



Mutual Societies Annual Return Form (AR30)

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

Society name:

The Shaw Foundation Limited

Important information you should read before completing this form

You must use this form if you are a:

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

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

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

Please note:

- we have an information note that may assist you in completing this application
- any personal details you give on the form will be placed on the society's public file.
- it is important you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to process your annual return.

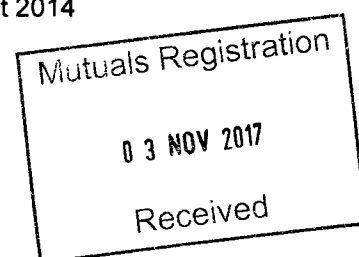
Please keep a copy of the form and supporting documents for future reference.

Terms in this form

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

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

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





Mutual Societies Annual Return Form (AR30)

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

Filling in the form

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

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

2 If you are filling in the form by hand:

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

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

4 If you:

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

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

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

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

mutualsannrtns@fca.org.uk

or send it by post to:

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

7. Please make sure you include:

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

1

Details of society

1.1 Details of the society

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

1.2 Year end date (dd/mm/yyyy)

See Note 1.2

3	1	/	0	3	/	2	0	1	7
---	---	---	---	---	---	---	---	---	---

Committee of management

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

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

1.3 Details of Chairman

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

1.4 Details of Treasurer

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

1.5 Details of Secretary

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

1.6 Details of Members of the Committee

Name	Address	Year of birth	Business occupation and other directorships
Mr K Miller	1 Masters Close Bexton Road Knutsford Cheshire WA16 0BF	1950	Director of Social Services (Retired)
Mrs F Cloud	Waen Farm Cross Ash Abergavenny Gwent NP7 8PW	1964	Healthcare Analyst
Mr S MacSorley	38 Burley Grove Downend Bristol BS16 5QA	1964	Property Consultant
Mrs H Black	Adswood Townfield Lane Mollington Cheshire CH1 6LB	1947	Social Care Consultant (Retired)
Mr P Sweet	99 Lavernock Road Penarth Vale of Glamorgan CF64 3NZ	1954	Consultant
Mr C Horlick	Branden Biddenden Road Sissinghurst Kent TN17 2AB	1957	Company Director

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

Please indicate how many separate sheets of paper you have used

0

Please continue, answering all questions.

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

☒ No
☐ Yes

- 1.8 Does the society carry out any activity which is regulated under the Financial Services and Markets Act 2000?** (e.g. accepting deposits in a form other than withdrawable shares; offering insurance products; undertaking residential mortgage business). If 'yes' please state the society's Financial Services Register firm reference number

☒ No
☐ Yes

Financial Services Register firm reference number

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

☒ No
☐ Yes

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

☒ No
☐ Yes

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

☐ No
☒ Yes

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

☒ Yes

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

☒ No
☐ Yes ▶ provide your Scottish Charity number below

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

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

If so, please provide your register number

All societies must answer the following questions:

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

Bona fide co-operative society

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

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

- ☐ Yes
☐ No

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

1.17 How did members democratically control the society?

--

1.18 How did the society use any surplus/profit?

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

--

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

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

--

Continue to 2.1

Community benefit society

1.19 Who are the community the society benefited?

The objects of the Company, as set out in its Rules, are the advancement of health and the relief of those in need by reason of age, disability, ill health or other disadvantage for the benefit of the public. The activities carried out by the company in furtherance of these duties during the year include:

1. Operation of Care Services
2. Object related loans
3. Object related grants

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

1. Operation of Care Services : the company continued to operate a care home in Bristol throughout the year.
2. Object related loans: the company continued to receive interest on object related loans provided to the Shaw Group (a commercial care organisation), with the interest being available to be applied for the objects.
3. Object related grants: the company approved object related grants during the year totalling £10,300.

1.21 How did the society use any surplus/profit?

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

Please use separate sheets of paper if you need more space (see section 5 above).
Please indicate how many separate sheets of paper you have used.

