

Annual Return (AR30) form

Society Name: The Shaw Foundation Limited

Society Num: 25164 R

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). 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.

For guidance on our registration function for societies, which includes guidance on the requirement to submit an Annual Return, please see [here](#)

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

31/03/2021

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 of Birth	Year of Birth
Peter John Jeremy Nixey	Apr	1942
Simon MacSorley	Jun	1964
Helen Black	Mar	1947
David Philip Glyn Thomas	Sep	1940
Frances Cloud	Oct	1964
Chris Horlick	Apr	1957

David Lewis	Jan	1959
Yasmine John	Mar	1974

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 Director 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.

Philip Thomas SHAW LIFETIME CARE LIMITED 10340455 Director

Frances Allison Cloud PHARMACLOUDLIMITED 06890950 Director

Frances Allison Cloud ADVANZ PHARMA CORP. LIMITED 00130655 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 of Birth	Year of Birth
Peter John Jeremy Nixey	Apr	1942

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	<input type="text" value="8"/>
Turnover	<input type="text" value="4,971,746"/>
Assets	<input type="text" value="13,564,526"/>
Number of Employees	<input type="text" value="169"/>
Share Capital	<input type="text" value="9"/>
Highest rate of interest paid on shares	<input type="text" value="0"/>

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](#)

SIC Code **Other human health activities (86900)** *

Societies are required to appoint an auditor to audited unless they are small or have disapplied 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

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.

- ☐ Registered
- ☒ Not applicable

5.6 Is the society a housing association?

- ☒ No
- ☐ Yes

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
- ☐ No

6.3 If the society has subsidiaries, please provide the names of them below

(or attach an additional sheet)

Reg Number	Name
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)

**Reg
Number**

Name

Reason for Exclusion

10340455

Shaw Lifetime Care Limited

Related party transactions included in Shaw Foundation accounts.

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').

You must answer the questions set out in in the next section of this form, depending on which condition for registration you meet.

If you are not sure which condition for registration applies to the society please see chapters 4 and 5 of our guidance [here](#).

7.1 Condition for Registration

- ☐ Co-operative society
- ☒ Community Benefits society

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;

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.

We issued grants to organisations who delivered the activities which met one of our four key funding areas, these are;

- Dementia
- 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.

The Foundation approved grants for organisations working in one of our four key funding areas, these are;

- Dementia
- End of Life Care

7B.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?

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.

Our Foundation has a set of rules (attached to this submission) which outline steps taken to avoid conflict of interest and advise members of the expected behaviours.

We also have an audit & risk committee internally who review and support decision making to ensure there is no conflict. Our financial accounts are reviewed by an external auditor.

THE SHAW FOUNDATION LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

REGISTERED NUMBER: 25164R

The Shaw Foundation Limited

Company Information

Directors	Simon MacSorley ACIOB, CIWFM, SIIRSM (Chairman) Philip Thomas BA, FCA Jeremy Nixey MA (Oxon) (Secretary) Helen Black CQSW (Vice Chair) Frances Cloud MA (Oxon), CFA Christopher Horlick David Lewis ACII, CIP Neslyn Watson-Druce CBE, MSc, RCN Yasmine John
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

The Shaw Foundation Limited

Report of the Committee of Management

For the Year Ended 31 March 2021

Contents

	Page
Report of the Committee of Management	1 – 7
Independent Auditor's Report	8 – 12
Consolidated Income and Expenditure Account	13
Consolidated Balance Sheet	14
Company Balance Sheet	15
Consolidated Statement of Changes in Reserves	16
Company Statement of Changes in Reserves	17
Consolidated Cash Flow Statement	18
Consolidated Analysis of Net debt	18
Notes to the Financial Statements	19 – 33

Report of the Committee of Management

For the Year Ended 31 March 2021

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 Members served throughout the financial year except for Neslyn Watson-Druce who was appointed on 1 July 2020 and Yasmine John who was appointed on 2 September 2020. Yasmine John resigned on 31 May 2021.

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 five sub-committees:

- The Audit Committee meets at least twice a year and comprises Philip Thomas, Simon MacSorley, Frances Cloud 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 Chris Horlick 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 Philip Thomas 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.
- The Marketing Committee comprises Chris Horlick, Philip Thomas, David Lewis, Jeremy Nixey and the CEO of Shaw Lifetime Care Limited. The Committee is responsible for reviewing the budgets and approving marketing spend associated with the Care and Home Inheritance Plan (“CHIP”) product. When appropriate it will pass on recommendations for the consideration of the Committee.

