



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

Society name:

The Shaw Foundation Limited

MUTUAL REGISTRATION
DEPARTMENT
28 SEP 2016

Important information you should read before completing this form

You must use this form if you are a:

- registered society (previously referred to as an 'industrial and provident society')
- co-operative society
- community benefit society

registered under the Co-operative and Community Benefit Societies Act 2014.

You must submit this form and the society's accounts within 7 months of the end of your financial year. Failure to submit is an offence for which the society may be prosecuted.

Please note:

- we have an information note that may assist you in completing this application
- 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 process your annual return.

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

Terms in this form

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

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

'The 2014 Act' is the Co-operative and Community Benefit Societies Act 2014



Mutual Societies Annual Return Form (AR30)

For societies registered under the Co-operative and Community Benefit Societies Act 2014

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 the completed form and arrange for it to be signed by all relevant individuals.

2 If you are filling in the form by hand:

- use black ink;
- write clearly; and
- arrange for it to be signed and dated by all relevant individuals.

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

4 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 treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the form, you may use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number. Any separate sheets should be signed by the signatories to the form.

6 Email a scanned copy of the signed form and supporting documents to

mutualsannrts@fca.org.uk

or send it by post to:

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

7. Please make sure you include:

- this form
- a set of printed accounts – signed by two members and the secretary (3 signatures in total)
- an audit report or accountant's report where required; and
- any supporting documents.

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	6
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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 Cheshire WA16 0BF	1950	Director of Social Services (Retired)
Mrs F Cloud	Waen Farm Cross Ash Abergavenny Gwent NP7 8PW	1964	Healthcare Analyst
Mr S MacSorley	38 Burley Grove Downend Bristol BS16 5QA	1964	Property Consultant
Mrs H Black	Adswood Townfield Lane Mollington Cheshire CH1 6LB	1947	Social Care Consultant (Retired)
Mr P Sweet	99 Lavernock Road Penarth Vale of Glamorgan CF64 3NZ	1954	Consultant
Mr C Horlick	Branden Biddenden Road Sissinghurst Kent TN17 2AB	1957	Company Director

Please use separate sheets of paper if you need more space, following the instructions provided in section 5 above.

Please indicate how many separate sheets of paper you have used

0

Please continue, answering all questions.

1.7 Are any members of the society's committee disqualified as directors under the Company Director Disqualification Act 1986?

☒ No

☐ Yes

1.8 Does the society carry out any activity which is regulated under the Financial Services and Markets Act 2000? (e.g. accepting deposits in a form other than withdrawable shares; offering insurance products; undertaking residential mortgage

business). If 'yes' please state the society's Financial Services Register firm reference number

☒ No

☐ Yes

Financial Services Register firm reference number

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 HM Revenue and Customs as a charity for tax purposes?

☐ No

☒ Yes

Please confirm you have attached a copy of the letter from HM Revenue and Customs confirming charitable tax status:

☒ Yes

1.12 Is this society a charity registered with the Office of the Scottish Charity Regulator (OSCR)?

☒ No

☐ Yes ▶ provide your Scottish Charity number below

1.13 Is the society registered with one of the following (please tick)?

☐ Homes and Communities Agency

☐ The Welsh Ministers

☐ Scottish Housing Regulator

If so, please provide your register number

All societies must answer the following questions:

- if a **bona fide co-operative society** go to question 1.14
- if **existing for the benefit of the community** go to question 1.19

Bona fide co-operative society

1.14 How did members benefit from the business, industry or trade of the society during the year?

--

1.15 Is membership of the society required to obtain the benefits offered by it?

- ☐ Yes
☐ No

1.16 In what way did members participate in an ongoing basis in the society's primary business during the year?

--

1.17 How did members democratically control the society?

--

1.18 How did the society use any surplus/profit?

If the society distributed the surplus/profit to members please explain how this was done.