0

Continue to 2.1

2 Statistics

Account details

2.1 You must enter the figures below

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

A	Members at beginning of year	9
B	Members ceased during year	0
C	Members admitted during year	0
D	Members at end of year	9
E	Turnover for year	£8,428,526
F	Total of income and expenditure (receipts and payments added together)	£18,761,661
G	Net surplus/(deficit) for year	£905,387
H	Fixed assets	£9,769,990
I	Current assets	£8,219,574
J	Total assets (equal to amount in row O, below)	£17,989,564
K	Current liabilities	£878,420
L	Share capital	£9
M	Long-term liabilities	£0
N	Reserves	£17,111,135
O	Total liabilities, share capital & reserves (K+L+M+N) (equal to amount in J above)	£17,989,564
All societies (excluding clubs) must complete boxes P-T		
P	Investments in other registered societies	0
Q	Loans from members	0
R	Loans from Employees' Superannuation Schemes	0
S	Dividends on sales	0
T	Share interest	0

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

NONE

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

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

NONE

3

The audit

3.1 Type of audit used for the attached accounts.

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

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

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

- ☒ No
- ☐ Yes

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

- ☒ No
- ☐ Yes

4 Accounts and signature

Accounts

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

0	1	/	1	1	/	2	0	1	7
---	---	---	---	---	---	---	---	---	---

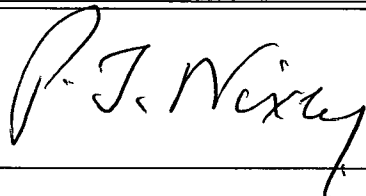
- 4.2 Has your society produced accounts to the minimum standard required?

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

Signature – all societies to complete

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

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

Name	P J NIXEY
Signature	
Phone number	029 2036 5050
Email	jeremy.nixey@shaw.co.uk
Date	02/11/2017

Financial Statements

The Shaw Foundation Limited

For the Year Ended 31 March 2017



Registered number: 25164R

Company Information

Directors

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

**Co-operative and Community Benefits
Society number**

25164R

Registered office

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

Auditor

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

Solicitors

Blake Morgan LLP
One Central Square
Cardiff
CF10 1FS

Bankers

Allied Irish Bank plc
2 Callaghan Square
Cardiff
CF10 5AZ

Investment managers

Charles Stanley
8 Park Place
Cardiff
CF10 3DP

Contents

	Page
Report of the Committee of Management	1 – 9
Independent Auditor's Report	10 – 11
Consolidated Income and Expenditure Account	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Statement of Changes in Reserves	15
Company Statement of Changes in Reserves	16
Consolidated Cash Flow Statement	17
Notes to the Financial Statements	18 – 29

Report of the Committee of Management

For the Year Ended 31 March 2017

Structure, governance and management

The Shaw Foundation Limited ("the company") is registered with the Financial Conduct Authority under the Co-operative and Community Benefits Societies Act 2014. Its charitable status is conferred upon it by the nature of its Rules, and as an exempt charity it is not required to be registered with the Charity Commission. As prescribed in its Rules, the company is managed by a Management Committee ("the Committee"), who are therefore its Trustees. The members of the Committee ("the Members") are given on the company information page of these Financial Statements. All the Members served throughout the financial year.

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

The following Committee members are also members of the board of Shaw healthcare (Group) Limited ("Shaw Group"): Jeremy Nixey (Chief Executive), Alun Thomas (Chairman and non-executive director) and Helen Black (non-executive director).

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

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

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

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

Report of the Committee of Management

For the Year Ended 31 March 2017

Structure, governance and management (continued)

The Committee has three sub-committees:

- The Audit Committee meets at least twice a year and comprises the Chairman, two committee members and Gareth Morgan (2016: Richard Pugsley), the Group Financial Controller of Shaw Group. All members of the sub-committee are also members of the Audit Committee of Shaw Group. The Committee receives all reports produced by the Shaw Group internal and external auditors and is responsible for reviewing the statutory accounts. When appropriate it will pass on recommendations for the consideration of the Committee.
- The Investment Strategy Committee (ISC) comprises Frances Cloud and Simon MacSorley who can co-opt other Committee members or officers as appropriate. The ISC make recommendations for an overall investment strategy to the Management Committee and meets as required.
- The Grants Strategy Committee (GSC) comprises Helen Black and Kevin Miller who can co-opt other Committee members or officers as appropriate. The GSC is responsible for the allocation of funding made available through the activities of the ISC. Their work will, inter alia, focus on activities which encourage innovation as well as developing best practice in service delivery within health and social care.

Subsidiary companies

During the period the company incorporated two new wholly owned subsidiary companies.

On 1 June 2016 SI Limited, a company registered in Guernsey, 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 £173,431 in the period ending 31 March 2017. Alternative Risk Management Limited (ARM) also based in Guernsey are the appointed insurance manager and perform the administration and governance responsibilities on behalf of The Shaw Foundation under the control and direction of Mr Jeremy Nixey.