The Shaw Foundation Limited

Report of the Committee of Management

For the Year Ended 31 March 2021

Subsidiary companies

The company has a wholly owned subsidiary company.

Shaw Lifetime Care Limited (previously named 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 and Home Inheritance Plan ('CHIP'). Following the decision to liquidate SI Limited during the prior period this company now also develops and is marketing the 'CHIP' product in addition to running the administration of it.

Due to the limited trading of the company 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.

The Shaw Foundation Limited

Report of the Committee of Management

For the Year Ended 31 March 2021

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 2021 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.

The Shaw Foundation Limited

Report of the Committee of Management

For the Year Ended 31 March 2021

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

Throughout the year the company continued to own four 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. During the period, one care facility was sold to a third party and on 1 April 2021, the company transferred the remaining two care facilities to Shaw Group resulting in only one non care facility remaining.

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. In the current period two additional loans totaling £10 million were made to Shaw Group with the aim of both securing and enhancing the Company's income stream for the next 8 years.

The company receives income from these loans which is available to be applied for the objects.

Grants

Grant making is an important element of the company's activities. The Grants Strategy Committee (see page 1) 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, Carers and Workforce Training and Development.

Since grant making began in 2012/13 the Company has awarded grants totaling £2,475,000 at an average of £275,000 over the nine years.

The Shaw Foundation Limited

Report of the Committee of Management

For the Year Ended 31 March 2021

Grants (continued)

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

	%	Note
Dementia Care	9	
End of Life Care	9	
Workforce Training and Development	45	
My Care My Home	30	1
Other	7	
	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.

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% (2020: 10%) 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 increased to £616,606 (2020: £442,909) as shown in note 8 to the financial statements.

The Shaw Foundation Limited

Report of the Committee of Management

For the Year Ended 31 March 2021

Business Risks

Of the four facilities owned by the company during the year, all 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.

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.

The Shaw Foundation Limited

Report of the Committee of Management

For the Year Ended 31 March 2021

Going Concern

During March 2020, COVID-19 became a global pandemic impacting businesses in a number of ways. For the Shaw Foundation, the main impact was in the value of its investment portfolio with Charles Stanley which suffered a 25% loss on its January 2020 valuation. This had partially recovered by the end of March 2020 but in April 2020 the Committee decided to remove a large element of the volatility of holding a largely equity based investment portfolio and have changed their investment policy and holding to focus more on income yield rather than capital appreciation. There has been limited impact of COVID-19 on the company's performance during 2020/2021 and no recoverability issues in respect of the debtor or loan book. Due to the nature of the company the Committee do not believe there is any future exposure to the company from the ongoing COVID-19 pandemic.

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 8 July 2021 and signed on its behalf.



Simon MacSorley
Chairman

The Shaw Foundation Limited

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

For the Year Ended 31 March 2021**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 2021, 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 2021 and of the group's surplus 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.

Conclusion relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent's Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

The Shaw Foundation Limited

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

For the Year Ended 31 March 2021

Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Committee with respect to going concern are described in the 'Responsibilities of Committee for the financial statements' section of this report.

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.

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.

The Shaw Foundation Limited

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

For the Year Ended 31 March 2021

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 page 3, 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.

The Shaw Foundation Limited

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

For the Year Ended 31 March 2021

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. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of how the Group and Company is complying with significant legal and regulatory frameworks through inquiries of management;
- The Group and Company is subject to many laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 and the Co-operative and Community Benefit Societies Act 2014, along with legislation relating to employment, health & safety, data protection and environmental issues, as those most likely to have a material effect if non-compliance were to occur;
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;
- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Group and Company's operations, including the nature of its revenue sources, products, and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the Group and Company's control environment;
 - the Group and Company's relevant controls over areas of significant risks; and
 - the Group and Company's business processes in respect of classes of transactions that are significant to the financial statements.
- identifying and testing related party transactions.

The Shaw Foundation Limited

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

For the Year Ended 31 March 2021

Explanation as to what extent the audit was considered capable of detecting irregularities, including Fraud (continued)

- Audit procedures performed by the engagement team included:
 - identifying the significant risk of fraud within revenue recognition and undertaking substantive testing to obtain sufficient and appropriate audit evidence;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
 - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
 - appropriate training, knowledge of the industry in which the Group and Company operates; and
 - understanding of the legal and regulatory requirements specific to the Group and Company.
- We did not identify any material matters relating to non-compliance with laws and regulations or relating to fraud.

