



## Mutual Societies Annual Return AR30 – Industrial and Provident Societies Act 1965 Form

### Full name of society:

The Shaw Foundation Limited

### Important information you should read before completing this form

We require all Industrial and Provident societies to complete this form every year.

For a society registered on or after 8 January 2012, the year of account will end on the last day of the month in which the anniversary of its registration falls, unless the society has notified us otherwise. For a society registered before 8 January 2012, the society's year of account must end between 31 August to 31 January inclusive, unless the society has notified us otherwise.

All the required information must be submitted within seven months of the year end date. Failure to submit the documents constituting your society's annual return by the due date is an offence and may result in prosecution.

Please keep a copy of the form and the supporting documents for future reference.

The notes that accompany this form will help you complete the questions.

Please be aware that any personal details you give on the form will be placed on the society's public file.

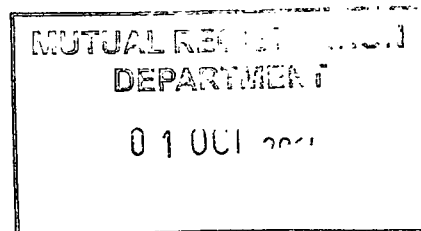
It is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to assess your annual return.

### Terms in this form and Contents

'FCA', 'PRA', 'we' and 'us' refer to the Financial Conduct Authority or Prudential Regulation Authority.

'You' refers to the person signing the form on behalf of the society.

2	Statistics	7
3	The audit	9
4	Accounts and signature	10



FCA use only		
	Date Received	Case Officer
1st		
2 <sup>nd</sup>		



## Mutual Societies Annual Return AR30 –Industrial and Provident Societies Act 1965

### Filling in the form

**1** If you are using your computer to complete the form:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question; and
- print out the completed form and arrange for it to be signed.

**2** If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed.

**3** If you make a mistake, cross it out and initial the changes; do not use correction fluid.

**4** If you think a question is not relevant to you, write 'not applicable' and explain why.

**5** If you:

- leave a question blank;
- do not get the form signed; or
- do not attach the required supporting information

without telling us why, we will have to treat the return as incomplete. This will increase the time taken to assess your return.

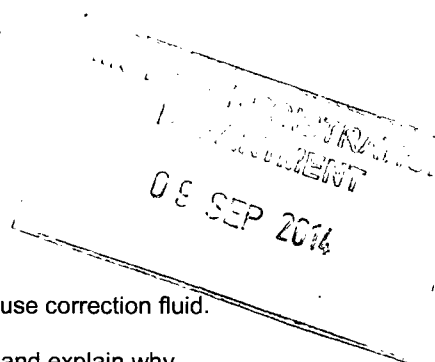
**6** If there is not enough space on the form, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.

**7** Send us your application by post. It must include:

- this form;
- a set of printed accounts;
- an audit report or accountant's report where appropriate ; and
- supporting documents.

Send to:

**Mutuals Team  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS**



# 1

## Details of society

### 1.1 Details of the society

Register number	25164R
Registered office address	1 Links Court, Links Business Park, St Mellons, Cardiff
Postcode	CF3 0LT

### 1.2 Year end date (dd/mm/yyyy)

See Note 1.2

3	1	/	0	3	/	2	0	1	4
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### Committee of management

If you are a club you do not need to give a year of birth in questions 1.3-1.6.

The names of the members of the Committee at the date on which the return is signed should be entered below in BLOCK CAPITALS.

### 1.3 Details of Chairman

Name	D P G Thomas
Address	72 Station Road Llanishen Cardiff
Postcode	CF14 5UT
Year of birth	1940
Business occupation and other directorships	Chartered Accountant (Retired)

### 1.4 Details of Treasurer

Name	A Thomas
Address	Meadowside Lodge Penyturnpike Road Dinas Powys
Postcode	CF64 4HF
Year of birth	1941
Business occupation and other directorships	Chartered Accountant (Retired)



## 1.5 Details of Secretary

Name	P J Nixey
Address	High Knowle Vine Acre Monmouth
Postcode	NP25 3HW
Year of birth	1942
Business occupation and other directorships	Chief Executive Shaw healthcare (Group) Limited

## 1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
Mr K Miller	1 Masters Close Bexton Road Knutsford WA16 0BF	1950	Director of Social Services (Retired)
Mrs F Cloud	Waen Farm Cross Ash Abergavenny NP78PW	1964	Healthcare Analyst
Mr S MacSorley	17 Rushy Way Emerson Green Bristol BS16 7ER	1964	Property Consultant
Mrs H Black	Adswood Townfield Lane Mollington Cheshire CH1 6LB	1947	Social Care Consultant (Retired)
Mr P Sweet	6a Cockshot Road Great Malvern Worcestershire WR14 2TT	1954	Consultant
		yyyy	

Please use separate sheets of paper if you need more space.

Please indicate how many separate sheets of paper you have used.

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All societies must answer the following questions whether the answers are yes or no, and provide all other information requested

- 1.7 Does the society take deposits (excluding withdrawable shares) within the provisions of the Financial Services and Markets Act 2000?**

☒ No  
☐ Yes

- 1.8 Does the society hold deposits (excluding withdrawable shares) taken previously, even though it does not currently take them, within the provisions of the Financial Services and Markets Act 2000?**

☒ No  
☐ Yes

- 1.9 Is the society a subsidiary of another society?**

☒ No  
☐ Yes

- 1.10 Does the society have one or more subsidiaries?**

☒ No  
☐ Yes

- 1.11 Is the society currently accepted by the Inland Revenue as a charity for tax purposes?**

☐ No ▶ Continue to question 1.12  
☒ Yes ▶ Give details below

Reference number of letter from Inland Revenue or the Scottish Charity number

X066/94/RDY

You must confirm that you have attached a copy of the ☒ Yes  
 Inland Revenue's letter to this return