On 22 August 2016 Shaw CPB Limited, a company registered in the United Kingdom, was established for the purposes of running the administration and financial administration of the Care Property Bond product once it has been launched. This company remained dormant throughout the period and to the date of signing the financial statements.

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 company level.

Report of the Committee of Management

For the Year Ended 31 March 2017

Internal Financial Control

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

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

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

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

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

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

On behalf of the Committee, the Audit Committee reviews the effectiveness of the system of internal financial control in existence in the company for the year ended 31 March 2017 and until the date of report. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties, which require disclosure in the financial statements or in the auditor's report on the financial statements.

Report of the Committee of Management

For the Year Ended 31 March 2017

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 2017

Objects and activities for the public benefit

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

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

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

Operation of care services

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

Throughout the year the company also owned seven care facilities which were operated by Shaw Group. Additionally, on 27 April 2016 the lease between Shaw Group and Shaw Foundation in respect of Kennedy House (a service which ceased to operate in 2015) was collapsed and full beneficial ownership of the property transferred from Shaw Foundation to 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.

On 3 January 2012 the Committee signed a Deed of Amendment (the Deed) varying the original clauses of the Business Transfer Agreement between the company and Shaw Group in respect of the clauses relating to the non-owned assets. The effect of the Deed was to classify the non-owned assets as either “ten year assets” – being those facilities that are expected to transfer to Shaw Group in the future as originally intended – or “trust assets”- being those facilities which, for legal and commercial reasons, are not expected to transfer but which, while operational, will continue to be run by the company under existing arrangements with risks and opportunities passing to Shaw Group as described above. On 29 September 2016 The Shaw Foundation agreed a five year extension to the Deed bringing the expiry date to 3 October 2021.

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

Report of the Committee of Management

For the Year Ended 31 March 2017

Object related loans

On 4 November 2015 the Company agreed to provide a lending facility of £2,000,000 to Shaw Group for the purpose of investment in supported living properties. This was subsequently reduced to a £1,000,000 lending facility on 1 March 2017.

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

- A loan to Shaw healthcare (Group) Limited of £358,000 on 17 December 2015 in respect of the purchase of The Willows, a supported living property in Birmingham. The loan is due to be repaid in instalments by 2036. The loan balance at 31 March 2017 was £348,385 (2016: £356,152).
- A loan to Shaw healthcare (FM Services) Limited of £685,000 repayable over 20 years to finance the purchase of The Laurels, a property in Edinburgh, which is being operated by Shaw Group as a supported living care service. The loan and subsequent purchase of the property completed on 30 June 2014. The loan balance at 31 March 2017 was £641,984 (2016: £658,721).
- A loan to Surehaven Glasgow Limited, a wholly owned subsidiary of Shaw Group. The loan balance at 31 March 2017 was £1,150,125 (2016: £1,220,336). This 16-year loan together with a 15-year loan from Santander has enabled Surehaven Glasgow Limited to develop a 17-bed low-secure hospital at Drumchapel in Glasgow. The hospital, which opened in June 2010, is registered to accept men and women aged 18-65 who have a primary condition of mental illness. The scheme is operated in close association with the NHS in Scotland, the State Hospital and all fourteen Scottish Health Boards.
- A loan to Shaw healthcare (de Montfort) Limited, a wholly owned subsidiary of Shaw Group, relating to a 30-year contract with Northamptonshire County Council for the provision of care services in seven care homes. The loan balance at 31 March 2017 was £2,679,101 (2016: £2,705,349). This loan is repayable in instalments by 2035.
- A loan to Shaw healthcare (Northamptonshire) Limited, a wholly owned subsidiary of Shaw Group, relating to a 25-year contract with Northamptonshire County Council for the provision of four specialist reablement care centres. The loan balance at 31 March 2017 was £1,437,639 (2016: £1,468,873). This loan is repayable in instalments by 2029.
- On 6 July 2016 the company agreed to extend until September 2017 its agreement with Shaw Group which conferred on the latter the option to purchase Homefield House, a property which was acquired by the company in 2007. The consideration for the purchase was fixed in the original agreement at £1,560,000, of which £312,000 was paid at the time of entering into the agreement. Under the same agreement, if the option expires without being exercised then the company may require Shaw Group to purchase Homefield House for the same consideration within 30 days of the option period described above.

These remain outstanding and the Committee believes they continue to further the objects for the public benefit. The company receives income from these loans which is available to be applied for the objects.

