

# Annual Return (AR30) form

## Section 1 – About this form

An Annual Return must be completed by all societies registered under the Co-operative and Community Benefit Societies Act 2014 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1965) or the Co-operative and Community Benefit Societies Act (Northern Ireland) 1969 ('the Act') (including any societies previously registered under the Industrial and Provident Societies Act 1969). The Annual Return must include:

- this form;
- a set of the society's accounts; and
- where required, an audit report or report on the accounts.

A society must submit the Annual Return within 7 months of the end of the society's financial year. Failure to submit on time is a prosecutable offence.

Please note that this form, including any details provided on the form, will be made available to the public through the Mutuels Public Register <https://mutuals.fca.org.uk>.

For guidance on our registration function for societies under the Co-operative and Community Benefit Societies Act 2014, which includes guidance on the requirement to submit an Annual Return, please see here: <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

## Section 2 – About this application

<b>Society name</b>	The Shaw Foundation Limited
<b>Register number</b>	25164R
<b>Registered address</b>	1 Links Court, Links Business park, St Mellons, Cardiff
<b>Postcode</b>	CF3 0LT

**2.1 What date did the financial year covered by these accounts end?**

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**Section 3 – People**

**3.1 Please provide the names of the people who were directors of the society during the financial year this return covers.** Some societies use the term 'committee member' or 'trustee' instead of 'director'. For ease of reference, we use 'director' throughout this form.

Name of director	Month and year of birth	
David Philip Glyn Thomas	September	1940
Alun Thomas	July	1941
Peter Jeremy Nixey	April	1942
Frances Cloud	October	1964
Simon MacSorley	June	1964
Helen Black	March	1947
Chris Horlick	April	1957
David Lewis	January	1959

Continue on to a separate sheet if necessary.

**3.2 All directors must be 16 or older. Please confirm this is this case:**

All directors are aged 16 or over ☒

**3.3 Societies are within the scope of the Company Directors Disqualification Act 1986 (CDDA). Please confirm that no director is disqualified under that Act:**

No director is disqualified ☒

**3.4 Please state any close links which any of the directors has with any society, company or authority.** 'Close links' includes any directorships or senior positions held by directors of the society in other organisations.

**David Philip Glyn THOMAS:**

Company name	Company number	Role
SHAW LIFETIME CARE LIMITED	10340455	Director

**Peter Jeremy NIXEY:**

Company name	Company number	Role
MY CARE MY HOME WEBSITE SERVICES	08563160	Director
MY CARE MY HOME LIMITED	07611603	Director
SHAW HEALTHCARE LIMITED	05133946	Director
SHAW HEALTHCARE (BRENTY) LIMITED	06898750	Director
SHAW HEALTHCARE (DEVELOPMENTS) LIMITED	03021849	Director
SUREHAVEN GLASGOW LIMITED	06731003	Director
SUREHAVEN (PEMBROKE) LIMITED	06481168	Director
SHAW (PEMBROKE) SPECIALIST SERVICES LIMITED	06481136	Director
SHAW COMMUNITY LIVING (SLS) LIMITED	06281153	Director
SHAW HEALTHCARE (NAILSEA) LIMITED	06181148	Director
SUREHAVEN LIMITED	05829340	Director
SHAW HEALTHCARE (BARTON) LIMITED	05591087	Director
SHAW HEALTHCARE (GROUP) LIMITED	05391089	Director
SHAW HEALTHCARE (WEST SUSSEX) LIMITED	05267445	Director
SHAW HEALTHCARE (FM SERVICES) LIMITED	04477813	Director
SHAW COMMUNITY LIVING (DCA) LIMITED	04603309	Director
SHAW HEALTHCARE (DE MONTFORT) LIMITED	04469078	Director
SHAW HEALTHCARE (HEREFORDSHIRE) LIMITED	04273170	Director
SHAW HEALTHCARE (NORTHAMPTONSHIRE) LIMITED	04232198	Director
SHAW HEALTHCARE (NORTH SOMERSET) LIMITED	04137497	Director
SHAW HEALTHCARE (LEDBURY) LIMITED	03853900	Director
SHAW HEALTHCARE (SPECIALIST SERVICES) LIMITED	03526936	Director
SHAW HEALTHCARE (MANAGED SERVICES) LIMITED	03315548	Director
SHAW LIFETIME CARE LIMITED	10340455	Director

**Frances Allison CLOUD:**

Company name	Company nber	Role
PHARMACLOUD LIMITED	06890950	Director

**Christopher John HORLICK:**

Company name	Company nber	Role
RYE GOLF CLUB COMPANY LIMITED ( )	00041471	Director
AXA PPP ADMINISTRATION SERVICES LIMITED	05961472	Director
AXA PPP HEALTHCARE ADMINISTRATION SERVICES LIMITED	03429917	Director
THE PERMANENT HEALTH COMPANY LIMITED	02933772	Director
ICAS INTERNATIONAL HOLDINGS LIMITED	03245537	Director
AXA ICAS LIMITED	02548573	Director
AXA ICAS OCCUPATIONAL HEALTH SERVICES LIMITED	01336017	Director

**Helen Marie BLACK:**

Company name	Company nber	Role
SHAW HEALTHCARE (GROUP) LIMITED	05391089	Director

**Simon John MACSORLEY:**

Company name	Company nber	Role
NORTHEN SURVEYING SERVICES LIMITED	07053934	Director
SHAW HEALTHCARE (GROUP) LIMITED	05391089	Director
CASTLE SCHOOL EDUCATION TRUST	08397975	Director