--

Please use separate sheets of paper if you need more space (see section 5 above)

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

--

Continue to 2.1

Community benefit society**1.19 Who are the community the society benefited?**

The objects for the Company, as set out in its 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. The activities carried out by the company in furtherance of these duties during the year include:

1. Operation of care services;
2. Object related loans;
3. Object related grants.

1.20 How did the society benefit that community during the year?

1. Operation of care services - the company continued to operate a care home in Bristol throughout the year;
2. Object related loans - the company continued to receive interest on object related loans provided to the Shaw Group (a commercial care organisation), with the interest being available to be applied for the objects;
3. Object related grants - the company approved object related grants during the year totaling £365k.

1.21 How did the society use any surplus/profit?

The company uses its surplus/profit for the furtherance of its objects as described above.

Please use separate sheets of paper if you need more space (see section 5 above).

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

0

Continue to 2.1

2

Statistics

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	0
C	Members admitted during year	0
D	Members at end of year	9
E	Turnover for year	£8,493,404
F	Total of income and expenditure (receipts and payments added together)	£18,942,969
G	Net surplus/(deficit) for year	£193,537
H	Fixed assets	£9,478,917
I	Current assets	£8,262,742
J	Total assets (equal to amount in row O, below)	£17,741,659
K	Current liabilities	£1,535,902
L	Share capital	£9
M	Long-term liabilities	£0
N	Reserves	£16,205,748
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	£17,741,659
All societies (excluding clubs) must complete boxes P-T		
P	Investments in other registered societies	0
Q	Loans from members	0
R	Loans from Employees' Superannuation Schemes	0
S	Dividends on sales	0
T	Share interest	0

2.2 Names of subsidiaries as defined in sections 100 and 101 of the Co-operative and Community Benefit Societies Act 2014

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 a general meeting a resolution allowing the society not to undertake a full professional audit for the year of account in question? (In accordance with section 84 of the Co-operative and Community Benefit Societies Act 2014)

- ☒ 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)

0	2	/	0	9	/	2	0	1	6
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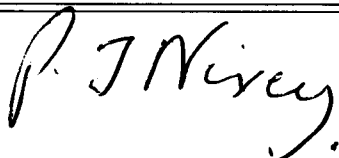
- 4.2 Has your society produced accounts to the minimum standard required?

- ☒ 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

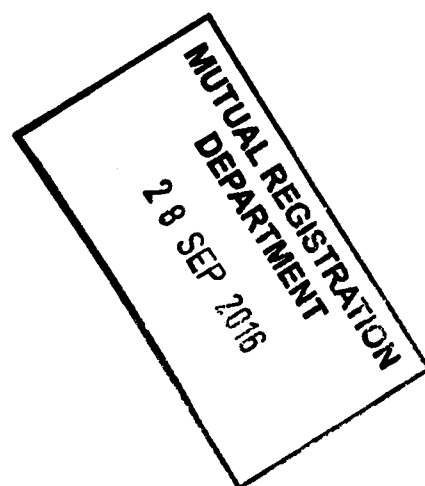
I certify that the information in this form is correct to the best of my knowledge and belief.

Name	P J NIXEY
Signature	
Phone number	029 2036 5050
Email	jeremy.nixey@shaw.co.uk
Date	26/09/16

Financial Statements

The Shaw Foundation Limited

For the Year Ended 31 March 2016



Registered number: 25164R

Company Information

Directors

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

**Co-operative and
Community Benefits
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

Blake Morgan 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 (To 31 March 2016)
Windsor Court
1-3 Windsor Place
Cardiff
CF10 3BX

Charles Stanley (From 1 April 2016)
8 Park Place
Cardiff
CF10 3DP

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Report of the Committee of Management

For the Year Ended 31 March 2016

Structure, governance and management

The Shaw Foundation Limited (“the company”) is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014. 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.

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.

The following Committee 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), Kevin Miller (non-executive director representing the company to 31 March 2016) and Helen Black (non-executive director representing the company from 1 April 2016).

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 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 facilities 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 2016

Structure, governance and management (continued)

The Committee has three 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 sub-committee 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 who can co-opt other Committee members or officers as appropriate. The ISC make recommendations for an overall investment strategy to the Management Committee and meets as required.
- The Grants Strategy Committee (GSC) comprises Helen Black and Kevin Miller who can co-opt other Committee members or officers as appropriate. The GSC is responsible for the allocation of 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.

Report of the Committee of Management

For the Year Ended 31 March 2016

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 under "Operation of Care Services".