Report of the Committee of Management

For the Year Ended 31 March 2017

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 £1,885,000 at an average of £377,000 over the five 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	1
My Care My Home	39	2
Other	5	
	100	

Note 1

There were eight separate Workforce Training and Development grants over the five-year period, but one, accounting for 85% of the total, warrants special mention. As was reported in last year's report, a two-year Graduate Management Development Scheme for Shaw Group was approved in March 2015. After a rigorous selection process eight graduates joined the scheme and will shortly successfully complete their training.

Note 2

My Care My Home (MCMH) is a Shaw Group scheme 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 2017

Risk Management

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

Investments

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

The company owns 18% (2016: 18%) of Shaw Group and nominates one of the Committee to that board. Through membership of the board and its significant share ownership the company has influence on the direction of Shaw Group's activities and close scrutiny of how these are conducted. The company's shareholding in Shaw Group is described in more detail in note 11 to the financial accounts.

As reported last year the company has invested in a portfolio of bonds, equities, cash and other assets which were managed by Charles Stanley (2016: Barclays Wealth).

Interest receivable and investment income decreased to £1,053,730 (2016: £1,074,849) 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 5 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 2017

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 levels which, as a minimum, match the rate of inflation thereby maintaining reserves at levels which will allow them to fulfil the objects and activities described above.

Going Concern

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

This report was approved by the board on 5 July 2017 and signed on its behalf.



Philip Thomas
Chairman



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

We have audited the financial statements of The Shaw Foundation Limited for the year ended 31 March 2017 which comprise the consolidated income and expenditure account, consolidated and company balance sheet, the consolidated and company statement of changes in reserves, the consolidated and company cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the entities 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 entities members those matters we are required to state to it 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 entities members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Committee and auditors

As explained more fully in the Statement of the responsibilities of the Committee for the Annual Report and for the Financial Statements, the Committee are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent's affairs as at 31 March 2017 and of the group's and the parent's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014.



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

Matters on which we are required to report by exception

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

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

A handwritten signature in black ink, appearing to read "Rhian Owen", written over the printed name.

Rhian Owen
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants & Registered Auditor

5 July 2017

Consolidated Income and Expenditure Account

For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Income	2	8,428,526	8,493,404
Direct expenses	3	<u>(8,565,585)</u>	<u>(8,542,180)</u>
Gross deficit		(137,059)	(48,776)
Other operating expenses	4	<u>(340,560)</u>	<u>(586,699)</u>
Operating deficit		(477,619)	(635,475)
Interest receivable and income from investments	8	1,053,730	1,074,849
Interest payable and similar charges	9	(21,992)	(30,377)
Movement in fair value of investments	11	<u>351,268</u>	<u>(215,460)</u>
Surplus for the financial year	16	<u>905,387</u>	193,537

All amounts relate to continuing operations.

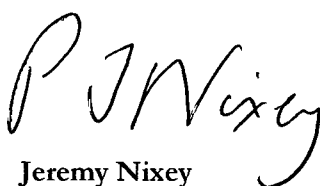
There were no recognised gains and losses for 2017 or 2016 other than those included in the Income and Expenditure Account.

The notes on pages 18 to 29 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 5 July 2017.



Philip Thomas
Chairman



Jeremy Nixey
Secretary



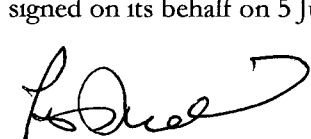
Alun Thomas
Committee Member

Consolidated Balance Sheet

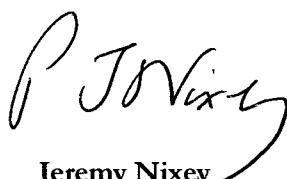
As at 31 March 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	10		1,612,162		1,672,357
Investments	11		<u>8,157,828</u>		<u>7,806,560</u>
			9,769,990		9,478,917
Current assets					
Debtors	12	6,379,927		6,521,971	
Cash at bank	13	<u>1,839,647</u>		<u>1,740,771</u>	
		8,219,574		8,262,742	
Creditors: amounts falling due within one year	14	<u>(878,420)</u>		<u>(1,535,902)</u>	
Net current assets			<u>7,341,154</u>		<u>6,726,840</u>
Net assets			<u>17,111,144</u>		<u>16,205,757</u>
Funds					
Called up share capital	15		9		9
Revenue reserve	16		<u>17,111,135</u>		<u>16,205,748</u>
Shareholders' funds			<u>17,111,144</u>		<u>16,205,757</u>

The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 5 July 2017.