**Alun THOMAS:**

Company name	Company nber	Role
AWEN WALES LIMITED	06856855	Director
SHAW HEALTHCARE (SPECIALIST SERVICES) LIMITED	03526936	Director
SHAW HEALTHCARE (LEDBURY) LIMITED	03853900	Director
SHAW HEALTHCARE (DEVELOPMENTS) LIMITED	03021849	Director
SHAW COMMUNITY LIVING (DCA) LIMITED	04603309	Director
SHAW HEALTHCARE LIMITED	05133946	Director
SHAW HEALTHCARE (GROUP) LIMITED	05391089	Director
SHAW HEALTHCARE (BARTON) LIMITED	05591087	Director
SHAW HEALTHCARE (WEST SUSSEX) LIMITED	05267445	Director



SHAW HEALTHCARE (NORTHAMPTONSHIRE) LIMITED	04232198	Director
SHAW HEALTHCARE (HEREFORDSHIRE) LIMITED	04273170	Director
SHAW HEALTHCARE (DE MONTFORT) LIMITED	04469078	Director
SHAW HEALTHCARE (NORTH SOMERSET) LIMITED	04137497	Director
SHAW HEALTHCARE (FM SERVICES) LIMITED	04477813	Director
SHAW HEALTHCARE (MANAGED SERVICES) LIMITED	03315548	Director

#### **David Donald LEWIS**

Company name	Company number	Role
THOMAS, CARROLL GROUP PLC	00869707	Director
DAVID LEWIS CONSULTING LIMITED	11990981	Director
SURE INSURANCE SERVICES LTD	04687399	Director

**3.5 Please provide the name of the person who was secretary at the end of the financial year this return covers.** Societies must have a secretary.

Name of secretary	Month and year of birth	
Peter Jeremy Nixey	April	1942

## **Section 4 – Financial information**

### **4.1 Please confirm that:**

- accounts are being submitted with this form ☒
- the accounts comply with relevant statutory and accounting requirements ☒
- the accounts are signed by two members and the secretary (3 signatures in total) ☒

**4.2 Based on the accounts, please provide the information requested below for the financial year covered by this return.**

Number of members	<b>7</b>
Turnover	<b>8,713,377</b>

Assets	<b>15,451,451</b>
Number of employees (if any)	<b>304</b>
Share capital	<b>8</b>
Highest rate of interest paid on shares (if any)	

**4.3 What Standard Industrial Classification code best describes the society's main business?** Where more than one code applies, please select the code that you feel best describes the society's main business activity. You will find a full list of codes here: <http://resources.companieshouse.gov.uk/sic/>

86900

## Section 5 – Audit

Societies are required to appoint an auditor to audited unless they are small or have disappplied this requirement. For further guidance see chapter 7 of our guidance: <https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

### 5.1 Please select the audit option the society has complied with:

- Full professional audit ☒
- Auditor's report on the accounts ☐
- Lay audit ☐
- No audit ☐

### 5.2 Please confirm the audit option used by the society is compliant with the society's own rules and the Act

We have complied with the audit requirements ☒

### 5.3 Please confirm any audit report (where required) is being submitted with this Annual Return

Yes ☒

Not applicable ☐

The information below impacts the level of audit required of the society's accounts. Please provide answers to the following questions.

**5.4 Is this society accepted by HM Revenue and Customs (HMRC) as a charity for tax purposes?**

Yes ☒

No ☐

**5.5 If the society is registered with the Office of the Scottish Charity Regulator (OSCR) please provide your OSCR registration number.**

Not applicable ☒

OSCR number:	
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**5.6 Is the society a housing association?**

No ☒ Go to **section 6**

Yes ☐ Go to question **5.7**

**5.7 Please confirm which housing regulator you are registered with, and provide the registration number they have given you:**

		Registration number
Homes and Communities Agency	<input type="checkbox"/>	
Scottish Housing Regulator	<input type="checkbox"/>	
The Welsh Ministers	<input type="checkbox"/>	

Department for Communities (Northern Ireland)	<input type="checkbox"/>	
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## Section 6 – Subsidiaries

### 6.1 Is the society a subsidiary of another society?

Yes ☐

No ☒

### 6.2 Does the society have one or more subsidiaries? (As defined in sections 100 and 101 of the Act)

Yes ☒ Continue to question 6.3

No ☐ Continue to Section 7

### 6.3 If the society has subsidiaries, please provide the names of them below (or attach an additional sheet)

Registration Number	Name
62090	SI Limited formerly Shaw Insurance Limited
10340455	Shaw Lifetime Care Limited formerly Shaw CPB Limited

### 6.4 Please provide below (or on a separate sheet) the names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusions: (the society must have written authority from us to exclude a subsidiary from group accounts)

Registration Number	Name	Reason for exclusion

## Section 7– Condition for registration

All societies are registered meeting one of two conditions for registration. These are that the society is either:

- a bona fide co-operative society ('co-operative society'); **or**
- are conducting business for the benefit of the community ('community benefit society').

A society must answer the questions set out in either Section 7A or Section 7B of this form, depending on which condition of registration it meets.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance:

<https://www.fca.org.uk/publication/finalised-guidance/fg15-12.pdf>

## Section 7A - Co-operative societies

Co-operative societies must answer the following questions in relation to the financial year covered by this return.