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
Date: **8 July 2021**

The Shaw Foundation Limited**Consolidated Income and Expenditure Account****For the Year Ended 31 March 2021**

	Note	2021 £	2020 £
Income	2	4,971,746	5,045,835
Direct expenses	3	<u>(5,791,911)</u>	<u>(5,370,839)</u>
Gross deficit		(820,165)	(325,004)
Other operating expenses	4	<u>(171,026)</u>	<u>(1,360,488)</u>
Operating deficit		(991,191)	(1,685,492)
Interest receivable and income from investments	8	616,606	442,909
Interest payable and similar charges	9	(3,554)	(4,383)
Movement in fair value of investments	11	<u>586,322</u>	<u>(848,143)</u>
Surplus/(deficit) for the financial year	17	<u>208,183</u>	<u>(2,095,109)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2021 or 2020 other than those included in the Income and Expenditure Account.

The notes on pages 19 to 33 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 8 July 2021



Simon MacSorley
Chairman



Jeremy Nixey
Secretary



Philip Thomas
Committee member

The Shaw Foundation Limited
Registered number: 25164R

Consolidated Balance Sheet

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Tangible assets	10		8,826		7,224
Investments	11		<u>1,950,093</u>		<u>6,563,771</u>
			1,958,919		6,570,995
Current assets					
Debtors	12	11,514,754		1,895,491	
Cash at bank	13	<u>1,411,825</u>		<u>6,372,040</u>	
		12,926,579		8,267,531	
Creditors: amounts falling due within one year	14	<u>(1,320,972)</u>		<u>(1,482,185)</u>	
Net current assets			<u>11,605,607</u>		<u>6,785,346</u>
Net assets			<u>13,564,526</u>		<u>13,356,341</u>
Funds					
Called up share capital	16		9		7
Revenue reserve	17		<u>13,564,517</u>		<u>13,356,334</u>
Shareholders' funds			<u>13,564,526</u>		<u>13,356,341</u>

The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 8 July 2021



Simon MacSorley
Chairman



Jeremy Nixey
Secretary



Philip Thomas
Committee member

The notes on pages 19 to 33 form part of these financial statements.

The Shaw Foundation Limited
Registered number: 25164R

Company Balance Sheet

As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Investments	11		<u>1,950,094</u>		<u>6,563,772</u>
			1,950,094		6,563,772
Current assets					
Debtors	12	11,495,358		1,884,278	
Cash at bank	13	<u>1,256,781</u>		<u>5,972,925</u>	
		12,752,139		7,857,203	
Creditors: amounts falling due within one year	14	<u>(1,260,561)</u>		<u>(1,410,127)</u>	
Net current assets			<u>11,491,578</u>		<u>6,447,076</u>
Net assets			<u>13,441,672</u>		<u>13,010,848</u>
Funds					
Called up share capital	16		9		7
Revenue reserve	17		<u>13,441,663</u>		<u>13,010,841</u>
Shareholders' funds			<u>13,441,672</u>		<u>13,010,848</u>

The surplus for the financial year dealt with in the financial statements of the parent company was £430,822 (2020: deficit £2,440,960).

The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 8 July 2021



Simon MacSorley
Chairman



Jeremy Nixey
Secretary



Philip Thomas
Committee member

The notes on pages 19 to 33 form part of these financial statements.

The Shaw Foundation Limited
Registered number: 25164R

Consolidated Statement of Changes in Reserves

As at 31 March 2021

	Share capital	Revenue Reserve	Shareholders' Funds
	£	£	£
At 1 April 2019	8	15,451,443	15,451,451
Disposal	(1)	-	(1)
Deficit for the financial year	<u>-</u>	<u>(2,095,109)</u>	<u>(2,095,109)</u>
At 1 April 2020	<u><u>7</u></u>	<u><u>13,356,334</u></u>	<u><u>13,356,341</u></u>
Shares issued	2	-	2
Surplus for the financial year	<u>-</u>	<u>208,183</u>	<u>208,183</u>
At 31 March 2021	<u><u>9</u></u>	<u><u>13,564,517</u></u>	<u><u>13,564,526</u></u>

The notes on pages 19 to 33 form part of these financial statements.