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 2016 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 2016

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.

Co-operative and Community Benefits Societies 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) 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 Co-operative and Community Benefits Societies 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 judgements 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 Company and enable it to ensure that the financial statements comply with the Co-operative and Community Benefits Societies Act 2014. 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.

Report of the Committee of Management

For the Year Ended 31 March 2016

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:

Operation of care services

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

The company also operated nine 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 clauses 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.

Report of the Committee of Management

For the Year Ended 31 March 2016

Object related loans

On 4 November 2015 the Company agreed to provide a lending facility of £2,000,000 to Shaw Group for the purpose of investment in supported living properties. On 17 December 2015 an amount of £358,000 was drawn down under this facility in respect of the purchase of The Willows, a supported living property in Birmingham.

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 Shaw healthcare (FM Services) Limited of £685,000 repayable over 20 years to finance the purchase of The Laurels, a property in Edinburgh, which is being operated by Shaw Group as a supported living care service. The loan and subsequent purchase of the property completed on 30 June 2014. The loan balance at 31 March 2016 was £658,721 (2015: £674,181).
- A loan to Surehaven Glasgow Limited, a wholly owned subsidiary of Shaw Group. The loan balance at 31 March 2016 was £1,220,336 (2015: £1,283,705). 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.
- A loan to Shaw healthcare (de Montfort) Limited, a wholly owned subsidiary of Shaw Group, relating to a 30-year contract with Northamptonshire County Council for the provision of care services in seven care homes. The loan balance at 31 March 2016 was £2,705,349 (2015: £2,726,723). This loan is repayable in instalments by 2035.
- A loan to Shaw healthcare (Northamptonshire) Limited, a wholly owned subsidiary of Shaw Group, relating to a 25-year contract with Northamptonshire County Council for the provision of four specialist reablement care centres. The loan balance at 31 March 2016 was £1,468,873 (2015: £1,494,886). This loan is repayable in instalments by 2029.
- On 6 May 2015 the company agreed to extend until 30 September 2016 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.

Report of the Committee of Management

For the Year Ended 31 March 2016

Grants

Grant making is an important element of the company's activities. The Grant Strategy Committee (see page 2) has determined that the Foundation's objective "to fund innovations in care for vulnerable people and carers that improve their quality of life" would best be achieved by concentrating on the priority areas of Dementia Care, End of Life Care, and Workforce Training and Development, and by supporting My Care My Home.

Since grant making began in 2012/13 the Company has awarded grants totalling £1,875,000 at an average of £469,000 over the four years. The current budget for the two-year period commencing 1 April 2016 forecasts that £914,000, or £457,000 per annum, is available for grant making over the two years.

The following analysis shows where, in percentage terms, the Company's grants were allocated.

	%	Note
Dementia Care	5	
End of Life Care	7	
Workforce Training and Development	43	1
My Care My Home	39	2
Other	6	
	100	

Note 1

There were seven separate Workforce Training and Development grants over the four-year period, but one, accounting for 80% of the total, warrants special mention. As was reported in last year's report, a two-year Graduate Management Development Scheme for Shaw Group was approved in March 2015. After a rigorous selection process eight graduates joined the scheme and have recently completed the first phase of their training.

Note 2

My Care My Home (MCMH) is a Shaw Group scheme offering expert advice on many aspects of care as well as seeking to integrate hospital and community care, and towards whose establishment and operation the Company has contributed £740,000.

Certain types of service offered by MCMH are at no cost to the enquirer. It is estimated that the time taken by staff giving care and advice to individuals, who made contact but did not purchase a service, averaged two hours per person helped. If that service had been charged at £15 per hour, the standard charge for domiciliary care services, it would value the associated charitable activity in the year to 31 December 2015 at £25,890.

Report of the Committee of Management

For the Year Ended 31 March 2016

Further acquisitions

Whilst during the current financial year there have been no acquisitions (2015: £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 main 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 18% (2015: 18%) 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 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 were managed by Barclays Wealth until 31 March 2016 and post year end by Charles Stanley.

Interest receivable and investment income increased to £1,074,849 (2015: £1,067,179) as shown in note 8 to the financial statements.