- 1.12 Is the society registered with the Homes and Communities Agency, Welsh Ministers or The Scottish Housing Regulator?**

☒ No ▶ Continue to question 1.14  
☐ Yes ▶ Select the one you are registered with below and provide the registration number

☐ Homes and Communities Agency  
☐ Welsh Ministers  
☐ The Scottish Housing Regulator

Register number

- 1.13 Is the society a registered social landlord?**

☒ No  
☐ Yes

- 1.14 Does the society offer any insurance products?**

☒ No  
☐ Yes

- 1.15 Does the society undertake residential mortgage business?**

☒ No  
☐ Yes

- 1.16 Name of any organisation to which the society is affiliated**

Name None

**Benefit of the community societies**

- 1.17 As once completed this return will be placed on the society's public file, benefit of the community societies are welcome to use the space below to provide a report for all those who may have an interest in the society. If provided, this report should cover the activities of the society during the financial period covered by the return and should set out how these activities have brought benefit to the community.

Please use separate sheets of paper if you need more space.

Please indicate how many separate sheets of paper you have used.

## 2

## Statistics

We can use these figures in our Annual Report.

### Account details

#### 2.1 You must enter the figures below

See notes for help on items E-T. Enter NIL where applicable

A	Members at beginning of year	9
B	Members ceased during year	2
C	Members admitted during year	1
D	Members at end of year	8
E	Turnover for year	£9,968,948
F	Total of income and expenditure (receipts and payments added together)	£21,330,543
G	Net surplus/(deficit) for year	£793,659
H	Fixed assets	£9,838,557
I	Current assets	£6,858,033
J	Total assets (equal to amount in row O, below)	£16,696,590
K	Current liabilities	£971,116
L	Share capital	£8
M	Long-term liabilities	NIL
N	Reserves	£15,725,466
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	£16,696,590
All societies (excluding clubs) must complete boxes P-T		
P	Investments in other Industrial and Provident societies	NIL
Q	Loans from members	NIL
R	Loans from Employees' Superannuation Schemes	NIL
S	Dividends on sales	NIL
T	Share interest	NIL



**2.2 Names of subsidiaries as defined in Section 15 of the Friendly and Industrial and Provident Societies Act 1968**

None

**2.3 Names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions (as approved by the FCA)**

The society must have written authority from us to exclude a subsidiary from group accounts

None

# 3

## The audit

### 3.1 Type of audit used for the attached accounts.

If the society has used a full professional audit or an accountant's report then the report must be prepared by a registered auditor.

- ☒ Full professional audit    ▶ Continue to section 4
- ☐ Accountant's report        ▶ Complete questions 3.2 and 3.3
- ☐ Lay audit                      ▶ Complete questions 3.2 and 3.3
- ☐ Unaudited                     ▶ Complete questions 3.2 and 3.3

### 3.2 Do the society's registered rules allow the society not to undertake a full professional audit?

- ☒ No
- ☐ Yes

### 3.3 Has the membership passed at general meeting, in accordance with section 4A(2) of the Friendly and Industrial and Provident Societies Act 1968, a resolution allowing the society not to undertake a full professional audit for the year of account in question?

- ☒ No
- ☐ Yes

# 4 Accounts and signature

## Accounts

### 4.1 Date on which the accounts and balance sheet will be/were laid before the AGM (dd/mm/yyyy)

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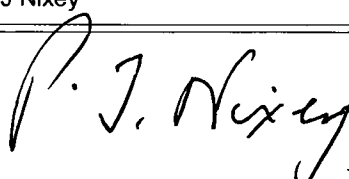
### 4.2 Has your society produced accounts to the minimum standard required?

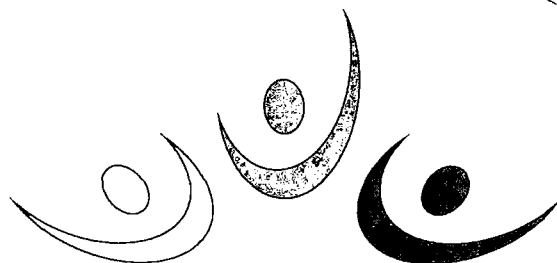
- ☒ Yes ▶ you must confirm that you have attached the accounts and the audit/accountant's report bearing the original signatures of the auditor (if required by law), the secretary and the two committee members. ☒ Attached
- ☐ No ▶ you must produce accounts to the minimum standard required, see notes for details.

## Signature – all societies to complete

### 4.3 The Secretary of the society must sign and date below

I certify that the information in this form is correct to the best of my knowledge and belief.

Name	P J Nixey
Signature	
Phone number	029 2036 5050
Email	jeremy.nixey@shaw.co.uk
Date	03/09/2014

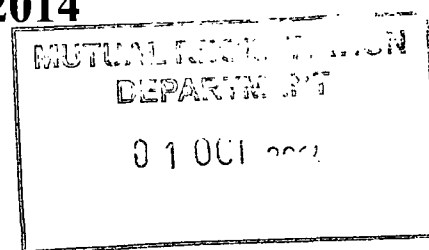


**The Shaw Foundation**  
*innovate.support.care*

Registered Number : 25164R

## **Financial Statements**

**Year Ended 31 March 2014**



**1 Links Court, Links Business Park, St Mellons, CARDIFF CF3 0LT**

## Company Information

**Directors**

Philip Thomas BA, FCA (Chairman)  
Jeremy Nixey MA (Oxon) (Secretary)  
Helen Black  
Frances Cloud MA (Oxon), CFA  
Simon MacSorley ACIOB, MBIFM, SIIRSM  
Kevin Miller  
Philip Sweet FCIPD (appointed 7 November 2013)  
Alun Thomas BA, FCA

**Industrial and Provident Society  
number**

25164R

**Registered office**

1 Links Court  
Links Business Park  
St. Mellons  
Cardiff  
CF3 0LT

**Auditor**

Grant Thornton UK LLP  
Chartered Accountants & Registered Auditor  
11-13 Pen-Hill Road  
Cardiff  
CF11 9UP