The Shaw Foundation Limited**Company Statement of Changes in Reserves****As at 31 March 2021**

	Share capital	Revenue Reserve	Shareholders' Funds
	£	£	£
At 1 April 2019	8	15,541,801	15,451,801
Disposal	(1)	-	(1)
Deficit for the financial year	<u>-</u>	<u>(2,440,960)</u>	<u>(2,440,960)</u>
At 1 April 2020	<u>7</u>	<u>13,010,841</u>	<u>13,010,848</u>
Shares issued	2	-	2
Surplus for the financial year	<u>-</u>	<u>430,822</u>	<u>430,822</u>
At 31 March 2021	<u>9</u>	<u>13,441,663</u>	<u>13,441,672</u>

The notes on pages 19 to 33 form part of these financial statements.

The Shaw Foundation Limited**Consolidated Cash Flow Statement****For the Year Ended 31 March 2021**

	2021 £	2020 £
Cash flows from operating activities		
Surplus/(deficit) for the financial year	208,183	(2,095,109)
Adjustments for:		
Depreciation of tangible assets	4,046	1,656
Decrease/(increase) in trade and other debtors	31,021	(7,040)
Increase in amounts owed by participating interests	(37,537)	(564)
(Decrease)/increase in trade and other creditors	(128,356)	1,139,083
(Decrease)/increase in amounts owed to participating interests	(32,857)	26,465
Interest payable	3,554	4,383
Interest receivable	(616,606)	(442,909)
Fair value movement on investments	(586,322)	848,143
Net cash generated from operating activities	(1,154,874)	(525,892)
Cash flows from investing activities		
Purchase of tangible assets	(5,648)	(6,900)
Sale of tangible assets	-	1,256,053
Interest received	616,606	442,909
Disposal of investment	5,200,000	-
New loans issued to Shaw Group projects	(10,000,000)	-
Sub-debt repayment from Shaw Group projects	387,253	124,824
Net cash from investing activities	(3,801,789)	1,816,886
Cash flows from financing activities		
Issue/(Disposal) of share capital	2	(1)
Interest paid	(3,554)	(4,383)
Net cash used in financing activities	(3,552)	(4,384)
Net (decrease)/increase in cash and cash equivalents	(4,960,215)	1,286,610
Cash and cash equivalents at the beginning of year	6,372,040	5,085,430
Cash and cash equivalents at end of year	1,411,825	6,372,040

Consolidated Analysis of Net Debt**For the Year Ended 31 March 2021**

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	6,372,040	(4,960,215)	1,411,825
	6,372,040	4,690,215	1,411,825

The notes on pages 19 to 33 form part of these financial statements.

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

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.

There is currently a high level of macro-economic uncertainty due to Covid-19. The preparation of the financial statements requires the committee to make a number of estimates, including an assessment of the appropriateness of the going concern basis of preparation of the financial statements. This assessment includes a review of the future economic environment and the Group's future prospects and performance.

1.2 Basis of consolidation

The group financial statements consolidate those of the Company and of its subsidiary undertakings, SI Limited (for the year ended 31 March 2020 only) and Shaw Lifetime Care Limited, drawn up to 31 March 2021. Profits or losses on intra-group transactions are eliminated in full.

1.3 Going concern

The group's business activities, together with its objects and factors likely to affect its performance including risk management, are set out in the Report of the Committee of Management.

The majority of the group's income derives from long term loans with a healthcare provider in which the group also holds an equity stake. It holds 2 positions on the board of directors of the healthcare provider allowing the group to directly input into the strategic direction of its investment but also become aware of any credit risk attached to the loans. The Foundation itself has a minimal cost base which is fixed in nature. It generates a surplus each period which is used to make grants in line with its objects. Should the level of surplus in the Foundation reduce the level of grants will reduce accordingly thus protecting the cash position of the Foundation. Within the wider group is a subsidiary that is developing a new elderly care product. This is utilising a significant amount of resource with the product being in the development phase but ahead of each tranche of funding being agreed the Foundation committee satisfy itself through detailed scenario cash flow forecasting that there would be no impact on the going concern of the wider group should the investment not be recoverable.

At 31 March 2021 the group held £3,356,918 of cash and cash equivalents (includes investment portfolio with Charles Stanley) and has no external borrowings. As noted in the Report of the Committee of Management there has been minimal impact of COVID-19 on the results of the group.

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

1. Accounting Policies (continued)

1.3 Going concern (continued)

The committee having taken into account all of the above factors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.4 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 related party loans

1.5 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.

1.6 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.

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

1. Accounting Policies (continued)

1.7 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.

1.8 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 2021 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.

1.9 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 buildings	-	2% - 10%
IT equipment and software	-	20%
Furniture and equipment	-	10% - 33.3%

1.10 Investments

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

1.11 Pension schemes

The company contributes to a number of pension schemes as described in note 21. The annual contributions payable are charged to the Income and Expenditure Account.