Business risks

Of the ten facilities operated by the company during the year, nine are operated on behalf of Shaw Group as described on page 5. 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 making 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 2016

Disabled employees and equal opportunities

As described in note 7 to the accounts, the company employs staff on behalf of Shaw Group relating to the operation of the company's remaining care facilities. The arrangements for, and management of, these staff are contracted to Shaw Group as described in "Structure, governance and management". Through this arrangement, 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, by way of its contract with Shaw Group as described above, 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 6 July 2016 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 2016, which comprise the income and expenditure account, the balance sheet, the statement of changes in reserves, 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 87 of the Co-operative and Community Benefit Societies Act 2014. 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.

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 2016 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 Co-operative and Community Benefits Societies Act 2014.



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 Co-operative and Community Benefit Societies Act 2014 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 that reads "Grant Owen UK LLP".

Rhian Owen
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants & Registered Auditor

6 July 2016

Income and Expenditure Account

For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Income	2	8,493,404	9,487,069
Direct expenses	3	<u>(8,542,180)</u>	<u>(9,511,908)</u>
Gross deficit		(48,776)	(24,839)
Other operating expenses	4	<u>(586,699)</u>	<u>(1,140,490)</u>
Operating deficit		(635,475)	(1,165,329)
Interest receivable and income from investments	8	1,074,849	1,067,179
Interest payable and similar charges	9	(30,377)	(58,625)
Movement in fair value of investments	11	<u>(215,460)</u>	<u>203,944</u>
Surplus for the financial year	16	<u>193,537</u>	<u>47,169</u>

All amounts relate to continuing operations.

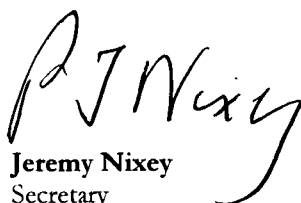
There were no recognised gains and losses for 2016 or 2015 other than those included in the Income and Expenditure Account.

The notes on pages 16 to 28 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 6 July 2016.



Philip Thomas
Chairman



Jeremy Nixey
Secretary



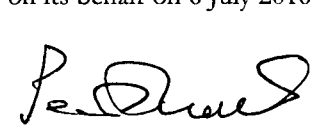
Alun Thomas
Committee Member

Balance Sheet

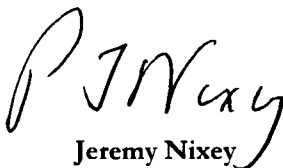
As at 31 March 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	10		1,672,357		1,721,688
Investments	11		<u>7,806,560</u>		<u>8,022,020</u>
			9,478,917		9,743,708
Current assets					
Debtors	12	6,521,971		6,312,958	
Cash at bank	13	<u>1,740,771</u>		<u>1,576,308</u>	
		8,262,742		7,889,266	
Creditors: amounts falling due within one year	14	<u>(1,535,902)</u>		<u>(1,620,754)</u>	
Net current assets			<u>6,726,840</u>		<u>6,268,512</u>
Net assets			<u>16,205,757</u>		<u>16,012,220</u>
Funds					
Called up share capital	15		9		9
Revenue reserve	16		<u>16,205,748</u>		<u>16,012,211</u>
Shareholders' funds			<u>16,205,757</u>		<u>16,012,220</u>

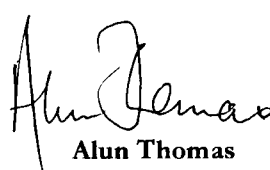
The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 6 July 2016.



Philip Thomas
Chairman



Jeremy Nixey
Secretary



Alun Thomas
Committee Member

The notes on pages 16 to 28 form part of these financial statements.

Statement of Changes in Reserves

As at 31 March 2016

	Share capital	Revenue Reserve	Shareholders' Funds
At 1 April 2015	9	16,012,211	16,012,220
Surplus for the financial year	<u>-</u>	<u>193,537</u>	<u>193,537</u>
At 31 March 2016	<u><u>9</u></u>	<u><u>16,205,748</u></u>	<u><u>16,205,757</u></u>

Statement of Changes in Reserves

As at 31 March 2015

	Share capital	Revenue Reserve	Shareholders' Funds
At 1 April 2014	8	15,965,042	15,965,050
Issued Share Capital	1	-	1
Surplus for the financial year	<u>-</u>	<u>47,169</u>	<u>47,169</u>
At 31 March 2015	<u><u>9</u></u>	<u><u>16,012,211</u></u>	<u><u>16,012,220</u></u>

The notes on pages 16 to 28 form part of these financial statements.

