaluation reserve	Total	Unrestricted	Designated	Revaluation reserve	Total
	2021	2021	2021	2021	2020	2020	2020	2020
	£	£	£	£	£	£	£	£
Fund balances at 30 September 2021 are represented by:								
Intangible fixed assets	213,383	10,692	-	224,075	360,251	15,974	-	376,225
Tangible assets	(3)	1,508,470	434,874	1,943,341	-	1,663,277	354,064	2,017,341
Current assets/(liabilities)	1,220,793	(46,976)	-	1,173,817	1,223,616	26,333	-	1,249,949
Long term liabilities	(39,351)	(586,650)	-	(626,001)	-	(630,506)	-	(630,506)
	<u>1,394,822</u>	<u>885,536</u>	<u>434,874</u>	<u>2,715,232</u>	<u>1,583,867</u>	<u>1,075,078</u>	<u>354,064</u>	<u>3,013,009</u>

37 Analysis of net assets between funds - charity

	Unrestricted	Designated	Revaluation reserve	Total	Unrestricted	Designated	Revaluati on reserve	Total
	2021	2021	2021	2021	2020	2020	2020	2020
	£	£	£	£	£	£	£	£
Fund balances at 30 September 2021 are represented by:								
Intangible fixed assets	-	10,692	-	10,692	-	15,974	-	15,974
Tangible assets	-	701,133	62,697	763,830	-	741,111	64,173	805,284
Investments	1,124,308	-	-	1,124,308	1,124,308	-	-	1,124,308
Current assets/(liabilities)	686,459	75,000	-	761,459	643,377	75,000	-	718,377
	<u>1,810,767</u>	<u>786,825</u>	<u>62,697</u>	<u>2,660,289</u>	<u>1,767,685</u>	<u>832,085</u>	<u>64,173</u>	<u>2,663,943</u>

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38 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021	2020
	£	£
Aggregate compensation	654,842	414,925

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.

The group has taken advantage of the disclosure exemptions to which it is entitled regarding transactions between parent and 100% owned subsidiary companies and there are no other disclosable related party transactions.

39 Cash generated from operations

	2021	2020
	£	£
Deficit for the year	(297,774)	(234,073)
Adjustments for:		
Investment income recognised in statement of financial activities	(197)	(2,697)
Gain on disposal of tangible fixed assets	-	(1,845)
Loss on disposal of intangible assets	1,718	-
Gain on disposal of investments	-	(177)
Amortisation and impairment of intangible assets	150,432	152,193
Depreciation and impairment of tangible fixed assets	74,000	74,750
Movements in working capital:		
Decrease/(increase) in debtors	97,181	(190,248)
(Decrease)/increase in creditors	(23,155)	97,910
Increase in deferred income	1,876	-
Cash generated from/(absorbed by) operations	4,081	(104,187)

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40 Analysis of changes in net (debt)/funds

	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash at bank and in hand	446,035	9,352	455,387
Loans falling due within one year	(48,667)	(9,582)	(58,249)
Loans falling due after more than one year	(630,506)	4,505	(626,001)
	<u>(233,138)</u>	<u>4,275</u>	<u>(228,863)</u>