1.12 Operating leases

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

1.13 Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. Finance leases are those whose substantially all of the benefits and risks of ownership are assumed by the company.

The Shaw Foundation Limited**Notes to the Financial Statements****For the Year Ended 31 March 2021****2. Income**

	2021 £	2020 £
Company and subsidiary activities	32,889	36,561
Operated by Shaw Group (see Accounting Policy 1.5)	<u>4,938,857</u>	<u>5,009,274</u>
	<u>4,971,746</u>	<u>5,045,835</u>

3. Direct expenses

	2021 £	2020 £
Company and subsidiary activities	892,885	389,452
Operated by Shaw Group (see Accounting Policy 1.5)	<u>4,899,026</u>	<u>4,981,387</u>
	<u>5,791,911</u>	<u>5,370,839</u>

4. Other operating expenses

	2021 £	2020 £
Company and subsidiary activities:		
Grants payable	44,200	560,120
Other	86,995	772,359
Operated by Shaw Group (see Accounting Policy 1.5)	<u>39,831</u>	<u>28,009</u>
	<u>171,026</u>	<u>1,360,488</u>

5. Operating surplus/deficit

Operating surplus/deficit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	4,046	1,656
Auditor's remuneration	20,796	20,565
Non audit fees – tax services	1,500	7,900
Non audit fees – other services	<u>1,025</u>	<u>8,382</u>

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021**6. Committee members' emoluments**

Committee Members received payments during the year totalling £57,130 (2020: £46,535) in respect of their services to the company.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £967 (2020: £4,233).

7. Staff costs

Staff costs for the Group were as follows:

	2021 £	2020 £
Salaries	3,012,546	2,698,882
Social security costs	229,237	179,011
Other pension costs	<u>24,599</u>	<u>47,411</u>
	<u>3,266,382</u>	<u>2,925,304</u>

Staff numbers for the Group were as follows:

	2021 No.	2020 No.
Staff numbers	169	163

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021**7. Staff costs (continued)**

Staff costs for the company were as follows:

Relating to owned assets:

	2021	2020
	£	£
Salaries	-	2,194
Social security costs	-	100
Other pension costs	<u>-</u>	<u>-</u>
	<u>-</u>	<u>2,294</u>

Operated by Shaw Group (see Accounting Policy 1.5):

	2021	2020
	£	£
Salaries	2,758,115	2,487,831
Social security costs	198,984	155,851
Other pension costs	<u>19,616</u>	<u>43,519</u>
	<u>2,976,715</u>	<u>2,687,201</u>

Staff numbers for the company were as follows:

	2021	2020
	No.	No.
Operated by Shaw Group	163	158

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

8. Interest receivable and income from investments

	2021 £	2020 £
Relating to company activities:		
Loan interest received from Shaw Group	421,328	183,326
Loan interest received from Shaw healthcare Employee Ownership Trust	103,110	-
Interest on investment portfolio	90,892	227,173
Bank interest receivable	1,276	7,410
Dividend received from Shaw Group	-	25,000
	<u>616,606</u>	<u>442,909</u>

9. Interest payable and similar charges

	2021 £	2020 £
On bank loans and overdrafts:		
Relating to company activities	<u>3,554</u>	<u>4,383</u>
	<u>3,554</u>	<u>4,383</u>

10. Tangible fixed assets**Group**

	IT equipment £	Total £
Cost		
At 1 April 2020	8,997	8,997
Additions	5,648	5,648
At 31 March 2021	<u>14,645</u>	<u>14,645</u>
Depreciation		
At 1 April 2020	1,773	1,773
Charge for the year	4,046	4,046
At 31 March 2021	<u>5,819</u>	<u>5,819</u>
Net book value		
At 31 March 2021	<u>8,826</u>	<u>8,826</u>
At 31 March 2020	<u>7,224</u>	<u>7,224</u>

The Shaw Foundation Limited**Notes to the Financial Statements****For the Year Ended 31 March 2021****10. Tangible fixed assets (continued)****Company**

The company had no tangible fixed assets in either period.