**7A.1 What is the business of the society?** For example, did you provide housing, manufacture goods, develop IT systems etc.

**7A.2 Please describe the members' common economic, social and cultural needs and aspirations.** In answering this question, please make sure it is clear what needs and aspirations members had in common.

**7A.3 How did the society's business meet those needs and aspirations?**

You have described the society's business answer to question 7A.1, and in question 7A.2 you have described the common needs and aspirations of members. Please now describe how during the year that business met those common needs and aspirations.

**7A.4 How did members democratically control the society?** For example, did the members elect a board at an annual general meeting; did all members collectively run the society.

**7A.5 What did the society do with any surplus or profit?** For instance, did you pay a dividend to members (and if so, on what basis); did money get reinvested in the business; put into reserves; used for some other purpose?

## Section 7B - Community benefit societies

Community benefit societies must answer the following questions in relation to the financial year covered by this return.

**7B.1 What is the business of the society?** For example, did you provide social housing, run an amateur sports club etc.

The objects of the Company, as set out in its Rules, are the advancement of the 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

**7B.2 Please describe the benefits to the community the society delivered?** Here we are looking to see *what* the benefits to the community were. Community can be said to be the community at large. For example, did you relieve poverty or homelessness through the provision of social housing.

The company approved grants to further the work of those who support unpaid Carers of all ages in Wales and raise awareness of the challenges faced by young carers and are campaigning for greater support for them. The company also actively works at establishing partnership with Dementia awareness societies to help provide better care and support for those affected by Dementia and their families in their community.

**7B.3 Please describe how the society's business delivered these benefits?** The business of the society must be conducted for the benefit of the community. Please describe *how* the society's business (as described in answer to question 7B.1) provided benefit to the community.

Operation of a care home in Bristol for the elderly to support clients with Dementia and End of Life Care

**7B.4 Did the society work with a specific community, and if so, please describe it here?** For instance, were the society's activities confined to a specific location; or to a specific group of people? Please note that in serving the

needs of any defined community, the society should not inhibit the benefit to the community at large.

**7B.5 What did the society do with any surplus or profit?** For instance, did you donate the money; did money get reinvested in the business; put into reserves; used for some other purpose?


The society provided grants to various organisations

**7B.6 Please state any significant commercial arrangements that the society has, or had, with any other organisation that could create, or be perceived as creating, a conflict of interest.** Please tell us how you ensured that any such conflict of interest did not prevent the society from acting for the benefit of the community.



## Section 8– Declaration

The secretary of the society must complete this section.

<b>Name</b>	<b>Mr Peter Jeremy Nixey</b>
My signature below confirms that the information in this form is accurate to the best of my knowledge	
<b>Signature</b>	
<b>Position</b>	<b>Secretary</b>
<b>Date</b>	22/10/2019

## Section 9 – Submitting this form

Please submit a signed, scanned version of this form along with your accounts and any auditor's report by email to: [mutualsannrtns@fca.org.uk](mailto:mutualsannrtns@fca.org.uk).

Or you can post the form to:

Mutual Societies  
Financial Conduct Authority  
12 Endeavour Square  
London  
E20 1JN

This form is available on the Mutuals Society Portal:

<https://societyportal.fca.org.uk>

# Financial Statements

## The Shaw Foundation Limited

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**For the Year Ended 31 March 2019**

**Registered number: 25164R**

## Company Information

### Directors

Simon MacSorley ACIOB, MBIFM, SIIRSM (appointed as Chairman on 1 May 2019)  
Philip Thomas BA, FCA (resigned as Chairman on 1 May 2019)  
Jeremy Nixey MA (Oxon) (Secretary)  
Helen Black  
Frances Cloud MA (Oxon), CFA  
Christopher Horlick  
Kevin Miller (resigned 30 November 2018)  
Alun Thomas BA, FCA  
David Lewis (appointed 1 May 2019)

### Co-operative and Community Benefits Society number

25164R

### Registered office

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

### Independent Auditor

Grant Thornton UK LLP  
Chartered Accountants & Registered Auditor  
2 Glass Wharf  
Bristol  
BS2 0EL

### Solicitors

Blake Morgan LLP  
One Central Square  
Cardiff  
CF10 1FS

### Bankers

Allied Irish Bank plc  
19 Whiteladies Road  
Bristol  
BS8 1PB

### Investment managers

Charles Stanley  
8 Park Place  
Cardiff  
CF10 3DP

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# Report of the Committee of Management

For the Year Ended 31 March 2019

## 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. Kevin Miller was a Member until his resignation on 30 November 2018. All other Members served throughout the financial year except for David Lewis who was appointed on 1 May 2019.

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. 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 Rules require any Trustee who has any conflict of interest with any arrangement to be discussed by the Committee to declare this at meetings. The Committee manages conflict of interest appropriately and ensures that the Rules are complied with in relation to payment to Trustees.

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.

The Committee has four sub-committees:

- The Audit Committee meets at least twice a year and comprises three committee members and the Group Financial Controller of Shaw Group. The Committee is responsible for reviewing the statutory accounts and external audit process. 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 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.
- The Appointments Committee comprises Chris Horlick and Helen Black who can co-opt other Committee members or officers as appropriate. The Committee is responsible for planning the recruitment, replacement and effectiveness of Committee members.



## Report of the Committee of Management

For the Year Ended 31 March 2019

### Subsidiary companies

The company has two wholly owned subsidiary companies.