**Solicitors**

Morgan Cole LLP	Geldards LLP
Bradley Court	Dumfries House
Park Place	Dumfries Place
Cardiff	Cardiff
CF10 3DP	CF10 3DP

**Bankers**

Allied Irish Bank plc  
2 Callaghan Square  
Cardiff  
CF10 5AZ

**Investment managers**

Barclays Wealth  
Windsor Court  
1-3 Windsor Place  
Cardiff  
CF10 3BX

## Contents

	Page
<b>Report of the Committee of Management</b>	1 - 7
<b>Independent Auditor's Report</b>	8 - 9
<b>Income and Expenditure Account</b>	10
<b>Balance Sheet</b>	11
<b>Cash Flow Statement</b>	12
<b>Notes to the Financial Statements</b>	13 - 24

# Report of the Committee of Management

For the Year Ended 31 March 2014

## **Structure, governance and management**

The Shaw Foundation Limited ("the company") is registered with the Financial Conduct Authority under the Industrial and Provident Societies Acts 1965 - 2002. Its charitable status is conferred upon it by the nature of its Rules, and as an exempt charity it is not required to be registered with the Charity Commission. As prescribed in its Rules, the company is managed by a Management Committee ("the Committee"), who are therefore its Trustees. The members of the Committee ("the Members") are given on the company information page of these Financial Statements. All the Members served throughout the financial year apart from Philip Sweet who was appointed on 7 November 2013. Dr Elizabeth Muir and Therese Mearing resigned on 3 July 2013 and 7 November 2013 respectively.

The Committee is responsible for managing the affairs of the company. The Rules require that the Committee shall consist of between seven and fifteen members. New Members are nominated in writing, the nomination including a signed statement by the nominee of his or her willingness for election. Members are drawn from a wide background bringing together professional, commercial and other relevant experience. They are selected upon the basis of their professional expertise, and the contribution which they can make to enhance the operations of the company.

Three of the Committee's members are also members of the board of Shaw healthcare (Group) Limited ("Shaw Group"): Jeremy Nixey (Chief Executive), Alun Thomas (Chairman and non-executive director) and Kevin Miller (non-executive director representing the company).

New Trustees are appointed at general meetings of the Committee subject to confirmation at the next annual general meeting and the Rules contain provision for the annual automatic retirement of one third of the Committee, those retiring being the longest serving Trustees subject to re-election without nomination. Trustees may be removed from office by a resolution carried by two thirds of the votes at a special general meeting and shall be deemed to have vacated office under certain specified circumstances including bankruptcy, conviction of an indictable offence or absence from four consecutive Committee meetings without consent.

Following appointment new Trustees are provided with an induction pack which includes information on the company's background, its aims, objectives and strategy, a copy of the Rules, and a copy of the most recent Report and Financial Statements. Minutes of the Committee's previous meetings are available to all members on request.

The Rules require any Trustee who has any conflict of interest with any arrangement to be discussed by the Committee to declare this at meetings. If a Trustee fails to disclose a conflict of interest he shall vacate his office either for a period or permanently if requested to do so by a majority of the remaining Trustees at a meeting specially convened for that purpose. The Committee manages conflict of interest appropriately and ensures that the Rules are complied with in relation to payment to Trustees, details of which are included in note 6 to the financial statements. Other than where described in note 6, Trustees receive reimbursement only of reasonable expenses. All payments comply with the requirements of the Rules.

The Committee meets regularly to review its investments and is responsible for the company's strategy and policy framework. The company has contracted Shaw Group to provide administrative, secretarial, accounting and management services to the company on arm's length terms, including in respect of the operation of the company's remaining care facilities and care services agreements. Although the company remains responsible to third parties in respect of those facility and services, the company has the benefit of an indemnity from Shaw Group in respect of any liability of the company caused by Shaw Group's acts or omissions in providing those services.

## **Report of the Committee of Management**

### **For the Year Ended 31 March 2014**

The Committee has four sub-committees:

- The Audit Committee meets at least twice a year and comprises the Chairman, three committee members and Richard Pugsley, the Group Financial Controller of Shaw Group. All members of the subcommittee are also members of the Audit Committee of Shaw Group. The Committee receives all reports produced by the Shaw Group internal and external auditors and is responsible for reviewing the statutory accounts. When appropriate it will pass on recommendations for the consideration of the Committee.
- The Investment Strategy Committee (ISC) comprises Frances Cloud and Simon MacSorley and, until further notice, will meet every other month between Management Committee meetings at which they will, inter alia, make recommendations for an overall portfolio investment strategy.
- The Proactive Charitable Strategy Committee (PCSC) comprises Helen Black and Kevin Miller and will be responsible for the allocation of the greater part of the funding made available through the activities of the ISC. Their work will, inter alia, focus on activities which encourage innovation as well as developing best practice in service delivery within health and social care.
- The Reactive Charitable Committee (RCC) comprises Richard Pugsley and Yasmine John (Business Support Administrator) and will be responsible for the allocation of the lesser part of the funding made available through the activities of the ISC.

The ISC, PCSC and RCC were established in March 2013 to assist the the Committee in formulating a strategy for investment of funds and for the charitable disposition of those funds. It was agreed that each subcommittee would consist of two members who could co-opt other Committee members or officers as appropriate.



# Report of the Committee of Management

## For the Year Ended 31 March 2014

### Internal Financial Control

The Committee acknowledges that it has ultimate responsibility for ensuring that the company has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the company for publication;
- maintenance of proper accounting records; and
- safeguarding of assets against unauthorised use or disposition.