11. Fixed asset investments**Group**

	Shares in Shaw Group £	Other investments £	Total £
Valuation			
At 1 April 2020	5,000	6,558,771	6,563,771
Disposals	-	(5,200,000)	(5,200,000)
Change in market value	-	586,322	586,322
At 31 March 2021	<u>5,000</u>	<u>1,945,093</u>	<u>1,950,093</u>
Net book value			
At 31 March 2021	<u>5,000</u>	<u>1,945,093</u>	<u>1,950,093</u>
At 31 March 2020	<u>5,000</u>	<u>6,558,771</u>	<u>6,563,771</u>

Company

	Shares in Shaw Group £	Other investments £	Total £
Valuation			
At 1 April 2020	5,000	6,558,772	6,563,772
Disposals	-	(5,200,000)	(5,200,000)
Change in market value	-	586,322	586,322
At 31 March 2021	<u>5,000</u>	<u>1,945,094</u>	<u>1,950,094</u>
Net book value			
At 31 March 2021	<u>5,000</u>	<u>1,945,094</u>	<u>1,950,094</u>
At 31 March 2020	<u>5,000</u>	<u>6,558,772</u>	<u>6,563,772</u>

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

11. Fixed asset investments (continued)

Shares are recorded at cost.

The company owns 10 million (2020: 10 million) ordinary shares in Shaw healthcare (Group) Limited, a company incorporated in England and Wales, representing 10% (2020: 10%) of Shaw Group's ordinary share capital.

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 2021 was £1,945,093 (2020: £6,558,771).
- The whole share capital of Shaw Lifetime Care Limited, a subsidiary company registered in Wales. The entity was incorporated on 22 August 2016. The value of these shares at 31 March 2021 was £1 (2020: £1).

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

12. Debtors

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Due within one year				
Trade debtors	-	3,908	-	-
Amounts due from other Shaw Group companies	38,314	777	38,314	777
Loan to Surehaven Glasgow Limited	114,104	103,613	114,104	103,613
Loan to Shaw healthcare (Group) Limited	11,540	10,662	11,540	10,662
Loan to Shaw healthcare (FM Services) Limited	24,871	22,977	24,871	22,977
Loan to Shaw healthcare Employee Ownership Trust	250,000	-	250,000	-
Residential fees	31,023	66,343	31,023	66,343
Other debtors and prepayments	34,613	26,406	15,217	19,101
	<u>504,465</u>	<u>234,686</u>	<u>485,069</u>	<u>223,473</u>
Due after more than one year				
Loan to Surehaven Glasgow Limited	676,280	790,385	676,280	790,385
Loan to Shaw healthcare (Group) Limited	8,298,823	310,364	8,298,823	310,364
Loan to Shaw healthcare (FM Services) Limited	535,186	560,056	535,186	560,056
Loan to Shaw healthcare Employee Ownership Trust	1,500,000	-	1,500,000	-
	<u>11,010,289</u>	<u>1,660,805</u>	<u>11,010,289</u>	<u>1,660,805</u>
Total	<u>11,514,754</u>	<u>1,895,491</u>	<u>11,495,358</u>	<u>1,884,278</u>

The loan to Surehaven Glasgow Limited is secured by the assets of that company. Interest on the loan is charged at 10% (2020: 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% (2020: 8%). The loan is repayable in instalments by 2034.

The loans to Shaw healthcare (Group) Limited are secured by the assets of that company. Interest on £310,364 of the loan is charged at 11% (2020: 11%) and on £8,000,000 of the loan at a blended rate of 6.1%. The £310,364 loan is repayable in instalments by 2036, the £8,000,000 loan is repayable in 2032.

The loan to Shaw healthcare Employee Ownership Trust is unsecured. Interest on the loan is charged at 6% per annum and the loan is repayment in instalments by 2027.

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

13. Cash at bank

As described in notes 1.7 and 1.8, the company's balance sheet excludes the assets and liabilities relating to trust and ten year assets. Consequently the cash balance of £1,256,781 (2020: £5,972,925) reported on the company's balance sheet excludes an amount of £nil (2020: £71,221) 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 £1,411,825 (2020: £6,372,040).

14. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	12,029	16,832	-	805
Amounts due to other Shaw Group companies	66,691	99,548	66,691	99,548
Other taxation and social security	9,760	16,138	-	-
Grants payable	415,216	510,970	415,216	510,970
Obligations under finance lease and hire purchase contracts	665	2,089	-	-
Other creditors and accruals	52,754	72,751	14,797	34,947
Deferred income	<u>763,857</u>	<u>763,857</u>	<u>763,857</u>	<u>763,857</u>
	<u>1,320,972</u>	<u>1,482,185</u>	<u>1,260,561</u>	<u>1,410,127</u>

£276,099 (2020: £361,091) included in Grants payable is due in more than one year. There are no performance related conditions attached to the grants awarded.