Shaw Insurance Limited, a company registered in Guernsey, with its registered address at Albert House, South Esplanade, Guernsey, CY1 1AW, was established for the purpose of developing a new product – the 'Care Property Bond'. This product which provides an individual with an annuity to pay for care for life whilst enabling them to pass on their property debt free to their chosen beneficiaries is currently in the development stage and incurred net costs of £1,699,718 (2018: £481,960) during the year ended 31 March 2019. BWCI Limited also based in Guernsey are the appointed insurance manager and perform the administration and governance responsibilities on behalf of The Shaw Foundation.

Shaw CPB Limited, a company registered in the United Kingdom, with its registered address at 3 Links Court, Links Business Park, Cardiff, CF3 0LT, was established for the purposes of running the administration and financial administration of the Care Property Bond product which began trading in the period.

Due to the limited trading of both these companies during the period, the remainder of this report will focus on the control and processes in place at The Shaw Foundation company level.

### 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.



## Report of the Committee of Management

For the Year Ended 31 March 2019

### Internal Financial Control (continued)

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 2019 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.

### 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 Committee Members at the time when this Report of the Committee of Management is approved has confirmed that:

- so far as that Committee Member is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that Committee Member has taken all the steps that ought to have been taken as a Committee Member 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 2019**

### **Objects**

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 only care facility owned and operated by the company closed in the period.

Throughout the year the company continued to own seven care facilities which were operated by Shaw Group. These 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. Post year end, on 1 April 2019, the company transferred three of these care facilities to Shaw Group as documented in note 23.

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 made a number of 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 number of these loans are with Shaw Group and further information is provided in note 12 to the financial statements.

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 2019

### Grants

Grant making is an important element of the company's activities. The Grants 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 £1,871,065 at an average of £267,000 over the seven years.

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

	%	Note
Dementia Care	4	
End of Life Care	12	
Workforce Training and Development	40	
My Care My Home	39	1
Other	5	
	100	

### Note 1

My Care My Home (MCMH) is a company offering free expert advice on many aspects of care as well as seeking to better co-ordinate hospital and community-based support services, and towards whose establishment and operation the Company has contributed £740,000.

## Report of the Committee of Management

For the Year Ended 31 March 2019

### 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 10% (2018: 14%) 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 statements.

The company continues to invest in a portfolio of bonds, equities, cash and other assets which were managed by Charles Stanley.

Interest receivable and investment income decreased to £595,642 (2018: £1,030,800) as shown in note 8 to the financial statements.

#### Business risks

Of the eight facilities owned by the company during the year, seven are operated by Shaw Group as described on page 4 with all the financial risks and rewards of operating these services resting 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 2019

### Disabled employees and equal opportunities

As described in note 7 to the accounts, the company employs staff jointly with Shaw Group relating to the operation of the company's owned 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

The company, by way of its contract with Shaw Group as described above, has taken 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.

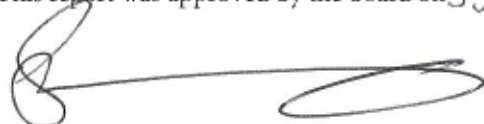
### Reserves Policy Statement

The Trustees' intention, year on year, is to preserve net asset value to a minimum level of £12.5 million 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 3 July 2019 and signed on its behalf.



**Simon MacSorley**  
Chairman



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

For the Year Ended 31 March 2019

## Opinion

We have audited the financial statements of The Shaw Foundation Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Consolidated income and expenditure account, the Group and Company Balance sheet, the Group and Company Statements of changes in reserves, the Group Cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and company's affairs as at 31 March 2019 and of the group's deficit and the company's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

## Other information

The Committee are responsible for the other information. The other information comprises the information included in the Report of the Committee of Management other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



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

For the Year Ended 31 March 2019

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Co-operative and Community Benefit Societies Act 2014**

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

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

## **Matter on which we are required to report under the Co-operative and Community Benefit Societies Act 2014**

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

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

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of the Committee for the financial statements**

As explained more fully in the Statement of the responsibilities of the Committee set out on pages 3 and 4, the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

For the Year Ended 31 March 2019

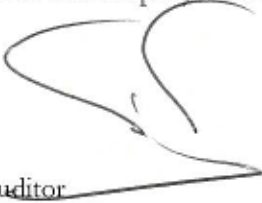
## Auditor's responsibilities for the audit of the financial statements

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

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

## Use of our report

This report is made solely to the company's members, as a body, in accordance with sections 87(2) and 98(7) 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 auditor's 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.



Tim Lincoln  
Senior Statutory Auditor  
for and on behalf of

**Grant Thornton UK LLP**  
Statutory Auditor, Chartered Accountants  
2 Glass Wharf  
Bristol  
BS2 0EL

3 July 2019

# Consolidated Income and Expenditure Account

For the Year Ended 31 March 2019

	Note	2019 £	2018 £
<b>Income</b>	2	8,713,377	8,749,816
Direct expenses	3	<u>(9,042,446)</u>	<u>(9,044,165)</u>
<b>Gross deficit</b>		(329,069)	(294,349)
Other operating expenses	4	<u>(2,002,815)</u>	<u>(651,944)</u>
<b>Operating deficit</b>		(2,331,884)	(946,293)
Interest receivable and income from investments	8	595,642	1,030,800
Interest payable and similar charges	9	(4,916)	(14,127)
Movement in fair value of investments	11	<u>147,382</u>	<u>(136,296)</u>
<b>Deficit for the financial year</b>	16	<u>(1,593,776)</u>	<u>(65,916)</u>

All amounts relate to continuing operations.

