

SATURDAY



A3EEMN6H

A24

16/08/2014

#124

COMPANIES HOUSE

Making a difference

Annual Report 2013-2014

Our year in review



April

- ☐ London Marathon runners raised over £18,500

May

- ☐ We launched our Making Work a Real Choice consultation, looking at the future of specialist disability employment services
- ☐ Building Perfect Council Websites – our Accessibility Team hosted round table discussions showing how websites can be made more user-friendly for all visitors

July

- ☐ Shaw Trust sponsored the Welfare to Work UK Convention
- ☐ We joined forces with a number of other welfare to work providers, social enterprises and contractors to launch Access Ability, a website designed to help employers who would like to employ people with a disability
- ☐ Our Bromley centre was visited by a group of disability and social-work specialists from Romania
- ☐ John Briffitt, chair of trustees for ten years, retired from Shaw Trust

August

- ☐ Andrew Percy MP, Brig and Goole and Isle of Axham, visited our offices in Goole

September

- ☐ Roy O'Shaughnessy, chief executive, spoke at the British Association of Supported Employment conference
- ☐ We launched the final Making Work a Real Choice report at the Labour and Conservative Party Conferences
- ☐ We announced that Ken Olisa OBE would be our new chair of trustees



October

- ☐ Our centres in Ashford and Tonbridge celebrated World Mental Health Day



- ☐ We launched a joint report with the Association of Chief Executives of Voluntary Organisations entitled 'Refinement or Reinvention? The future of the Work Programme'

November

- ☐ Help to Work Plus, a back-to-work pilot funded by the EU, came to an end

January

- ☐ We announced our intention to pursue sponsor status for academy schools
- ☐ Big Lottery Fund awarded Shaw Trust £1.5m in Worcestershire to help young unemployed people as part of Talent Match
- ☐ Ken Olisa officially took up his place as chair of trustees



- ☐ Dame Anne Begg, MP for Aberdeen, visited our Aberdeen centre
- ☐ Westbank Enterprises launched in Perth
- ☐ Shaw Trust customer survey confirmed 95% of the people we help are satisfied or very satisfied with the overall service we provide
- ☐ We were awarded a Skills Funding Agency contract for the delivery of apprenticeships in London and Middlesbrough

February

- ☐ Dr Mike Nussbaum, our specialist disability adviser, spoke at the Westminster Employment Forum
- ☐ Sir Gerald Howarth MP visited our Aldershot centre

- ☐ Our Learning and Skills Team were reaccredited to the Matrix standard
- ☐ Our Bridging the Gap initiative, which was designed to support those hardest to help, finished with nearly 1,000 people supported over seven months
- ☐ Shaw Trust's new Justice Team held a partnership event called Transforming Rehabilitation

March

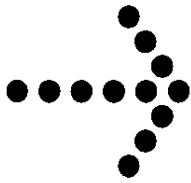
- ☐ We organised an employer engagement event in Nottingham, where Gloria De Piero, MP for Ashfield, spoke
- ☐ George Hollingbery, MP for Portsmouth, visited our Portsmouth Work Programme office
- ☐ We held an apprenticeship event in Southampton which attracted lots of interest from customers and employers



Contents

Our year in pictures	2
Chair's welcome	5
Chief executive's welcome	7
Vision, mission and values	9
Making a difference	13
Who do we help?	15
How do we help?	15
Strategic report	
Success in employment	16
Joining up the pieces	19
Volunteering	21
Shaw Trust Enterprises	22
Retail	25
International	27
Awards and rewards	29
Financial review	31
Risks and uncertainties	33
Plans for the future	33
Structure, governance and management	34
Statutory and administrative details	38
Statement of Trustees' responsibilities	40
Independent auditors' report to the members and Trustees of The Shaw Trust Limited	41
Group statement of financial activities (including group income and expenditure account)	43
Group and company balance sheets	44
Group cash flow statement	45
Principal accounting policies	47
Notes to the financial statements	50

Chair of Shaw Trust's Welcome



My passion is for social inclusion, giving people the opportunity to fully participate in society.

Shaw Trust gives people the opportunity to put part of that jigsaw together in the form of employment. And that is why I joined as chair of trustees this year.