Cash Flow Statement

For the Year Ended 31 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Surplus for the financial year	193,537	47,169
Adjustments for:		
Depreciation of tangible assets	62,929	27,264
Decrease/(increase) in trade and other debtors	46,724	(10,016)
Increase in amounts owed by participating interests	(25,801)	(5,585)
Increase in trade and other creditors	(77,760)	840,970
Decrease in amounts owed to participating interests	(7,092)	(188,640)
Interest payable	30,377	58,625
Interest receivable	(1,074,849)	(1,067,179)
Fair value movement on investments	215,460	(203,944)
Net cash generated from operating activities	(636,475)	(501,336)
Cash flows from investing activities		
Purchases of tangible assets	(13,598)	(177,395)
Interest received	1,074,849	1,067,179
Sale of unlisted and other investments	-	687,000
Purchase of unlisted and other investments	-	(750,000)
Loan note repayment received from Shaw Group	-	751,500
Sub-debt investment in Shaw Group projects	(358,000)	(685,000)
Sub-debt repayment from Shaw Group projects	128,064	106,434
Net cash from investing activities	831,315	999,718
Cash flows from financing activities		
Issue of ordinary share capital	-	1
Interest paid	(30,377)	(58,625)
Net cash used in financing activities	(30,377)	(58,624)
Net increase in cash and cash equivalents	164,463	439,758
Cash and cash equivalents at the beginning of year	1,576,308	1,136,550
Cash and cash equivalents at end of year	1,740,771	1,576,308

The notes on pages 16 to 28 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 23 for an explanation of the transition.

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

1.2 Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation charge
- Surplus profit provision calculation
- Bad debt provision

1.3 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.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. Accounting Policies (continued)

1.4 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.

1.5 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.

1.6 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 2016 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.

1.7 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.

1.8 Investments

Investments held as fixed assets are shown at fair value, based on information provided by the investment fund managers.

1.9 Pension schemes

The company contributes to a number of pension schemes as described in note 20. The annual contributions payable are charged to the Income and Expenditure Account.

1.10 Operating leases

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

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Income

	2016 £	2015 £
Relating to owned assets:		
Care home residential fees	966,107	993,366
Other income	4,041	508
As agent to Shaw Group (see Accounting Policy 1.3)	<u>7,523,256</u>	<u>8,493,195</u>
	<u>8,493,404</u>	<u>9,487,069</u>

3. Direct expenses

	2016 £	2015 £
Relating to owned assets	1,128,734	1,131,445
As agent to Shaw Group (see Accounting Policy 1.3)	<u>7,413,446</u>	<u>8,380,463</u>
	<u>8,542,180</u>	<u>9,511,908</u>

4. Other operating expenses

	2016 £	2015 £
Relating to owned assets:		
Grants payable	365,087	993,793
Other	136,348	65,495
As agent to Shaw Group (see Accounting Policy 1.3)	<u>85,264</u>	<u>81,202</u>
	<u>586,699</u>	<u>1,140,490</u>

5. Operating deficit

Operating deficit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	62,929	27,264
Operating leases: buildings, as agent to Shaw Group	169,313	169,313
Auditor's remuneration	18,480	16,000

Notes to the Financial Statements

For the Year Ended 31 March 2016

6. Committee members' emoluments

During the year Kevin Miller served as a non-executive director of Shaw Group and received emoluments of £15,000 from Shaw Group (2015: £15,000). 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, Frances Cloud, Kevin Miller, Simon MacSorley, Helen Black, Philip Sweet and Christopher Horlick received payments during the year totalling £52,500 (2015: £50,000) 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 £3,117 (2015: £Nil).