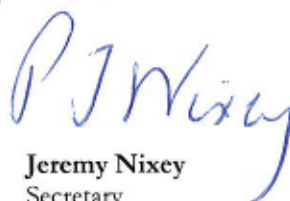
There were no recognised gains and losses for 2019 or 2018 other than those included in the Income and Expenditure Account.

The notes on pages 17 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 3 July 2019



Simon MacSorley  
Chairman



Jeremy Nixey  
Secretary



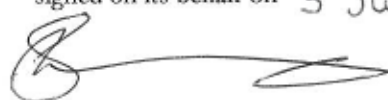
Philip Thomas  
Committee Member

## Consolidated Balance Sheet

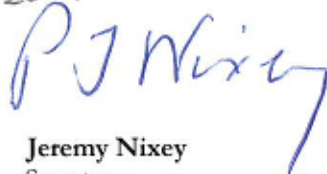
As at 31 March 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	10		1,570,033		1,572,028
Investments	11		<u>7,411,914</u>		<u>8,018,032</u>
			8,981,947		9,590,060
<b>Current assets</b>					
Debtors	12	2,012,711		6,153,082	
Cash at bank	13	<u>5,085,430</u>		<u>2,041,239</u>	
		7,098,141		8,194,321	
<b>Creditors: amounts falling due within one year</b>	14	<u>(628,637)</u>		<u>(739,154)</u>	
<b>Net current assets</b>			6,469,504		7,455,167
<b>Net assets</b>			<u>15,451,451</u>		<u>17,045,227</u>
<b>Funds</b>					
Called up share capital	15		8		8
Revenue reserve	16		<u>15,451,443</u>		<u>17,045,219</u>
<b>Shareholders' funds</b>			<u>15,451,451</u>		<u>17,045,227</u>


The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 3 July 2019



Simon MacSorley  
Chairman



Jeremy Nixey  
Secretary



Paul Thomas  
Committee Member

The notes on pages 17 to 28 form part of these financial statements.

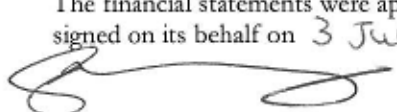
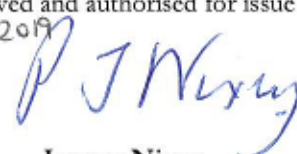
# Company Balance Sheet

As at 31 March 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	10		1,560,000		1,572,028
Investments	11		<u>8,606,816</u>		<u>8,018,042</u>
			10,166,816		9,590,070
<b>Current assets</b>					
Debtors	12	2,016,020		6,153,082	
Cash at bank	13	<u>3,746,021</u>		<u>1,976,209</u>	
		5,762,041		8,129,291	
Creditors: amounts falling due within one year	14	<u>(477,048)</u>		<u>(618,743)</u>	
<b>Net current assets</b>			<u>5,284,993</u>		<u>7,510,548</u>
<b>Net assets</b>			<u>15,451,809</u>		<u>17,100,618</u>
<b>Funds</b>					
Called up share capital	15		8		8
Revenue reserve	16		<u>15,451,801</u>		<u>17,100,610</u>
<b>Shareholders' funds</b>			<u>15,451,809</u>		<u>17,100,618</u>

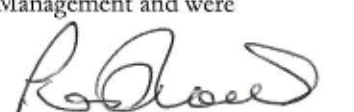
The deficit for the financial year dealt with in the financial statements of the parent company was £1,648,809 (2018: surplus £16,044).

The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 3 July 2019

Simon MacSorley  
Chairman

Jeremy Nixey  
Secretary

  
Paul Thomas  
Carter Moule

The notes on pages 17 to 28 form part of these financial statements.

## Consolidated Statement of Changes in Reserves

As at 31 March 2018

	Share capital	Revenue Reserve	Shareholders' Funds
At 1 April 2017	9	17,111,135	17,111,144
Disposal	(1)	-	(1)
Deficit for the financial year	-	(65,916)	(65,916)
At 1 April 2018	<u>8</u>	<u>17,045,219</u>	<u>17,045,227</u>
Deficit for the financial year	-	(1,593,776)	(1,593,776)
At 31 March 2019	<u>8</u>	<u>15,451,443</u>	<u>15,451,451</u>

The notes on pages 17 to 28 form part of these financial statements.



## Company Statement of Changes in Reserves

As at 31 March 2019

	Share capital	Revenue Reserve	Shareholders' Funds
At 1 April 2017	9	17,084,566	17,084,575
Disposal	(1)	-	(1)
Surplus for the financial year	<u>-</u>	<u>16,044</u>	<u>16,044</u>
At 1 April 2018	<u>8</u>	<u>17,100,610</u>	<u>17,100,618</u>
Deficit for the financial year	<u>-</u>	<u>(1,648,809)</u>	<u>(1,648,809)</u>
At 31 March 2019	<u>8</u>	<u>15,451,801</u>	<u>15,451,809</u>

The notes on pages 17 to 28 form part of these financial statements.