Shaw Trust is different to every other charity that I've worked for. The organisation strives for a society in which everyone has the opportunity for employment, inclusion and independence and enables this in so many different ways.

In my first few weeks as chair I took a journey around just a tiny part of Shaw Trust's estate. I met shop managers, horticultural assistants, customer service managers, volunteers, training supervisors and many happy customers.

All of our customers share a common dream – to find something that motivates and enthuses them. Our staff have so many methods at their disposal to make this dream a reality, from offering work experience and placements in shops, kitchens, gardens and plant nurseries through to guiding through training, learning, skills and coaching.

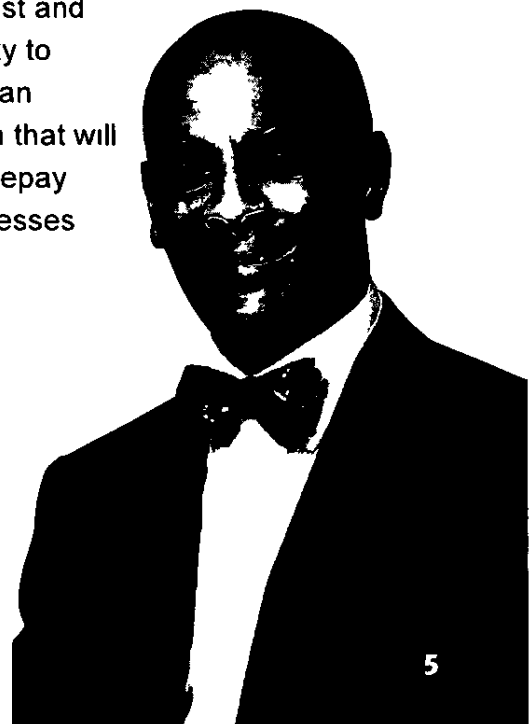
We now want to take these differences and spread them even wider. This year


we plan to diversify into the justice arena, supporting ex-offenders to get back to work and reintegrate into their community.

We have launched Shaw Education Trust, a multi-academy trust to manage and run schools. This charitable subsidiary of Shaw Trust will focus on supporting special schools and mainstream schools serving disadvantaged communities so that we can meaningfully support those who need our help before they leave school.

Over the years I have been helped by hundreds of people who have expected nothing in return but the knowledge that they had helped to make the world a better place. These values lie at the heart of Shaw Trust and I am so lucky to have found an organisation that will help me to repay those kindnesses a thousand times over.

Ken Olisa OBE, Chair





**"Without Shaw
Trust, I would never
have got this job."**

Service with a smile

Diane spent many years on the factory floor but never imagined that her dream job in retail was within her grasp. Until Shaw Trust became involved, that is.

Now working in the gift shop at Durham Cathedral, Diane was supported through

our Work Choice programme and her adviser, Patrick O'Wellen, was never in any doubt that she would do it. Patrick said: "Diane thought she was only suited to factory jobs because of her severe dyslexia, but her winning personality shone through from the start."

Chief Executive's Welcome

One of the many reasons I feel proud of the staff we have at Shaw Trust is their passion, and I don't just mean their passion for their jobs.

Their dedication is demonstrated by charitable work in their own time, involvement in their local communities and by their tireless efforts, on and off the clock, to help others

The merger with CDG may be over a year old but bringing two organisations together to mesh the staff, culture and ethos takes much longer. During this period we have transformed considerably, reassessing the important questions of why we exist, who we are here to help and how we can best do that in a changing world of specialist employment services

We want to be the most successful third sector organisation that delivers public sector services in the UK, if not the world. As we face the next year, our organisation has renewed vigour and replenished energy. As we get ready to face the challenges of the continued austerity in public spending and the potential conclusion of our employment contracts, our planned direction has already started to divert to education and justice

Any surplus from the delivery of national contracts will be invested back into the communities we serve. These contracts give us the opportunity to help more and



more individuals who are referred to us, set up more horticultural, recycling and catering projects, and offer vocational training, work experience and support from within our own organisation

I must thank our former chair, John Briffitt, who retired last summer having led Shaw Trust for ten years. He left the organisation perfectly poised for its next phase. I also want to thank Fred McCrindle, who stepped in as interim chair while we looked for a replacement. We are delighted that Ken Olisa, with his wealth of commercial and not-for-profit expertise, has joined our organisation.