Philip Thomas
Chairman



Jeremy Nixey
Secretary



Alun Thomas
Committee Member

The notes on pages 18 to 29 form part of these financial statements.

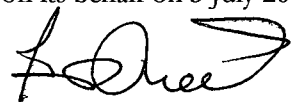
Company Balance Sheet

As at 31 March 2017

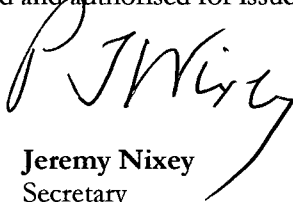
	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	10		1,612,162		1,672,357
Investments	11		<u>8,157,838</u>		<u>7,806,560</u>
			9,770,000		9,478,917
Current assets					
Debtors	12	6,379,927		6,521,971	
Cash at bank	13	<u>1,805,487</u>		<u>1,740,771</u>	
		8,185,414		8,262,742	
Creditors: amounts falling due within one year	14	<u>(870,839)</u>		<u>(1,535,902)</u>	
Net current assets			<u>7,314,575</u>		<u>6,726,840</u>
Net assets			<u>17,084,575</u>		<u>16,205,757</u>
Funds					
Called up share capital	15		9		9
Revenue reserve	16		<u>17,084,566</u>		<u>16,205,748</u>
Shareholders' funds			<u>17,084,575</u>		<u>16,205,757</u>

The surplus for the financial year dealt with in the financial statements of the parent company was £878,818 (2015: £193,537). As permitted by Section 408 of the Companies Act 2006, no separate income and expenditure or statement of comprehensive income is presented in respect of the parent company.

The financial statements were approved and authorised for issue by the Committee of Management and were signed on its behalf on 5 July 2017.



Philip Thomas
Chairman



Jeremy Nixey
Secretary



Alun Thomas
Committee Member

The notes on pages 18 to 29 form part of these financial statements.

Consolidated Statement of Changes in Reserves

As at 31 March 2017

	Share capital	Revenue Reserve	Shareholders' Funds
At 1 April 2015	9	16,012,211	16,012,220
Surplus for the financial year	<u>-</u>	<u>193,537</u>	<u>193,537</u>
At 1 April 2016	9	16,205,748	16,205,757
Surplus for the financial year	<u>-</u>	<u>905,387</u>	<u>905,387</u>
At 31 March 2017	<u><u>9</u></u>	<u><u>17,111,135</u></u>	<u><u>17,111,144</u></u>

The notes on pages 18 to 29 form part of these financial statements.

Company Statement of Changes in Reserves

As at 31 March 2017

	Share capital	Revenue Reserve	Shareholders' Funds
At 1 April 2015	9	16,012,211	16,012,220
Surplus for the financial year	<u>-</u>	<u>193,537</u>	<u>193,537</u>
At 1 April 2016	9	16,205,748	16,205,757
Surplus for the financial year	<u>-</u>	<u>878,818</u>	<u>878,818</u>
At 31 March 2017	<u><u>9</u></u>	<u><u>17,084,566</u></u>	<u><u>17,084,575</u></u>

The notes on pages 18 to 29 form part of these financial statements.

Consolidated Cash Flow Statement

For the Year Ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Surplus for the financial year	905,387	193,537
Adjustments for:		
Depreciation of tangible assets	64,884	62,929
(Increase)/Decrease in trade and other debtors	(19,711)	46,724
Decrease/ (Increase) in amounts owed by participating interests	9,558	(25,801)
Decrease in trade and other creditors	(679,641)	(77,760)
Increase/ (Decrease) in amounts owed to participating interests	22,159	(7,092)
Interest payable	21,992	30,377
Interest receivable	(1,053,730)	(1,074,849)
Fair value movement on investments	(351,268)	215,460
Net cash generated from operating activities	(1,080,370)	(636,475)
Cash flows from investing activities		
Purchases of tangible assets	(4,689)	(13,598)
Interest received	1,053,730	1,074,849
Sub-debt investment in Shaw Group projects	-	(358,000)
Sub-debt repayment from Shaw Group projects	152,197	128,064
Net cash from investing activities	1,201,238	831,315
Cash flows from financing activities		
Interest paid	(21,992)	(30,377)
Net cash used in financing activities	(21,992)	(30,377)
Net increase in cash and cash equivalents	98,876	164,463
Cash and cash equivalents at the beginning of year	1,740,771	1,576,308
Cash and cash equivalents at end of year	1,839,647	1,740,771

The notes on pages 18 to 29 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2017

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 undertaking, SI Limited, drawn up to 31 March 2017. Profits or losses on intra-group transactions are eliminated in full.