7. Staff costs

Relating to owned assets:

	2016	2015
	£	£
Salaries	500,676	492,537
Social security costs	28,370	28,001
Other pension costs	<u>2,328</u>	<u>2,135</u>
	<u>531,374</u>	<u>522,673</u>

As agent to Shaw Group (see Accounting Policy 1.3):

	2016	2015
	£	£
Salaries	4,413,484	4,977,952
Social security costs	276,015	354,784
Other pension costs	<u>45,140</u>	<u>51,085</u>
	<u>4,734,639</u>	<u>5,383,821</u>

Staff numbers:

	2016	2015
	No.	No.
Nursing home staff:		
Relating to owned assets	36	37
As agents to Shaw Group	313	357

Notes to the Financial Statements

For the Year Ended 31 March 2016

8. Interest receivable and income from investments

	2016 £	2015 £
Relating to owned assets	<u>1,074,849</u>	<u>1,067,179</u>

Included in the above is £851,450 (2015: £851,205) relating to interest on loans made to Shaw Group companies.

9. Interest payable and similar charges

	2016 £	2015 £
On bank loans and overdrafts:		
Relating to owned assets	5,831	27,095
As agent to Shaw Group (see Accounting Policy 1.3)	<u>24,546</u>	<u>31,530</u>
	<u>30,377</u>	<u>58,625</u>

10. Tangible fixed assets

	Freehold property £	Fixtures & fittings £	Total £
Cost			
At 1 April 2015	2,185,699	110,159	2,295,858
Additions	-	<u>13,598</u>	<u>13,598</u>
At 31 March 2016	<u>2,185,699</u>	<u>123,757</u>	<u>2,309,456</u>
Depreciation			
At 1 April 2015	508,452	65,718	574,170
Charge for the year	<u>44,900</u>	<u>18,029</u>	<u>62,929</u>
At 31 March 2016	<u>553,352</u>	<u>83,747</u>	<u>637,099</u>
Net book value			
At 31 March 2016	<u>1,632,347</u>	<u>40,010</u>	<u>1,672,357</u>
At 31 March 2015	<u>1,677,247</u>	<u>44,441</u>	<u>1,721,688</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 (2015: £1,560,000) which is not depreciated.

Notes to the Financial Statements

For the Year Ended 31 March 2016

11. Fixed asset investments

	Shares in Shaw Group £	Loan notes due from Shaw Group £	Other investments £	Total £
Valuation				
At 1 April 2015	9,000	1,503,000	6,510,020	8,022,020
Additions	-	-	-	-
Disposals	-	-	-	-
Change in market value	-	-	(215,460)	(215,460)
At 31 March 2016	<u>9,000</u>	<u>1,503,000</u>	<u>6,294,560</u>	<u>7,806,560</u>
Net book value				
At 31 March 2016	<u>9,000</u>	<u>1,503,000</u>	<u>6,294,560</u>	<u>7,806,560</u>
At 31 March 2015	<u>9,000</u>	<u>1,503,000</u>	<u>6,510,020</u>	<u>8,022,020</u>

Shares are recorded at cost.

The company owns 18 million (2015: 18 million) ordinary shares in Shaw Group, a company incorporated in England and Wales, representing 18% (2015:18%) of Shaw Group's ordinary share capital.

The loan notes due from Shaw Group at 31 March 2016 will be redeemed in two annual instalments of £751,500 ending in October 2018. At its meeting on 1 July 2015 the Committee of Management agreed for payments to be deferred for a period of two years ending in October 2017. 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 2018.

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 2016 was £6,294,560 (2015: £6,510,020).

The cost of the portfolio at 31 March 2016 was £6,066,500 (2015: £6,066,500).