It is the Committee's responsibility to maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements include ensuring that:

- **formal policies and procedures are in place**, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the company's assets;
- **experienced and suitably qualified staff** take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- **forecasts and budgets are prepared** which allow the Committee and management to monitor the key business risks and financial objectives, and progress towards financial plans set for the year;
- **regular management accounts are prepared promptly**, providing relevant, reliable and up to date financial information and significant variances from budgets are investigated as appropriate;
- **formal authorisation procedures** are in place for all significant new initiatives, major commitments and investment projects.

The controls outlined above are administered by staff employed by Shaw Group, the cost of which is shared with the company in accordance with the Sale and Purchase Agreement and Agreement for Transition Services, both dated 3 October 2006, which are described in more detail below.

The Audit Committee reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed. This includes a general view of the major risks facing the company.

On behalf of the Committee, the Audit Committee reviews the effectiveness of the system of internal financial control in existence in the company for the year ended 31 March 2014 and until the date of report. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties, which require disclosure in the financial statements or in the auditor's report on the financial statements.

# Report of the Committee of Management

For the Year Ended 31 March 2014

## **Statement of the responsibilities of the Committee for the Annual Report and Financial Statements**

The Committee is responsible for preparing the Report of the Committee of Management and financial statements in accordance with applicable law and regulations.

Industrial and Provident Society legislation requires the Committee to prepare financial statements for each financial year. Under that law the Committee have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) Practice and, as an exempt charity, the Company seeks to comply with the Statement of Recommended Practice 2005 for charities as far as appropriate. Under the Industrial and Provident Society legislation the board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and surplus or deficit of the company for that period. In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Committee and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002. It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are directors at the time when this Report of the Committee of Management is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Objects and activities for the public benefit**

The objects of the Company as set out in the Rules are the advancement of health and the relief of those in need by reason of age, disability, ill health or other disadvantage for the benefit of the public, in particular but not limited to:

- (i) The procurement or provision of care, welfare and accommodation services and associated support including relief and respite care; and improvements, adaptation and maintenance of accommodation; and
- (ii) The provision of support (including by means of collaboration or investment) for other charities and charitable projects associated with any of the objects.

The activities carried out by the company in furtherance of these objects during the year include:

# Report of the Committee of Management

For the Year Ended 31 March 2014

## **Operation of care services**

The company owned and operated Treetops Care Home, Keynsham, Bristol throughout the year.

The company also operated ten care facilities on behalf of Shaw Group. The facilities were sold to Shaw Group in October 2006, but completion of the sale is deferred until the grant or lease arrangements specific to the company have elapsed. The company has already received the benefit from the sale of these assets and has transferred all operational risks and opportunities for profit or loss as part of the sale agreement.

On 3 January 2012 the Committee signed a Deed of Amendment (the Deed) varying the original terms of the Business Transfer Agreement between the company and Shaw Group in respect of the clauses relating to the non-owned assets. The effect of the Deed was to classify the non-owned assets as either "ten-year assets" – being those facilities that are expected to transfer to Shaw Group in the future as originally intended – or "trust assets" – being those facilities which, for legal and commercial reasons, are not expected to transfer but which, while operational, will continue to be run by the company under existing arrangements with risks and opportunities passing to Shaw Group as described above.

The accounting policies in respect of these facilities are described in note 1 to the financial statements.

## **Object related loans**

In previous financial years the company has made the following loans designed to further the objects of the company in that they are made in order to procure the provision of care services for the public benefit:

- a loan to Surehaven Glasgow Limited, a wholly owned subsidiary of Shaw Group. The loan balance at 31 March 2014 was £1,341,338 (2013: £1,869,546). This 16 year loan together with a 15 year loan from Santander has enabled Surehaven Glasgow Limited to develop a 17 bed low-secure hospital at Drumchapel in Glasgow. The hospital, which opened in June 2010, is registered to accept men and women aged 18-65 who have a primary condition of mental illness. The scheme is operated in close association with the NHS in Scotland, the State Hospital and all fourteen Scottish Health Boards.
- On 3 July 2013 the company agreed to extend until 30 September 2014 its agreement with Shaw Group which conferred on the latter the option to purchase Homefield House, a property which was acquired by the company in 2007. The consideration for the purchase was fixed in the original agreement at £1,560,000, of which £312,000 was paid at the time of entering into the agreement. Under the same agreement, if the option expires without being exercised then the company may require Shaw Group to purchase Homefield House for the same consideration within 30 days of the option period described above. These remain outstanding and the Committee believes they continue to further the objects for the public benefit. The company receives income from these loans which is available to be applied for the objects.

## **Grants**

Grant making is and will be an important element of the company's activities. The following grants were made during the year:

- £250,000 was granted to help Shaw Group who are establishing My Care My Home which provides support and advice to older people or their families who urgently need some form of care, but are unsure what type of care is most suitable to their needs and how they might pay for it.
- £1,000 was granted to Shaw Group to support a conference focussing on best practice across Shaw Group's specialist care services.

# Report of the Committee of Management

**For the Year Ended 31 March 2014**

- £27,544 was granted for a 'Snoozelum' Sensory Room for the benefit of all service users at the Wood House Caré Home, Bristol, a facility operated by Shaw Group.

## **Further acquisitions**

Whilst during the current financial year there have been no acquisitions (2013: £nil), it is intended that the Company may take short or long term interests in residential properties conveyed to the company by gift or loan thereby securing or helping to secure the health or social care of someone who needs or is expected to need care.

## **Risk Management**

The Trustees have considered the major risks to which the company is exposed and have reviewed those risks and established systems and procedures for managing those risks. The following business risks have been identified:

## **Investments**

The majority of the company's assets relate to its investment in Shaw Group. The Committee is aware that this lack of diversity constitutes a risk. However, this risk is kept under regular review. The company is mindful of equal opportunities, health and safety and employee involvement considerations when reviewing this risk.

The company owns 22% (2013: 26%) of Shaw Group and nominates one of the Committee to that board. Through membership of the board and its significant share ownership the company has influence on the direction of Shaw Group's activities and close scrutiny of how these are conducted. The 4% (2013: 4%) reduction in the company's shareholding in Shaw Group is described in more detail in note 11 to the financial accounts.