15. Hire purchase and finance leases

Minimum lease payments under finance leases due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	665	1,151	-	-
Between 1-2 years	<u>-</u>	<u>938</u>	<u>-</u>	<u>-</u>
	<u>665</u>	<u>2,089</u>	<u>-</u>	<u>-</u>

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021**16. Share capital**

	2021 £	2020 £
Allotted, called up and fully paid		
9 (2020: 7) - Issued and fully paid shares of £1 each	<u>9</u>	<u>7</u>

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

During the year 2 shares were issued with a nominal value of £1 each.

Shares are non-withdrawable nor transferable and carry no right to interest, dividend or bonus.

17. Revenue reserve

	Group £	Company £
At 1 April 2020	13,356,334	13,010,841
Surplus for the year	<u>208,183</u>	<u>430,822</u>
At 31 March 2021	<u>13,564,517</u>	<u>13,441,663</u>

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

18. Leasing commitments

The company has no contractual operating lease commitments as at 31 March 2021 and 31 March 2020. Leased equipment used by the company are contractual arrangements between The Shaw Group and third party leasing companies.

19. Taxation

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

20. 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.

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021**21. Pension schemes**Group

The group 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 group to this scheme in the year ended 31 March 2021 amounted to £5,842 (2020: £5,523).

The group contributes to NEST, the workplace pension set up by the Government specifically in response to auto-enrolment legislation. The total contributions made by the group to this scheme in the year ended 31 March 2021 amounted to £48,482 (2020: £39,433).

The group 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 group to this scheme in the year ended 31 March 2021 amounted to £nil (2020: £2,455).

Contributions for the next 12 months are expected to be lower than those paid in 2021 for the NHS Pensions Agency, NEST workplace pension scheme and Legal and General pension schemes.

Company

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 2021 amounted to £5,842 (2020: £5,523).

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 2021 amounted to £43,499 (2020: £35,541).

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 2021 amounted to £nil (2020: £2,455).

Contributions for the next 12 months are expected to be lower than those paid in 2021 for the NHS Pensions Agency, NEST workplace pension scheme and Legal and General pension schemes.

The majority of the costs are recharged to other parties under operating agreements.

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

22. Related party transactions

The company owns 10% (2020: 10%) of Shaw healthcare (Group) Limited (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 £383,647 (2020: £306,373) 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 £nil (2020: £777) was owed from Shaw healthcare (Specialist Services) Limited at 31 March 2021. An amount of £9,898 was owed to (2020: £305 owed to) Shaw healthcare (FM Services) Limited at 31 March 2021. An amount of £92 (2020: £4,647 owed to) was owed from Shaw healthcare Limited at 31 March 2021. An amount of £38,222 (2020: £41,869 owed to) was owed from Shaw healthcare (Group) Limited at 31 March 2021. An amount of £56,793 (2020: £52,727) was owed to Shaw healthcare (Herefordshire) Limited at 31 March 2021.

An unsecured loan of £2,000,000 was issued during the year to Shaw healthcare Employee Ownership Trust. Interest is charged twice a year at 6% per annum and is repayable in instalments by 2027. An amount of £1,750,000 (2020: £nil) is owed from Shaw healthcare Employee Ownership Trust at 31 March 2021 and interest of £103,110 (2020: £nil) was charged during the year.

A loan of £8,000,000 was issued during the year to Shaw healthcare (Group) Limited which is secured on the assets of that company. Interest is charged twice a year at a blended rate of 6.1% per annum and the loan is repayable in full on 30th November 2032. Interest of £265,788 (2020: £nil) was charged during the year.

In addition to the above, Simon MacSorely, Philip Thomas, Frances Cloud, Helen Black, Christopher Horlick, David Lewis, Neslyn Watson-Druce and Yasmine John received payments during the year totalling £57,130 (2020: £46,535) in respect of their services to the company.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £967 (2020: £4,233).

During the year, Shaw Lifetime Care Limited made purchases from My Care My Home Limited, a company with common directorship, of £314,453 (2020: £118,821) and recognised income of £23,100 (2020: £39,011). At year end, £2,323 (2020: £3,136) was due from My Care My Home Limited.

During the year, Shaw Lifetime Care Limited received income of £14,001 (2020: £nil) from Shaw healthcare (Group) Limited in exchange of a seconded employee and recharges of subscription charges.

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.

The Shaw Foundation Limited

Notes to the Financial Statements

For the Year Ended 31 March 2021

23. Commitments

There were no commitments at the year end.