The financial statements of the dormant subsidiary undertaking Shaw CPB Limited has not been consolidated as it is not deemed material.

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:

- Depreciation charge
- Surplus profit provision calculation

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 2017

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 2017 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 2017

2. Income

	2017 £	2016 £
Relating to owned assets:		
Care home residential fees	941,896	966,107
Other income	4,371	4,041
Operated by Shaw Group (see Accounting Policy 1.4)	<u>7,482,259</u>	<u>7,523,256</u>
	<u>8,428,526</u>	<u>8,493,404</u>

3. Direct expenses

	2017 £	2016 £
Relating to owned assets	1,173,575	1,128,734
Operated by Shaw Group (see Accounting Policy 1.4)	<u>7,392,010</u>	<u>7,413,446</u>
	<u>8,565,585</u>	<u>8,542,180</u>

4. Other operating expenses

	2017 £	2016 £
Relating to owned assets:		
Grants payable	10,300	365,087
Other	257,461	136,348
Operated by Shaw Group (see Accounting Policy 1.4)	<u>72,799</u>	<u>85,264</u>
	<u>340,560</u>	<u>586,699</u>

5. Operating deficit

Operating deficit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	64,884	62,929
Auditor's remuneration	<u>17,000</u>	<u>18,480</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

6. Committee members' emoluments

During the year Helen Black (2016: Kevin Miller) served as a non-executive director of Shaw Group and received emoluments of £15,000 from Shaw Group (2016: Kevin Miller £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, Frances Cloud, Kevin Miller, Simon MacSorley, Helen Black, Philip Sweet and Christopher Horlick received payments during the year totalling £52,500 (2016: £52,500) in respect of inspections made of care services operated by Shaw Group, and subsequent reports provided to its board of directors.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £2,555 (2016: £3,117).

7. Staff costs

Relating to owned assets:

	2017 £	2016 £
Salaries	533,494	500,676
Social security costs	31,134	28,370
Other pension costs	<u>2,530</u>	<u>2,328</u>
	<u>567,158</u>	<u>531,374</u>

Operated by Shaw Group (see Accounting Policy 1.4):

	2017 £	2016 £
Salaries	4,438,041	4,413,484
Social security costs	304,515	276,015
Other pension costs	<u>42,353</u>	<u>45,140</u>
	<u>4,784,909</u>	<u>4,734,639</u>

Staff numbers:

	2017 No.	2016 No.
Nursing home staff:		
Relating to owned assets	38	36
Operated by Shaw Group	310	313

Notes to the Financial Statements

For the Year Ended 31 March 2017

8. Interest receivable and income from investments

	2017 £	2016 £
Relating to owned assets:		
Loan interest received	849,362	851,450
Interest on investment portfolio	201,565	215,038
Bank interest receivable	<u>2,803</u>	<u>8,361</u>
	<u>1,053,730</u>	<u>1,074,849</u>

9. Interest payable and similar charges

	2017 £	2016 £
On bank loans and overdrafts:		
Relating to owned assets	4,542	5,831
Operated by Shaw Group (see Accounting Policy 1.4)	<u>17,450</u>	<u>24,546</u>
	<u>21,992</u>	<u>30,377</u>

10. Tangible fixed assets

Group and Company

	Freehold property £	Fixtures & fittings £	Total £
Cost			
At 1 April 2016	2,185,699	123,757	2,309,456
Additions	<u>-</u>	<u>4,689</u>	<u>4,689</u>
At 31 March 2017	<u>2,185,699</u>	<u>128,446</u>	<u>2,314,145</u>
Depreciation			
At 1 April 2016	553,352	83,747	637,099
Charge for the year	<u>44,899</u>	<u>19,985</u>	<u>64,884</u>
At 31 March 2017	<u>598,251</u>	<u>103,732</u>	<u>701,983</u>
Net book value			
At 31 March 2017	<u>1,587,448</u>	<u>24,714</u>	<u>1,612,162</u>
At 31 March 2016	<u>1,632,347</u>	<u>40,010</u>	<u>1,672,357</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 (2016: £1,560,000) which is not depreciated.