As reported last year the company has invested in a portfolio of bonds, equities, cash and other assets which are managed by Barclays Wealth.

Interest receivable and investment income increased to £1,093,153 (2013: £1,004,070) as shown in note 8 to the financial statements.

On 5 March 2014 the committee agreed to make a £685,000 loan to Shaw Group to enable it to acquire the freehold of The Laurels, Gilmerton Road, Edinburgh with a view to it being developed to offer a 9 bed supported living accommodation as described in note 25 of the financial statements.

## **Business risks**

Of the 10 facilities operated by the company, 9 are operated on behalf of Shaw Group as described above. As such, the financial risks and rewards of operating these services rest with Shaw Group. This, to a large extent, shelters the company from risk, although risks are not entirely mitigated due to the company's stake in Shaw Group in the form of shares and loans.

The company's core activities include making loans on properties related to the provision of healthcare services and to make grants to promote healthcare services and businesses. While carrying out these activities the company must consider and mitigate its risks as far as possible, both when making investment decisions and, subsequently when monitoring and appraising investment decisions in relation to the company's strategic goals.

The Committee aims to develop continuously its awareness and understanding of business risk – through the sharing of the diverse knowledge and experience possessed by its members, external research, its close relationship with Shaw Group (albeit within a framework of independent operation informed by legal advice), and, where appropriate, by seeking expert training and advice.

# Report of the Committee of Management

For the Year Ended 31 March 2014

## **Disabled employees and equal opportunities**

The company operates a policy of equal opportunities for employment which includes disabled employees. This policy gives full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitude and abilities, for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company and otherwise for the training, career development and promotion of disabled persons employed by the company.

The Committee is mindful of its responsibility to keep up to date with emerging equal opportunities legislation.

## **Employee Involvement**

During the financial year the company took action to develop arrangements aimed at improving and enhancing employee involvement by:

- the systematic provision of information on matters of concern;
- regular consultation with them or their representatives so that their views can be taken into account regarding decision making;
- ensuring that all reasonable steps were taken to make all employees aware of the financial and economic factors.

## **Reserves Policy Statement**

The Trustees' intention, year on year, is to preserve net asset value to levels which, as a minimum, match the rate of inflation thereby maintaining reserves at levels which will allow them to fulfil the objects and activities described above.

## **Going Concern**

Having been provided with all necessary information, the Committee has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

This report was approved by the board on 2 July 2014 and signed on its behalf.



**Philip Thomas**  
Chairman

## Independent Auditor's Report to the Members of The Shaw Foundation Limited

We have audited the financial statements of The Shaw Foundation Limited for the year ended 31 March 2014, which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with regulations made under Section 9 and 13 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Committee and auditors**

As explained more fully in the Statement of the responsibilities of the Committee for the Annual Report and for the Financial Statements, the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002.



## Independent Auditor's Report to the Members of The Shaw Foundation Limited

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts, 1965 to 2002 requires to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

A handwritten signature in black ink, appearing to read "Rhian Owen", written in a cursive style.

Rhian Owen  
for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants & Registered Auditor

2 July 2014

# Income and Expenditure Account

For the Year Ended 31 March 2014

	Note	2014 £	2013 £
<b>Income</b>	1,2	<b>9,968,948</b>	13,367,030
Direct expenses	3	<u>(9,751,930)</u>	<u>(13,318,255)</u>
<b>Gross surplus</b>		<b>217,018</b>	48,775
Other operating expenses	4	<u>(447,456)</u>	<u>(193,260)</u>
<b>Operating deficit</b>		<b>(230,438)</b>	(144,485)
Interest receivable and income from investments	8	<b>1,093,153</b>	1,004,070
Interest payable and similar charges	9	<u>(69,056)</u>	<u>(63,409)</u>
<b>Surplus for the financial year</b>	15	<b>793,659</b>	796,176
Transfer from designated reserves		<u>-</u>	<u>-</u>
<b>Retained surplus for the financial year</b>	15	<b>793,659</b>	796,176

All amounts relate to continuing operations.

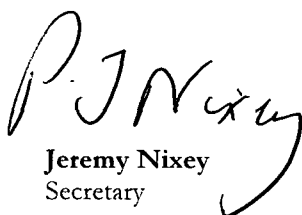
There were no recognised gains and losses for 2014 or 2013 other than those included in the Income and Expenditure Account.

The notes on pages 13 to 24 form part of these financial statements.

The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 2 July 2014.



**Philip Thomas**  
Chairman



**Jeremy Nixey**  
Secretary



**Alun Thomas**  
Committee Member



## Balance Sheet

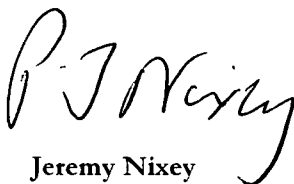
As at 31 March 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	10		1,571,557		1,575,069
Investments	11		8,267,000		7,770,500
			<u>9,838,557</u>		<u>9,345,569</u>
<b>Current assets</b>					
Debtors	12	5,721,483		6,213,409	
Cash at bank		1,136,550		308,464	
		<u>6,858,033</u>		<u>6,521,873</u>	
<b>Creditors:</b> amounts falling due within one year	13	(971,116)		(935,626)	
<b>Net current assets</b>			<u>5,886,917</u>		<u>5,586,247</u>
<b>Net assets</b>			<u>15,725,474</u>		<u>14,931,816</u>
<b>Funds</b>					
Called up share capital	14		8		9
Revenue reserve	15		15,725,466		14,931,807
<b>Shareholders' funds</b>	16		<u>15,725,474</u>		<u>14,931,816</u>

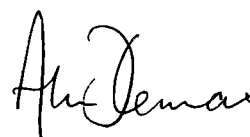
The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 2 July 2014.