24. Post balance sheet events

On 31 March 2021 the Company ended their arrangement of managing two care facilities on behalf of Shaw Group. As of 1 April 2021 these care facilities are operated directly by Shaw Group. The Company are no longer involved in the running or management of care facilities.

25. Controlling party

The directors consider there to be no ultimate controlling party.

Committee Member	Company Name	Company Number	Role
Philip Thomas	SHAW LIFETIME CARE LIMITED	10340455	Director
Frances Allison Cloud	PHARMACLOUDLIMITED	06890950	Director
Frances Allison Cloud	ADVANZ PHARMA CORP. LIMITED	00130655	Director
Christopher John Horlick	RYE GOLF CLUB COMPANY LIMITED ()	00041471	Director
Christopher John Horlick	SHAW LIFETIME CARE LIMITED	10340455	Director
Helen Marie Black	SHAW HEALTHCARE (GROUP) LIMITED	05391089	Director
Simon John MacSorley	NORTHEN SURVEYING SERVICESLIMITED	07053934	Director
Simon John MacSorley	SHAW HEALTHCARE (GROUP) LIMITED	05391089	Director
Simon John MacSorley	CASTLE SCHOOL EDUCATION TRUST	08397975	Director
Simon John MacSorley	Shaw Healthcare EOT Limited	12526909	Director
Simon John MacSorley	Sirona Care Services Limited	08275256	Director
Simon John MacSorley	Sirona Care & Health CIC	07585003	Director
David Donald Lewis	THOMAS CARROL GROUP PLC	00869707	Director
David Donald Lewis	DAVID LEWIS CONSULTING LIMITED	11990981	Director
David Donald Lewis	SURE INSURANCESERVICESLTD	04687399	Director
David Donald Lewis	SHAW LIFETIME CARE LIMITED	10340455	Director
Neslyn Watson-Druée	Beacon Organisational Development Ltd	04203257	Director
Neslyn Watson-Druée	Beacon Creations Ltd	12652327	Director
Yasmine John	My Care My Home	07611603	Director
Yasmine John	Llangynidr Afterschool Childcare Ltd	07491145	Director
Peter John Jeremy Nixey	Shaw healthcare (Group) limited	5391089	Director
Peter John Jeremy Nixey	Shaw healthcare (Barton) Limited	5591087	Director
Peter John Jeremy Nixey	Shaw healthcare (Brentry) Limited	6898750	Director
Peter John Jeremy Nixey	Shaw healthcare EOT Limited	12526909	Director
Peter John Jeremy Nixey	Shaw Community Living (DCA) Limited	4603309	Director
Peter John Jeremy Nixey	Shaw Community Living (SLS) Limited	6281153	Director
Peter John Jeremy Nixey	Shaw healthcare (de Montfort) Limited	4469078	Director
Peter John Jeremy Nixey	Shaw healthcare (Developments) Limited	3021849	Director
Peter John Jeremy Nixey	Shaw healthcare (FM Services) Limited	4477813	Director
Peter John Jeremy Nixey	Shaw healthcare Limited	5133946	Director
Peter John Jeremy Nixey	Shaw healthcare (Herefordshire) Limited	4273170	Director
Peter John Jeremy Nixey	Shaw healthcare (Ledbury) Limited	3853900	Director
Peter John Jeremy Nixey	Shaw healthcare (Managed Services) Limited	3315548	Director
Peter John Jeremy Nixey	Shaw healthcare (Nailsea) Limited	6181148	Director
Peter John Jeremy Nixey	Shaw healthcare (Northamptonshire) Limited	4232198	Director
Peter John Jeremy Nixey	Shaw healthcare (North Somerset) Limited	4137497	Director
Peter John Jeremy Nixey	Shaw healthcare (Specialist Services) Limited	3526936	Director
Peter John Jeremy Nixey	Shaw (Pembroke) Specialist Services Limited	6481136	Director
Peter John Jeremy Nixey	Shaw healthcare (West Sussex) Limited	5267445	Director
Peter John Jeremy Nixey	Surehaven Limited	5829340	Director
Peter John Jeremy Nixey	Surehaven Glasgow Limited	6731003	Director
Peter John Jeremy Nixey	Surehaven (Pembroke) Limited	6481168	Director
Peter John Jeremy Nixey	My Care My Home Limited	7611603	Director
Peter John Jeremy Nixey	My Care My Home Website Services	8563160	Director
Peter John Jeremy Nixey	SHAW LIFETIME CARE LIMITED	10340455	Director
Peter John Jeremy Nixey	NETHERHALL MANSIONS RESIDENTS LIMITED	3274169	Director