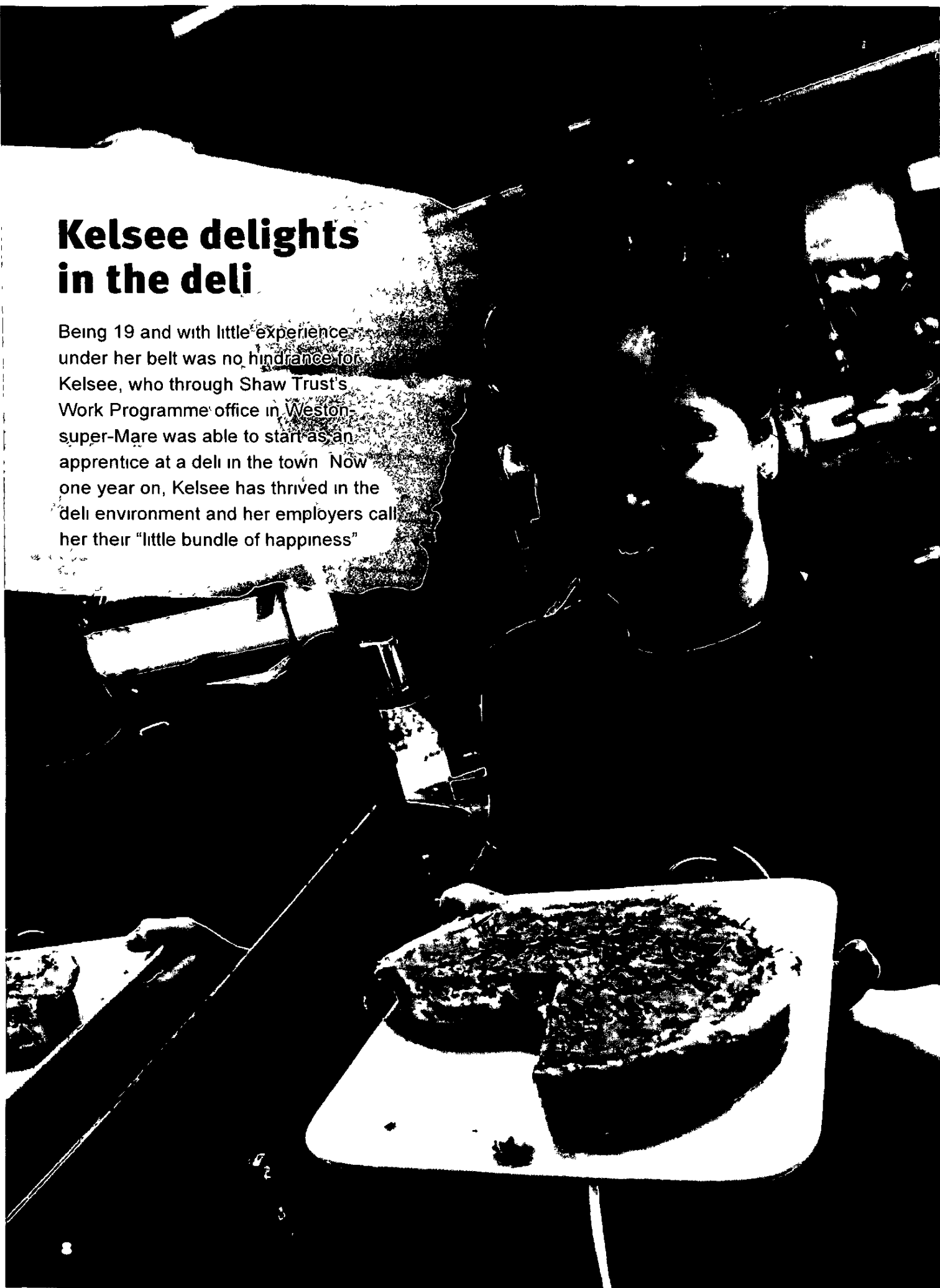
If you would like to know more about how we plan to make a difference in the year ahead, email chiefexecutive@shaw-trust.org.uk or telephone 01225 716 300. My team will be delighted to talk to you.