**Philip Thomas**  
Chairman



**Jeremy Nixey**  
Secretary



**Alan Thomas**  
Committee Member

The notes on pages 13 to 24 form part of these financial statements.

## Cash Flow Statement

For the Year Ended 31 March 2014

	Note	2014 £	2013 £
Net cash outflow from operating activities	17	(262,632)	(421,596)
Returns on investments and servicing of finance	18	1,024,097	940,661
Capital expenditure and financial investment	18	66,622	(1,161,861)
<b>Cash inflow/(outflow) before financing</b>		<b>828,087</b>	<b>(642,796)</b>
Financing	18	(1)	1
<b>Increase/(decrease) in cash in the year</b>		<b>828,086</b>	<b>(642,795)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds

For the Year Ended 31 March 2014

	2014 £	2013 £
Increase/(decrease) in cash in the year	828,086	(642,795)
<b>Movement in net funds in the year</b>	<b>828,086</b>	<b>(642,795)</b>
Net funds at 1 April	308,464	951,259
<b>Net funds at 31 March</b>	<b>1,136,550</b>	<b>308,464</b>

The notes on pages 13 to 24 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 - 2002 and in accordance with the applicable Accounting Standards in the United Kingdom.

The financial statements have been prepared under the historical cost convention.

### **1.2 Revenue recognition**

There are two primary sources of income:

#### **Owned assets**

Revenue relating to owned assets represents income received from services provided to customers in the health and social care sector. Revenue is recognised, as earned, through the provision of contracted services. Revenue is recognised in the accounting period in which the service is provided.

#### **Non-owned assets**

Non-owned assets are classified as either “ten year assets” – being those facilities that are expected to transfer to Shaw Group in the future – or “trust assets” – being those facilities which are not expected to transfer. Revenue relating to non-owned assets represents income received as an agent on behalf of Shaw Group as disclosed in note 2.

The expenditure relating to these non-owned assets is recognised within the Income and Expenditure Account, as disclosed in notes: 3 “Direct expenses”; 4 “Other operating expenses”; 7 “Staff costs” and 9 “Interest payable and similar charges”.

Shaw Group accounts for the net monthly trading result of these assets and receives the cash benefit before the end of the following month.

### **1.3 Grants payable**

Grants payable are accounted for in the period in which the performance conditions attaching to the grant payment are met or, where no performance conditions apply, when a legal or constructive obligation arises.

### **1.4 Assets and liabilities relating to ten-year assets**

The net assets in respect of those facilities sold to Shaw Group in October 2006 are not recognised on the company’s balance sheet because although in some cases the final transfers have not been completed, the economic value of those facilities, and any benefit or burdens arising from their operation, have already passed to Shaw Group.

### **1.5 Assets and liabilities relating to trust assets**

The net assets in respect of the trust assets are accounted for as for the ten year assets for as long as a trust asset remains operational. No contingent asset or liability is disclosed at 31 March 2014 in respect of the trust assets ceasing operation in the future because it is not possible to estimate with certainty the future value of those associated assets and liabilities at the point at which operations cease.

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 1. Accounting Policies (continued)

### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	Nil
Freehold buildings	-	2% - 10%
IT equipment and software	-	20%
Furniture and equipment	-	10% - 33.3%

For buildings, depreciation is charged from the date the buildings were first put into use and in the case of care homes the date of registration.

### 1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

### 1.8 Pension scheme

The company contributes to a defined contribution pension scheme run by Shaw Group. The assets of the scheme are held separately from those of the company and of Shaw Group. The annual contributions payable are charged to the Income and Expenditure Account.

### 1.9 Operating leases

Payments in respect of operating leases are recognised in the Income and Expenditure Account in the period to which they relate.

## 2. Income

Income represents:

	2014 £	2013 £
Income relating to owned assets:		
Grants received	-	437,239
Care home residential fees	1,104,727	564,858
Other income	593	-
Income as agent to Shaw Group	8,863,628	12,364,933
	<u>9,968,948</u>	<u>13,367,030</u>

Grants are receivable from Primary Care Trusts in respect of certain long term contracts for the operation of nursing homes.

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 3. Direct expenses

	2014 £	2013 £
Relating to owned assets	786,801	1,123,043
As agent to Shaw Group	8,965,129	12,195,212
	<u>9,751,930</u>	<u>13,318,255</u>

## 4. Other operating expenses

	2014 £	2013 £
Relating to owned assets		
Grants payable	278,544	38,530
Other	27,778	29,136
As agent to Shaw Group	141,134	125,594
	<u>447,456</u>	<u>193,260</u>

## 5. Operating deficit

Operating deficit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets	3,512	5,951
Operating leases: buildings, as agent to Shaw Group	326,313	623,740
Auditor's remuneration	16,000	16,000

## 6. Committee members' emoluments

During the year Frances Cloud and Kevin Miller served as non-executive directors of Shaw Group and received emoluments of £3,750 (2013: £15,000) and £15,000 (2013: £nil) respectively from Shaw Group. These fees were reimbursed in full to Shaw Group by the company as a payment for special work in accordance with Rule 35(b) (ii) of the Rules. No other members of the Committee of Management received any fees or other emoluments from the company.

In addition to the above, Philip Thomas, Elizabeth Muir (until 3 July 2013), Frances Cloud, Therese Mearing (until 7 November 2013), Kevin Miller, Simon MacSorley, Helen Black and Philip Sweet (from 7 November 2013) received payments during the year totalling £46,875 (2013: £50,625) from Shaw Group in respect of inspections made of care services operated by Shaw Group, and subsequent reports provided to its board of directors. These payments were made directly from, and the cost borne by, Shaw Group.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £36 (2013: £564).