Notes to the Financial Statements

For the Year Ended 31 March 2016

12. Debtors

	2016 £	2015 £
Due within one year		
Amounts due from other Shaw Group companies	31,386	5,585
Loan to Surehaven Glasgow Limited	70,210	63,368
Loan to Shaw healthcare (de Montfort) Limited	152,352	151,206
Loan to Shaw healthcare (Northamptonshire) Limited	94,640	92,649
Loan to Shaw healthcare (Group) Limited	7,767	-
Loan to Shaw healthcare (FM Services) Limited	16,738	15,461
Residential fees	54,059	89,061
Other debtors and prepayments	27,095	38,817
	<u>454,247</u>	<u>456,147</u>
Due after more than one year		
Loan to Surehaven Glasgow Limited	1,150,126	1,220,337
Loan to Shaw healthcare (de Montfort) Limited	2,552,997	2,575,517
Loan to Shaw healthcare (Northamptonshire) Limited	1,374,233	1,402,237
Loan to Shaw healthcare (Group) Limited	348,385	-
Loan to Shaw healthcare (FM Services) Limited	641,983	658,720
	<u>6,067,724</u>	<u>5,856,811</u>
Total	<u>6,521,971</u>	<u>6,312,958</u>

The loan to Surehaven Glasgow Limited is secured by the assets of that company. Interest on the loan is charged at 10% (2015: 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% (2015: 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% (2015: 14%). The loan is repayable in instalments by 2029.

The loan to Shaw healthcare (FM Services) Limited is secured by the assets of that company. Interest on the loan is charged at 8% (2015: 8%). The loan is repayable in instalments by 2034.

The loan to Shaw Healthcare (Group) Limited is secured by the assets of that company. Interest on the loan is charged at 11%. The loan is repayable in instalments by 2036.

Notes to the Financial Statements

For the Year Ended 31 March 2016

13. Cash at bank

As described in notes 1.5 and 1.6, the company's balance sheet excludes the assets and liabilities relating to trust and ten year assets. Consequently the cash balance of £1,740,771 (2015: £1,576,308) reported on the company's balance sheet excludes an amount of £154,347 (2015: £402,787) which is held within the company's bank accounts but relates to trust and ten year assets and is therefore excluded as it is held on behalf of Shaw Group.

14. Creditors: amounts falling due within one year

	2016 £	2015 £
Supplier balances	39,585	50,973
Amounts due to other Shaw Group companies	72,932	80,024
Other taxation and social security	6,866	7,270
Grants payable	848,177	897,243
Other creditors	<u>568,342</u>	<u>585,244</u>
	<u>1,535,902</u>	<u>1,620,754</u>

15. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
9 (2015: 9) - Issued and fully paid shares of £1 each	<u>9</u>	<u>9</u>

Each Member of the Committee holds one share in the company. During the year no shares were issued (2015: one share was issued at par).

16. Revenue reserve

	£
At 1 April 2015	16,012,211
Surplus for the year	193,537
	<hr/>
At 31 March 2016	<u>16,205,748</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

17. Leasing commitments

The company's future minimum operating lease payments are as follows:

Relating to owned assets

	Buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Expiring:				
Within one year	-	-	10,008	10,008
Within two to five years	-	-	3,373	13,408
	<u>-</u>	<u>-</u>	<u>13,381</u>	<u>23,416</u>

As agent to Shaw Group

	Buildings		Other	
	2016	2015	2016	2015
	£	£	£	£
Expiring:				
Within one year	169,313	169,313	26,862	27,845
Within two to five years	-	-	51,003	29,844
	<u>169,313</u>	<u>169,313</u>	<u>77,865</u>	<u>57,689</u>

18. Taxation

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

19. Legal status

The Shaw Foundation Limited is registered under charitable rules with the Financial Services Authority under the Co-operative and Community Benefit Societies Act 2014.

Notes to the Financial Statements

For the Year Ended 31 March 2016

20. 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 2016 amounted to £11,788 (2015: £14,668).

In addition, the company contributes to NEST, the workplace pension set up by the Government specifically in response to auto-enrolment legislation. The total contributions made by the company to this scheme in the year ended 31 March 2016 amounted to £21,936 (2015: £24,977).

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 2016 amounted to £13,745 (2015: £13,575).

Contributions for the next 12 months are expected to be in line with those paid in 2016.

21. Related party transactions

The company owns 18% (2015: 18%) of Shaw Group and has entered into the following transactions relating to that company:

Loan to Surehaven Glasgow Limited

The company is owed £1,220,336 (2015: £1,283,705) 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 £2,705,349 (2015: £2,726,723) 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 £1,468,873 (2015: £1,494,886) by Shaw healthcare (Northamptonshire) Limited, a company whose ultimate parent company is Shaw Group. Details of the loan can be found in note 12.