Notes to the Financial Statements

For the Year Ended 31 March 2017

11. Fixed asset investments

Group

	Shares in Shaw Group £	Loan notes due from Shaw Group £	Other investments £	Total £
Valuation				
At 1 April 2016	9,000	1,503,000	6,294,560	7,806,560
Additions	-	-	-	-
Disposals	-	-	-	-
Change in market value	-	-	351,268	351,268
At 31 March 2017	<u>9,000</u>	<u>1,503,000</u>	<u>6,645,828</u>	<u>8,157,828</u>
Net book value				
At 31 March 2017	<u>9,000</u>	<u>1,503,000</u>	<u>6,645,828</u>	<u>8,157,828</u>
At 31 March 2016	<u>9,000</u>	<u>1,503,000</u>	<u>6,294,560</u>	<u>7,806,560</u>

Company

	Shares in Shaw Group £	Loan notes due from Shaw Group £	Other investments £	Total £
Valuation				
At 1 April 2016	9,000	1,503,000	6,294,560	7,806,560
Additions	-	-	10	10
Disposals	-	-	-	-
Change in market value	-	-	351,268	351,268
At 31 March 2017	<u>9,000</u>	<u>1,503,000</u>	<u>6,645,838</u>	<u>8,157,838</u>
Net book value				
At 31 March 2017	<u>9,000</u>	<u>1,503,000</u>	<u>6,645,838</u>	<u>8,157,838</u>
At 31 March 2016	<u>9,000</u>	<u>1,503,000</u>	<u>6,294,560</u>	<u>7,806,560</u>

Notes to the Financial Statements

For the Year Ended 31 March 2017

11. Fixed asset investments (continued)

Shares are recorded at cost.

The company owns 18 million (2016: 18 million) ordinary shares in Shaw Group, a company incorporated in England and Wales, representing 18% (2016: 18%) of Shaw Group's ordinary share capital.

The loan notes due from Shaw Group at 31 March 2017 will be redeemed in two annual instalments of £751,500 ending in October 2018. At its meeting on 1 July 2015 the Committee of Management agreed for payments to be deferred for a period of two years ending in October 2017. In accordance with the terms of the loan, following the receipt of each annual instalment the company is required to transfer, for no consideration, 4 million of its shares in Shaw Group to Shaw Group's Employee Benefit Trust. The company's investment in Shaw Group will therefore have reduced to 10 million shares (10% of Shaw Group's ordinary share capital) by the time the loan notes have been repaid in full in October 2018.

Other investments comprise:

- A portfolio of bonds, equities, cash and other assets managed on the company's behalf by Charles Stanley. The market value of the portfolio at 31 March 2017 was £6,645,828 (2016: £6,294,560).
- The whole share capital of SI Limited, a subsidiary company registered in Guernsey. The entity was incorporated in Guernsey during the current financial year. The value of these shares at 31 March 2017 was £10 (2016: £nil).

Notes to the Financial Statements

For the Year Ended 31 March 2017

12. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Due within one year				
Amounts due from other Shaw Group companies	21,828	31,386	21,828	31,386
Loan to Surehaven Glasgow Limited	77,231	70,210	77,231	70,210
Loan to Shaw healthcare (de Montfort) Limited	153,290	152,352	153,290	152,352
Loan to Shaw healthcare (Northamptonshire) Limited	97,592	94,640	97,592	94,640
Loan to Shaw healthcare (Group) Limited	8,407	7,767	8,407	7,767
Loan to Shaw healthcare (FM Services) Limited	18,116	16,738	18,116	16,738
Residential fees	90,183	54,059	90,183	54,059
Other debtors and prepayments	<u>10,682</u>	<u>27,095</u>	<u>10,682</u>	<u>27,095</u>
	477,329	454,247	477,329	454,247
Due after more than one year				
Loan to Surehaven Glasgow Limited	1,072,894	1,150,126	1,072,894	1,150,126
Loan to Shaw healthcare (de Montfort) Limited	2,525,811	2,552,997	2,525,811	2,552,997
Loan to Shaw healthcare (Northamptonshire) Limited	1,340,047	1,374,233	1,340,047	1,374,233
Loan to Shaw healthcare (Group) Limited	339,978	348,385	339,978	348,385
Loan to Shaw healthcare (FM Services) Limited	<u>623,868</u>	<u>641,983</u>	<u>623,868</u>	<u>641,983</u>
	5,902,598	6,067,724	5,902,598	6,067,724
Total	<u>6,379,927</u>	<u>6,521,971</u>	<u>6,379,927</u>	<u>6,521,971</u>

The loan to Surehaven Glasgow Limited is secured by the assets of that company. Interest on the loan is charged at 10% (2016: 10%). The loan is repayable in instalments by 2026.