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 7. Staff costs

Relating to owned assets:

	2014	2013
	£	£
Salaries	564,023	565,718
Social security costs	36,509	37,200
	<u>600,532</u>	<u>602,918</u>

As agent to Shaw Group:

	2014	2013
	£	£
Salaries	5,425,056	7,391,050
Social security costs	400,081	538,098
Other pension costs	58,156	68,880
	<u>5,883,293</u>	<u>7,998,028</u>

Staff numbers:

	2014	2013
	No.	No.
Nursing home staff:		
Relating to owned assets	41	43
As agents to Shaw Group	398	540
	<u>439</u>	<u>583</u>

## 8. Interest receivable and income from investments

	2014	2013
	£	£
Relating to owned assets	<u>1,093,153</u>	<u>1,004,070</u>

Included in the above is £872,652 (2013: £795,206) relating to interest on loans made to Shaw Group companies.

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 9. Interest payable and similar charges

	2014 £	2013 £
On bank loans and overdrafts:		
Relating to owned assets	30,897	19,281
As agent to Shaw Group	38,159	44,128
	<u>69,056</u>	<u>63,409</u>

## 10. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 April 2013 and 31 March 2014	<u>2,053,059</u>	<u>65,404</u>	<u>2,118,463</u>
<b>Depreciation</b>			
At 1 April 2013	488,656	54,738	543,394
Charge for the year	687	2,825	3,512
At 31 March 2014	<u>489,343</u>	<u>57,563</u>	<u>546,906</u>
<b>Net book value</b>			
At 31 March 2014	<u>1,563,716</u>	<u>7,841</u>	<u>1,571,557</u>
At 31 March 2013	<u>1,564,403</u>	<u>10,666</u>	<u>1,575,069</u>

The company has no outstanding liabilities in respect of tangible fixed assets held under finance leases.

The net book value of freehold property includes land with a cost of £1,560,000 (2013: £1,560,000) which is not depreciated.

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 11. Fixed asset investments

	Shares in Shaw Group £	Loan notes due from Shaw Group £	Other investments £	Total £
<b>Cost or valuation</b>				
At 1 April 2013	13,000	3,006,000	4,751,500	7,770,500
Additions	-	-	1,250,000	1,250,000
Disposals	(2,000)	(751,500)	-	(753,500)
At 31 March 2014	11,000	2,254,500	6,001,500	8,267,000
<b>Net book value</b>				
At 31 March 2014	11,000	2,254,500	6,001,500	8,267,000
At 31 March 2013	13,000	3,006,000	4,751,500	7,770,500

Shares are recorded at cost.

The company owns 22 million (2013: 26 million) ordinary shares in Shaw Group, a company incorporated in England and Wales, representing 22% (2013: 26%) of Shaw Group's ordinary share capital.

The loan notes due from Shaw Group at 31 March 2014 will be redeemed in three annual instalments of £751,500 ending in October 2016. In accordance with the terms of the loan, following the receipt of each annual instalment the company is required to transfer, for no consideration, 4 million of its shares in Shaw Group to Shaw Group's Employee Benefit Trust. The company's investment in Shaw Group will therefore have reduced to 10 million shares (10% of Shaw Group's ordinary share capital) by the time the loan notes have been repaid in full in October 2016.

Other investments comprise a portfolio of bonds, equities, cash and other assets managed on the company's behalf by Barclays Wealth. The market value of the portfolio at 31 March 2014 was £6,241,076 (2013: £4,951,939).



# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 12. Debtors

	2014 £	2013 £
<b>Due after more than one year</b>		
Loan to Surehaven Glasgow Limited	1,283,705	1,341,337
Loan to Shaw healthcare (de Montfort) Limited	2,596,010	2,614,496
Loan to Shaw healthcare (Northamptonshire) Limited	1,427,257	1,449,365
	<u>5,306,972</u>	<u>5,405,198</u>
<b>Due within one year</b>		
Amounts due from other Shaw Group companies	2,692	1,501
Loan to Surehaven Glasgow Limited	57,633	528,209
Loan to Shaw healthcare (de Montfort) Limited	149,211	146,730
Loan to Shaw healthcare (Northamptonshire) Limited	89,806	86,607
Residential fees	83,525	16,274
Other debtors and prepayments	31,644	28,890
	<u>414,511</u>	<u>808,211</u>
<b>Total</b>	<u><u>5,721,483</u></u>	<u><u>6,213,409</u></u>

The loan to Surehaven Glasgow Limited is secured by the assets of that company. Interest on the loan is charged at 10% (2013: 10%). The loan is repayable in instalments by 2026.

The loan to Shaw healthcare (de Montfort) Limited is secured by the assets of that company. Interest on the loan is charged at 15% (2013: 15%). The loan is repayable in instalments by 2035.

The loan to Shaw healthcare (Northamptonshire) Limited is secured by the assets of that company. Interest on the loan is charged at 14% (2013: 14%). The loan is repayable in instalments by 2029.

## 13. Creditors: amounts falling due within one year

	2014 £	2013 £
Supplier balances	16,196	28,250
Amounts due to other Shaw Group companies	271,356	110,181
Other taxation and social security	8,351	9,719
Other creditors	675,213	787,476
	<u>971,116</u>	<u>935,626</u>

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 14. Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
8 (2013: 9) Issued and fully paid shares of £1 each	8	9

## 15. Revenue reserve

	£
At 1 April 2013	14,931,807
Surplus for the year	793,659
At 31 March 2014	15,725,466

## 16. Reconciliation of movement in total funds

	2014	2013
	£	£
Opening funds as at 1 April	14,931,816	14,135,639
Retained surplus for the year	793,659	796,176
Shares issued during the year	-	1
Shares cancelled during the year	(1)	-
Closing funds as at 31 March	15,725,474	14,931,816

## 17. Net cash flow from operating activities

	2014	2013
	£	£
Operating deficit	(230,438)	(144,485)
Depreciation of tangible fixed assets	3,512	5,951
Increase in debtors	(71,196)	(242,638)
Increase/(decrease) in creditors	55,045	(40,424)
Decrease in amounts owed to participating interests	(19,555)	-
Net cash outflow from operating activities	(262,632)	(421,596)