A handwritten signature in black ink, which appears to read 'Roy'.

Roy O'Shaughnessy, Chief Executive

Kelsee delights in the deli

Being 19 and with little experience under her belt was no hindrance for Kelsee, who through Shaw Trust's Work Programme office in Weston-super-Mare was able to start as an apprentice at a deli in the town. Now one year on, Kelsee has thrived in the deli environment and her employers call her their "little bundle of happiness".



Shaw Trust is a national charity that helps people facing disadvantage to find work, gain skills and take control of their futures.

Our vision is for:

A society in which everyone has the opportunity for employment, inclusion and independence

Our mission is to:

Deliver services for people at disadvantage so they can gain life and employability skills in order to live more independently, secure sustainable employment and actively contribute to family and community life

To educate and influence society to remove barriers and create opportunities for those at disadvantage, to build supportive communities and ultimately, a more inclusive society

Shaw Trust values

Our values underpin everything we do
They shape the way we work with each other, with customers and with partners
Our values are as follows

To be people-centred

To ensure that everything we do is to realise the full potential of the people we are here to help

To act with integrity

To be an organisation that is open and transparent, actively embraces equality and diversity and has an honest, inclusive and respectful culture which everyone trusts

To be innovative

To be a creative, forward-thinking organisation which finds new ways of doing things to break down barriers to independent living and sustainable employment

To be best-in-class

To be a top-performing provider of employment and independent living services that helps as many people as possible into work, or on the journey towards independent living

To be an employer of choice that leads by example, creating a best-in-class working environment and recruits and invests in the best people

To be accountable

To encourage everyone to take personal responsibility for their actions

For clients to understand their role in working towards employment or a more independent way of living

For staff to be empowered to do their jobs and take personal responsibility for carrying out their roles, in line with our values and code of conduct

In 2013 we supported

53,000

on their journey into work

More than

230 

sites across the UK

 **600**
volunteers



Volunteers offer nearly

 **250**

hours of support a week
to Shaw Trust's Work
Programme customers

On average,

over 50

people enquire
about volunteering
with us every month

450 people volunteered in our shops
for nearly 100,000 hours last year.



10,000 skilled volunteering hours were given
in our employment services offices

Work Choice



Each month we help
over 200 people start work
through Work Choice

In total in 2013-14,
we supported over

11,800

people with a disability

Top 5 industries



Health and
social work



Admin and
support



Retail



Accommodation
and food
services



Manufacturing

Work Programme

11,000

helped to start work in
2013-14

1,800

ex-offenders
supported from
day one of their
release from prison

Top 5 industries



Administration



Charity



Transport, logistics and
security



Health, nursing and
social care



Retail

2,046

people supported
by Learning and
Skills last year



95%

of the people we
help are satisfied
with our service
(January 2014 survey)

Retail

800,000

donated items sold last year



1 in 4 items are donated with a Gift Aid
declaration, enabling Shaw Trust to claim back



5,000

electrical
items saved
from landfill

thanks to

450

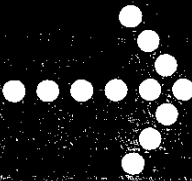
volunteers
in our shops
turnover =

£3.9m



John's skills are no longer secret

We found John his first job this year. He is now a vital part of the administration team at a charity in Scotland called Open Secret. John has dyspraxia and a speech impediment, and was helped by our Work Choice team in Falkirk.



"When people tell me I can't do something, it spurs me on to not only do it but do it better than anyone thought I could. Shaw Trust saw that I could do more than even I had ever imagined."



Our Work

Making a difference

There are many organisations delivering employment services in the UK but it is the variety of services and opportunities provided by Shaw Trust that enables the charity to help even more people to find work, gain skills and take control of their futures

Our retail managers helped our Work Choice and Bridging the Gap customers to gain experience

Shaw Trust Enterprises staff helped Work Choice and Work Programme customers

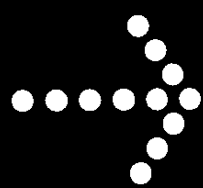
to train, become skilled and enjoy paid placements

Staff in our Work Choice and Work Programme offices found placements in our enterprises, work in our retail shops and experience for customers all over the country through our stepping stones to employment programme in our enterprises

Our Learning and Skills teams trained, qualified and supported customers from across Shaw Trust in their journey towards work

A high-contrast, black and white photograph. In the foreground, the back of a person's head and shoulders are visible. They have long, dark hair tied back. They are looking towards a large, bright sign in the background that has the word "JOBS" written on it in bold, capital letters. The scene is dimly lit, with the sign being the primary light source, creating a silhouette effect on the person and highlighting the sign's text.