# Consolidated Cash Flow Statement

For the Year Ended 31 March 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
(Deficit)/surplus for the financial year	(1,593,776)	(65,916)
Adjustments for:		
Depreciation of tangible assets	14,540	40,134
Decrease/(increase) in trade and other debtors	(26,795)	38,043
Decrease in amounts owed by participating interests	834	20,781
Decrease in trade and other creditors	(81,612)	(146,163)
(Decrease)/increase in amounts owed to participating interests	(28,905)	6,897
Interest payable	4,916	14,127
Interest receivable	(595,642)	(1,030,800)
Fair value movement on investments	(147,382)	136,296
<b>Net cash generated from operating activities</b>	<b>(2,453,822)</b>	<b>(986,601)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(12,545)	-
Interest received	595,642	1,030,800
Purchase of unlisted and other investments	-	(750,000)
Loan note repayment received from Shaw Group	751,500	751,500
Disposal of investment	2,000	2,000
Sub-debt repayment from Shaw Group projects	4,166,332	168,021
<b>Net cash from investing activities</b>	<b>5,502,929</b>	<b>1,202,321</b>
<b>Cash flows from financing activities</b>		
Disposal of share capital	-	(1)
Interest paid	(4,916)	(14,127)
<b>Net cash used in financing activities</b>	<b>(4,916)</b>	<b>(14,128)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,044,191</b>	<b>201,592</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>2,041,239</b>	<b>1,839,647</b>
<b>Cash and cash equivalents at end of year</b>	<b>5,085,430</b>	<b>2,041,239</b>

The notes on pages 17 to 28 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 March 2019

## 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.

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

The financial statements are prepared in Sterling which is the functional currency of the group and the accounts are rounded to the nearest £1.

### 1.2 Basis of consolidation

The group financial statements consolidate those of the Company and of its subsidiary undertakings, Shaw Insurance Limited and Shaw CPB Limited, drawn up to 31 March 2019. Profits or losses on intra-group transactions are eliminated in full.

### 1.3 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:

- Recoverability of investments

### 1.4 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.

#### **Deferred assets**

Deferred 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 deferred assets represents income relating to assets managed by Shaw Group as disclosed in note 2.

The expenditure relating to these deferred 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 2019

## 1. Accounting Policies (continued)

### 1.5 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.

### 1.6 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.

### 1.7 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 2019 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.

### 1.8 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.

### 1.9 Investments

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

### 1.10 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.

### 1.11 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 2019

## 2. Income

	2019 £	2018 £
Relating to owned assets:		
Care home residential fees	285,906	923,094
Other income	3,546	4,305
Operated by Shaw Group (see Accounting Policy 1.4)	<u>8,423,925</u>	<u>7,822,417</u>
	<u>8,713,377</u>	<u>8,749,816</u>

## 3. Direct expenses

	2019 £	2018 £
Relating to owned assets	715,565	1,307,698
Operated by Shaw Group (see Accounting Policy 1.4)	<u>8,326,881</u>	<u>7,736,467</u>
	<u>9,042,446</u>	<u>9,044,165</u>

## 4. Other operating expenses

	2019 £	2018 £
Relating to owned assets:		
Grants (receivable)/payable	(7,750)	(6,253)
Other	1,915,142	581,799
Operated by Shaw Group (see Accounting Policy 1.4)	<u>95,423</u>	<u>76,398</u>
	<u>2,002,815</u>	<u>651,944</u>

## 5. Operating deficit

Operating deficit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	14,540	40,134
Auditor's remuneration	23,525	17,000
Non audit fees – tax compliance	<u>750</u>	<u>773</u>

# Notes to the Financial Statements

For the Year Ended 31 March 2019

## 6. Committee members' emoluments

During the current and prior year Helen Black served as a non-executive director of Shaw Group and received emoluments of £15,000 from Shaw Group (2018: £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.

In addition to the above, Philip Thomas, Alun Thomas, Frances Cloud, Kevin Miller (until 30 November 2018), Simon MacSorley, Helen Black and Christopher Horlick received payments during the year totalling £52,160 (2018: £54,330) in respect of their services to the company.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £4,234 (2018: £4,050).

## 7. Staff costs

Relating to owned assets:

	2019 £	2018 £
Salaries	275,381	436,747
Social security costs	15,917	21,818
Other pension costs	<u>3,194</u>	<u>3,292</u>
	<u>294,492</u>	<u>461,857</u>

Operated by Shaw Group (see Accounting Policy 1.4):

	2019 £	2018 £
Salaries	4,319,192	4,468,026
Social security costs	293,843	302,464
Other pension costs	<u>56,017</u>	<u>39,599</u>
	<u>4,669,052</u>	<u>4,810,089</u>

Staff numbers:

	2019 No.	2018 No.
Relating to owned assets	18	35
Operated by Shaw Group	286	300



## Notes to the Financial Statements

For the Year Ended 31 March 2019

**8. Interest receivable and income from investments**

	2019 £	2018 £
Relating to owned assets:		
Loan interest received from Shaw Group	343,704	826,493
Interest on investment portfolio	221,439	201,989
Bank interest receivable	5,499	2,318
Dividend received from Shaw Group	<u>25,000</u>	<u>-</u>
	<u>595,642</u>	<u>1,030,800</u>

**9. Interest payable and similar charges**

	2019 £	2018 £
On bank loans and overdrafts:		
Relating to owned assets	3,289	4,575
Operated by Shaw Group (see Accounting Policy 1.4)	<u>1,627</u>	<u>9,552</u>
	<u>4,916</u>	<u>14,127</u>