The loan to Shaw healthcare (de Montfort) Limited is secured by the assets of that company. Interest on the loan is charged at 15% (2016: 15%). The loan is repayable in instalments by 2035.

The loan to Shaw healthcare (Northamptonshire) Limited is secured by the assets of that company. Interest on the loan is charged at 14% (2016: 14%). The loan is repayable in instalments by 2029.

The loan to Shaw healthcare (FM Services) Limited is secured by the assets of that company. Interest on the loan is charged at 8% (2016: 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% (2016: 11%). The loan is repayable in instalments by 2036.

Notes to the Financial Statements

For the Year Ended 31 March 2017

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 £1,805,487 (2016: £1,740,771) reported on the company's balance sheet excludes an amount of £174,968 (2016: £154,347) 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 £1,839,647 (2016: £1,740,771).

14. Creditors: amounts falling due within one year

	2017	Group 2016	Company 2017	2016
	£	£	£	£
Trade creditors	42,276	39,585	42,276	39,585
Amounts due to other Shaw Group companies	95,091	72,932	95,101	72,932
Other taxation and social security	8,446	6,866	8,446	6,866
Grants payable	279,086	848,177	279,086	848,177
Other creditors	<u>453,521</u>	<u>568,342</u>	<u>445,930</u>	<u>568,342</u>
	<u>878,420</u>	<u>1,535,902</u>	<u>870,839</u>	<u>1,535,902</u>

15. Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
9 (2016: 9) - Issued and fully paid shares of £1 each	<u>9</u>	<u>9</u>

Each Member of the Committee holds one share in the company. During the year no shares were issued (2016: no shares were issued).

16. Revenue reserve

	Group £	Company £
At 1 April 2016	16,205,748	16,205,748
Surplus for the year	<u>905,387</u>	<u>878,818</u>
At 31 March 2017	<u>17,111,135</u>	<u>17,084,566</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 2017

17. Leasing commitments

The company has no contractual operating lease commitments as at 31 March 2017. 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 2017 amounted to £6,619 (2016: £11,788).

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 2017 amounted to £24,538 (2016: £21,936).

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 2017 amounted to £13,726 (2016: £13,745).

Contributions for the next 12 months are expected to be in line with those paid in 2017.

Notes to the Financial Statements

For the Year Ended 31 March 2017

21. Related party transactions

The company owns 18% (2016: 18%) of Shaw Group and has entered into the following transactions relating to that company:

Loan to Surehaven Glasgow Limited

The company is owed £1,150,125 (2016: £1,220,336) by Surehaven Glasgow Limited, a company whose ultimate parent company is Shaw Group.

Loan to Shaw healthcare (de Montfort) Limited

The company is owed £2,679,101 (2016: £2,705,349) by Shaw healthcare (de Montfort) Limited, a company whose ultimate parent company is Shaw Group.

Loan to Shaw healthcare (Northamptonshire) Limited

The company is owed £1,437,639 (2016: £1,468,873) by Shaw healthcare (Northamptonshire) Limited, a company whose ultimate parent company is Shaw Group.

Loan to Shaw healthcare (FM Services) Limited

The company is owed £641,984 (2016: £658,721) by Shaw healthcare (FM Services) Limited, a company whose ultimate parent company is Shaw Group.

Loan to Shaw healthcare (Group) Limited

The company is owed £348,385 (2016: £356,152) by Shaw healthcare (Group) Limited.

Details of the above loans are disclosed in note 12.

Transactions with Shaw Group

During the year the company made payments of £303,530 (2016: £90,948) 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 £95,091 was owed to Shaw Group and its subsidiary companies at 31 March 2017 (2016: £72,932).

An amount of £21,828 was owed from Shaw Group and its subsidiary companies at 31 March 2017 (2016: £31,386).

As described in note 6, the company also made payments totalling £15,000 (2016: £15,000) to Shaw Group during the year in reimbursement of the fee paid to Helen Black (2016: Kevin Miller) for services as a non-executive director of that company.

Expenses paid to Committee Members in furtherance of their duties as such amounted to £2,555 (2016: £3,117).

Notes to the Financial Statements

For the Year Ended 31 March 2017

21. Related party transactions (continued)

During the year, SI Limited was incorporated with the whole share capital acquired by the company.

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.