Loan to Shaw healthcare (FM Services) Limited

The company is owed £658,721 (2015: £674,361) by Shaw healthcare (FM Services) Limited, a company whose ultimate parent company is Shaw Group. Details of the loan can be found in note 12.

Loan to Shaw healthcare (Group) Limited

The company is owed £356,152 (2015: £nil) by Shaw healthcare (Group) Limited. Details of the loan can be found in note 12.

Notes to the Financial Statements

For the Year Ended 31 March 2016

21. Related party transactions (continued)

Transactions with Shaw Group

During the year the company made payments of £90,948 (2015: £576,290) 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 £72,932 was owed to Shaw Group and its subsidiary companies at 31 March 2016 (2015: £93,939).

As described in note 6, the company also made payments totalling £15,000 (2015: £15,000) to Shaw Group during the year in reimbursement of the fee paid to Kevin Miller (2015: Kevin Miller) for services as a non-executive director of that company.

In addition to the above, Philip Thomas, Frances Cloud, Kevin Miller, Simon MacSorley, Helen Black, Christopher Horlick and Philip Sweet received payments during the year totalling £52,500 (2015: £50,000) 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 £3,117 (2015: £nil).

Notes to the Financial Statements

For the Year Ended 31 March 2016

22. Transition to FRS 102

The company has adopted FRS 102 for the year ended 31 March 2016 and has restated the comparative prior year amounts.

Explanation of changes relating to FRS 102 adoption

1. Investments are now recognised at fair value at the end of the year with changes in fair value recognised in profit or loss. Investments were previously recognised at cost in the statement of financial position.
2. Prior period operating lease commitments have been restated (see note 17).

Restated Balance Sheet	As previously stated 31 March 2014 £	Effect of transition 31 March 2014 £	FRS 102 (as restated) 31 March 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Fixed assets						
Tangible assets	1,571,557	-	1,571,557	1,721,688	-	1,721,688
Investments	8,267,000	239,576	8,506,576	7,578,500	443,520	8,022,020
Current assets						
Debtors	5,721,483	-	5,721,483	6,312,958	-	6,312,958
Cash at bank	1,136,550	-	1,136,550	1,576,308	-	1,576,308
Creditors: amounts falling due within one year	(971,116)	-	(971,116)	(1,620,754)	-	(1,620,754)
Net current assets	5,886,917	-	5,886,917	6,268,512	-	6,268,512
Net assets	15,725,474	239,576	15,965,050	15,568,700	443,520	16,012,220
Funds						
Called up share capital	8	-	8	9	-	9
Revenue reserve	15,725,466	239,576	15,965,042	15,568,691	443,520	16,012,211
Shareholders' funds	15,725,474	239,576	15,965,050	15,568,700	443,520	16,012,220

Notes to the Financial Statements

For the Year Ended 31 March 2016

22. Transition to FRS 102 (continued)

Restated Income and Expenditure Account	As previously stated 31 March 2014 £	Effect of transition 31 March 2014 £	FRS 102 (as restated) 31 March 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Income	9,968,948	-	9,968,948	9,487,069	-	9,487,069
Direct expenses	(9,751,930)	-	(9,751,930)	(9,511,908)	-	(9,511,908)
Gross surplus/(deficit)	217,018	-	217,018	(24,839)	-	(24,839)
Other operating expenses	(447,456)	-	(447,456)	(1,140,490)	-	(1,140,490)
Operating deficit	(230,438)	-	(230,438)	(1,165,329)	-	(1,165,329)
Interest receivable and income from investments	1,093,153	-	1,093,153	1,067,179	-	1,067,179
Interest payable and similar charges	(69,056)	-	(69,056)	(58,625)	-	(58,625)
Change in market value of investments	-	239,576	239,576	-	203,944	203,944
Surplus/(deficit) for the financial year	793,659	239,576	1,033,235	(156,775)	203,944	47,169
Transfer from designated reserves	-	-	-	-	-	-
Retained surplus/(deficit) for the financial year	793,659	239,576	1,033,235	(156,775)	203,944	47,169