**10. Tangible fixed assets**

Group	Freehold property £	Fixtures & fittings £	IT equipment £	Total £
<b>Cost</b>				
At 1 April 2018	2,185,699	128,446	-	2,314,145
Additions	-	-	12,545	12,545
Disposals	<u>(625,699)</u>	<u>(128,446)</u>	<u>-</u>	<u>(754,145)</u>
At 31 March 2019	<u>1,560,000</u>	<u>-</u>	<u>12,545</u>	<u>1,572,545</u>
<b>Depreciation</b>				
At 1 April 2018	624,729	117,388	-	742,117
Charge for the year	970	11,058	2,512	14,540
Disposals	<u>(625,699)</u>	<u>(128,446)</u>	<u>-</u>	<u>(754,145)</u>
At 31 March 2019	<u>-</u>	<u>-</u>	<u>2,512</u>	<u>2,512</u>
<b>Net book value</b>				
At 31 March 2019	<u>1,560,000</u>	<u>-</u>	<u>10,033</u>	<u>1,570,033</u>
At 31 March 2018	<u>1,560,970</u>	<u>11,058</u>	<u>-</u>	<u>1,572,028</u>

# Notes to the Financial Statements

For the Year Ended 31 March 2019

## 10. Tangible fixed assets (continued)

### Company

	Freehold property £	Fixtures & fittings £	Total £
<b>Cost</b>			
At 1 April 2018	2,185,699	128,446	2,314,145
Additions	-	-	-
Disposals	(625,699)	(128,446)	(754,145)
At 31 March 2019	<u>1,560,000</u>	<u>-</u>	<u>1,560,000</u>
<b>Depreciation</b>			
At 1 April 2018	624,729	117,388	742,117
Charge for the year	970	11,058	12,028
Disposals	(625,699)	(128,446)	(754,145)
At 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
At 31 March 2019	<u>1,560,000</u>	<u>-</u>	<u>1,560,000</u>
At 31 March 2018	<u>1,560,970</u>	<u>11,058</u>	<u>1,572,028</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 (2018: £1,560,000) which is not depreciated.

## Notes to the Financial Statements

For the Year Ended 31 March 2019

**11. Fixed asset investments****Group**

	Shares in Shaw Group £	Loan notes due from Shaw Group £	Other investments £	Total £
<b>Valuation</b>				
At 1 April 2018	7,000	751,500	7,259,532	8,018,032
Additions	-	-	-	-
Disposals	(2,000)	(751,500)	-	(753,500)
Change in market value	-	-	147,382	147,382
At 31 March 2019	<u>5,000</u>	<u>-</u>	<u>7,406,914</u>	<u>7,411,914</u>
<b>Net book value</b>				
At 31 March 2019	<u>5,000</u>	<u>-</u>	<u>7,406,914</u>	<u>7,411,914</u>
At 31 March 2018	<u>7,000</u>	<u>751,500</u>	<u>7,259,532</u>	<u>8,018,032</u>

**Company**

	Shares in Shaw Group £	Loan notes due from Shaw Group £	Other investments £	Total £
<b>Valuation</b>				
At 1 April 2018	7,000	751,500	7,259,542	8,018,042
Additions	-	-	3,549,991	3,549,991
Disposals	(2,000)	(751,500)	-	(753,500)
Impairment charge	-	-	(2,355,099)	(2,355,099)
Change in market value	-	-	147,382	147,382
At 31 March 2019	<u>5,000</u>	<u>-</u>	<u>8,601,816</u>	<u>8,606,816</u>
<b>Net book value</b>				
At 31 March 2019	<u>5,000</u>	<u>-</u>	<u>8,601,816</u>	<u>8,606,816</u>
At 31 March 2018	<u>7,000</u>	<u>751,500</u>	<u>7,259,542</u>	<u>8,018,042</u>

## Notes to the Financial Statements

For the Year Ended 31 March 2019

### 11. Fixed asset investments (continued)

Shares are recorded at cost.

The company owns 10 million (2018: 14 million) ordinary shares in Shaw Group, a company incorporated in England and Wales, representing 10% (2018: 14%) of Shaw Group's ordinary share capital.

The loan notes due from Shaw Group at 31 March 2018 were redeemed in October 2018. In accordance with the terms of the loan, following the receipt of the 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 is now 10 million shares (10% of Shaw Group's ordinary share capital) as at 31 March 2019.

Other investments comprise:

- A portfolio of bonds, equities, cash and other assets managed on the company's behalf by Charles Stanley. The market value of the portfolio at 31 March 2019 was £7,406,914 (2018: £7,259,532).

- The whole share capital of Shaw Insurance Limited, a subsidiary company registered in Guernsey. The entity was incorporated in Guernsey on 1 June 2016. During the period £3,549,990 of additional share capital was acquired at par. The value of these shares at 31 March 2019 was £1,194,901 (2018: £10).