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 18. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
<b>Returns on investments and servicing of finance:</b>		
Interest received	7,933	9,892
Interest paid	(69,056)	(63,409)
Income from investments	1,085,220	994,178
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>1,024,097</b>	<b>940,661</b>
	2014 £	2013 £
<b>Capital expenditure and financial investment:</b>		
Purchase of unlisted and other investments	(1,250,000)	(751,500)
Loan note repayment received from Shaw Group	751,500	751,500
Sale of short term unlisted investments	-	1,000,000
Sub-debt investment in Shaw Group projects	-	(4,063,861)
Sub-debt repayment from Shaw Group projects	563,122	-
Sale of unlisted and other investments	2,000	1,902,000
<b>Net cash inflow/(outflow) from capital expenditure</b>	<b>66,622</b>	<b>(1,161,861)</b>
	2014 £	2013 £
<b>Financing:</b>		
Issue of ordinary shares	-	1
Redemption of ordinary shares	(1)	-
<b>Net cash (outflow)/inflow from financing</b>	<b>(1)</b>	<b>1</b>

## 19. Analysis of changes in net funds

	1 April 2013 £	Cash flow £	31 March 2014 £
Cash at bank and in hand	308,464	828,086	1,136,550
<b>Net funds</b>	<b>308,464</b>	<b>828,086</b>	<b>1,136,550</b>

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## 20. Financial commitments

At 31 March 2014 the company had annual commitments under operating leases as follows:

### Owned assets

	Buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
<b>Expiring:</b>				
Within one year	-	-	2,737	-
Within two to five years	-	-	-	8,212
	<u>-</u>	<u>-</u>	<u>2,737</u>	<u>8,212</u>
	<u>-</u>	<u>-</u>	<u>2,737</u>	<u>8,212</u>

### As agents to Shaw Group

	Buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
<b>Expiring:</b>				
Within one year	261,158	326,762	-	6,387
Within two to five years	-	-	10,251	21,560
	<u>261,158</u>	<u>326,762</u>	<u>10,251</u>	<u>27,947</u>
	<u>261,158</u>	<u>326,762</u>	<u>10,251</u>	<u>27,947</u>

## 21. Taxation

The company has no liability for corporation tax due to its charitable status.

## 22. Legal status

The Shaw Foundation Limited is registered under charitable rules with the Financial Services Authority under the Industrial and Provident Societies Acts 1965 - 2002.

# Notes to the Financial Statements

**For the Year Ended 31 March 2014**

## **23. Pension schemes**

The company contributes to a defined contribution money purchase pension scheme which is run by Shaw Group and administrated by Legal and General, an independent administrator of pension funds. The total contributions made by the company to this scheme in the year ended 31 March 2014 amounted to £39,081 (2013: £44,784).

The company also participates in the NHS Pensions Agency, a United Kingdom Government defined benefit pension scheme. This is a multi-employer scheme for which no actuarial valuations of the scheme have been made available to participating employers. As a result pension contributions are accounted for in the same way as payments made to a defined contribution pension scheme. The total contributions made by the company to this scheme in the year ended 31 March 2014 amounted to £19,075 (2013: £24,096).

All contributions to pension schemes relate to non-owned assets operated on behalf of Shaw Group and contributions for the next 12 months are expected to be in line with those paid in 2014.

# Notes to the Financial Statements

For the Year Ended 31 March 2014

## **24. Related party transactions**

The company owns 22% (2013: 26%) of Shaw Group and has entered into the following transactions relating to that company:

### **Loan to Surehaven Glasgow Limited**

The company is owed £1,341,338 (2013: £1,869,546) by Surehaven Glasgow Limited, a company whose ultimate parent company is Shaw Group. Details of the loan can be found in note 12.

### **Loan to Shaw healthcare (de Montfort) Limited**

The company is owed £2,745,221 (2013: £2,761,226) by Shaw healthcare (de Montfort) Limited, a company whose ultimate parent company is Shaw Group. Details of the loan can be found in note 12.

### **Loan to Shaw healthcare (Northamptonshire) Limited**

The company is owed £1,517,063 (2013: £1,535,972) by Shaw healthcare (Northamptonshire) Limited, a company whose ultimate parent company is Shaw Group. Details of the loan can be found in note 12.

### **Transactions with Shaw Group**

During the year the company made payments of £185,156 (2013: £1,231,022) to Shaw Group in relation to the assets operated by the company on behalf of Shaw Group. The payments were in accordance with the sale and purchase agreement and comprised a contribution towards joint costs in respect of administrative staff employed by Shaw Group and who were involved in the management of the assets, and any surpluses and losses generated by those assets during the year.

An amount of £268,664 was owed to Shaw Group and its subsidiary companies at 31 March 2014 (2013: £108,680).

As described in note 6, the company also made payments totalling £18,750 (2013: £15,000) to Shaw Group during the year in reimbursement of the fee paid to Frances Cloud and Kevin Miller for their services as non-executive directors of that company.

In addition to the above, Philip Thomas, Elizabeth Muir (until 3 July 2013), Frances Cloud, Therese Mearing (until 7 November 2013), Kevin Miller, Simon MacSorley, Helen Black and Philip Sweet (from 7 November 2013) received payments during the year totalling £46,875 (2013: £50,625) from Shaw Group in respect of inspections made of care services operated by Shaw Group, and subsequent reports provided to its board of directors. These payments were made directly from, and the cost borne by, Shaw Group.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £36 (2013: £564).

## **25. Subsequent event**

On 5 March 2014 the Company agreed to provide a loan of £685,000, repayable over 20 years, to Shaw healthcare (FM Services) Limited to finance the purchase of The Laurels, a property in Edinburgh, which will be operated by Shaw Group as a supported living care service. The loan and the subsequent purchase of the property completed on 30 June 2014.