- The whole share capital of Shaw CPB Limited, a subsidiary company registered in Wales. The entity was incorporated on 22 August 2016. The value of these shares at 31 March 2019 was £1 (2018: £nil)

## Notes to the Financial Statements

For the Year Ended 31 March 2019

## 12. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Due within one year</b>				
Amounts due from other Shaw Group companies	213	1,047	213	1,047
Loan to Surehaven Glasgow Limited	93,746	85,147	93,746	85,147
Loan to Shaw healthcare (de Montfort) Limited	-	156,205	-	156,205
Loan to Shaw healthcare (Northamptonshire) Limited	-	101,927	-	101,927
Loan to Shaw healthcare (Group) Limited	9,850	9,099	9,850	9,099
Loan to Shaw healthcare (FM Services) Limited	21,227	19,611	21,227	19,611
Residential fees	51,883	49,989	51,254	49,989
Other debtors and prepayments	37,734	12,833	16,172	12,833
	<u>214,653</u>	<u>435,858</u>	<u>192,462</u>	<u>435,858</u>
<b>Due after more than one year</b>				
Loan to Surehaven Glasgow Limited	893,999	987,746	893,999	987,746
Loan to Shaw healthcare (de Montfort) Limited	-	2,494,394	-	2,494,394
Loan to Shaw healthcare (Northamptonshire) Limited	-	1,299,948	-	1,299,948
Loan to Shaw healthcare (Group) Limited	321,027	330,878	321,027	330,878
Loan to Shaw healthcare (FM Services) Limited	583,032	604,258	583,032	604,258
Loan to Shaw CPB Limited	-	-	25,500	-
	<u>1,798,058</u>	<u>5,717,224</u>	<u>1,823,558</u>	<u>5,717,224</u>
<b>Total</b>	<u>2,012,711</u>	<u>6,153,082</u>	<u>2,016,020</u>	<u>6,153,082</u>

The loan to Surehaven Glasgow Limited is secured by the assets of that company. Interest on the loan is charged at 10% (2018: 10%). The loan is repayable in instalments by 2026.

The loan to Shaw healthcare (FM Services) Limited is secured by the assets of that company. Interest on the loan is charged at 8% (2018: 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% (2018: 11%). The loan is repayable in instalments by 2036.

The loan to Shaw CPB Limited is unsecured and has no fixed repayment date. Interest on the loan is charged at 3%.

The loans to Shaw healthcare (de Montfort) Limited and Shaw healthcare (Northamptonshire) Limited were repaid in full during the year.

# Notes to the Financial Statements

For the Year Ended 31 March 2019

## 13. Cash at bank

As described in notes 1.6 and 1.7, the company's balance sheet excludes the assets and liabilities relating to trust and ten year assets. Consequently the cash balance of £3,746,021 (2018: £1,976,209) reported on the company's balance sheet excludes an amount of £114,981 (2018: £531,832) 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.

Cash and cash equivalents for the group total £5,085,430 (2018: £2,041,239).

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	58,690	47,282	1,072	47,282
Amounts due to other Shaw Group companies	73,083	101,988	73,083	101,998
Other taxation and social security	9	4,838	9	4,838
Grants payable	-	9,750	-	9,750
Other creditors and accruals	<u>496,855</u>	<u>575,296</u>	<u>402,884</u>	<u>454,875</u>
	<u>628,637</u>	<u>739,154</u>	<u>477,048</u>	<u>618,743</u>

## 15. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
8 (2018: 8) - Issued and fully paid shares of £1 each	<u>8</u>	<u>8</u>

Each Member of the Committee holds one share in the company.

## 16. Revenue reserve

	Group	Company
	£	£
At 1 April 2018	17,045,219	17,100,610
(Deficit)/surplus for the year	<u>(1,593,776)</u>	<u>(1,648,809)</u>
At 31 March 2019	<u>15,451,443</u>	<u>15,451,801</u>

The revenue reserve includes all current and prior period retained surplus and deficit.



## Notes to the Financial Statements

For the Year Ended 31 March 2019

### 17. Leasing commitments

The company has no contractual operating lease commitments as at 31 March 2019 and 31 March 2018. Leased equipment used by the company are contractual arrangements between The Shaw Group and third party leasing companies.

### 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.

### 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 2019 amounted to £3,229 (2018: £4,678).

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 2019 amounted to £46,041 (2018: £24,354).

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 2019 amounted to £9,655 (2018: £13,859).

Contributions for the next 12 months are expected to be in line with those paid in 2019 for both the NHS Pensions Agency and Legal and General pension schemes.

Contributions for the next 12 months are expected to increase from 2% to 3% for the NEST workplace pension scheme.

### 21. Related party transactions

The company owns 10% (2018: 14%) of Shaw Group and has entered into the following transactions relating to that company in addition to the loans which are disclosed further in note 12 to the financial statements.

During the year the company made payments of £635,824 (2018: £390,365) 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 £73,083 was owed to Shaw Group and its subsidiary companies at 31 March 2019 (2018: £101,988). An amount of £213 was owed from Shaw Group and its subsidiary companies at 31 March 2019 (2018: £1,047).

## Notes to the Financial Statements

For the Year Ended 31 March 2019

### 21. Related party transactions (continued)

As described in note 6, the company also made payments totalling £15,000 (2018: £15,000) to Shaw Group during the year in reimbursement of the fee paid to Helen Black (2018: Helen Black) for services as a non-executive director of that company.

In addition to the above, Philip Thomas, Alun Thomas, Frances Cloud, Kevin Miller (until 30 November 2018), Simon MacSorley, Helen Black and Christopher Horlick received payments during the year totalling £52,160 (2018: £54,330) in respect of their services to the company.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £4,234 (2018: £4,050).

The Company has taken advantage of the exemption available in accordance with FRS 102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary of the Group to which it is a party to the transaction.

### 22. Commitments

There were no commitments at the year end.

### 23. Post balance sheet events

On 1 April 2019 three non-owned care facilities operated by Shaw Group were transferred to Shaw Healthcare (Group) Limited. These facilities were sold to Shaw Group in October 2006.

### 24. Controlling party

The directors consider there to be no ultimate controlling party.