JOBS



Making a difference for the hardest to help

Staff member Jennie Harris helps customers with multiple barriers to employment to find organisations that will improve and enhance their everyday life, as well as ensuring that they have a support team around them.

Barriers such as mental ill health, criminal records, history of abuse, homelessness and drug and alcohol abuse.

"Some of the people I meet just need a helping hand. Others need a lot more.

"Their stories and their results make my job so worthwhile."

Jennie received the accolade below from a customer, abused as a child, and too frightened to leave the house. Jennie helped her to find her first job.

"My past used to be on my mind constantly. Now, I can put it behind me and start thinking of my future at last. It's never too late and it's all thanks to Jennie and her colleagues."

Who do we help?

We help individuals at disadvantage to find work, gain skills and take control of their futures.

The people we help come to us through a number of routes

- Through government and European Social Fund programmes such as Work Choice and Work Programme
- By referrals from JobcentrePlus and local authorities
- By colleges and further education establishments
- Through apprenticeships and programmes supporting those not in employment, education or training (NEETs)
- Through volunteering at one of our shops or our enterprises

Campaigning

Our Policy and Research Team is helping to shape what Work Choice and Work Programme might look like in 2015-2016. This started last year with the publication of the Making Work a Real Choice consultation and report, which has already had an impact as the government has agreed we do need a specialist disability programme. It has also changed the rules to allow Work Choice customers to access Skills Funding Agency money while they are on the programme. These are great results.

How do we help?

- We find jobs
- We help with work experience placements in our own enterprises and shops
- We work closely with national, local and regional employers to provide work opportunities that suit our customers
- We offer information, advice and guidance to customers searching for a job
- We give employability training – writing CVs, job-searching and going to interviews
- We have 50 shops that offer real life retail experience
- We run horticultural, catering and wood recycling projects all over the UK that give our customers the opportunity to gain skills, experience a working environment and achieve qualifications
- We offer in-work support once we have found our customers their job
- We run condition management support helping people with illness to overcome physical and mental health barriers and become a valued asset to their employer
- We help employers access funding to make adjustments in their workplace for people with a disability
- We actively promote the making of accessible websites and online information sources for people with a disability
- We campaign for specialist employment services for people with a disability through publications such as our Making Work a Real Choice report

Strategic report

1. Performance and achievements

Success in employment

We are one of the most successful organisations delivering Work Choice in the whole of the UK. Performance on the programme improved exponentially this year we helped 6,000 people to find work and passed our Provider Assurance Team (PAT) assessment.

Regardless of whether the contract ends or is extended beyond 2015, the year ahead will be challenging. The future of specialist employment provision is partly in our hands and so we have been campaigning through reports, meetings and visits to ensure that all political parties understand the importance of specialist support for those who need it.

Our bespoke support plan for our hardest to help customers, Bridging the Gap, helped nearly 1,000 customers during the seven months it was in place.

The external environment inevitably impacted, and will continue to impact, our delivery on the Work Programme, factors such as an improving economy are good news for jobseekers and reduce reliance on organisations such as ours, but have meant that the numbers of people coming on to the programme have dropped. Yet despite this reduction in people coming to Shaw Trust, we honoured our commitment and supported the same number of people into work we had planned. That is, we worked extremely hard with our existing customer base to get them into employment.

The year ahead for Work Programme will be equally challenging, the numbers of people starting the programme will be below previous expectations and attachment fees (the payment for Shaw Trust CDG starting new customers) ended under the terms of the contract on 1 April. This means that the organisation will need to continue its performance improvement, working smarter with clients and finding innovative ways to get people back to work. This new approach has already started with the development of Community Hubs in London, offering jobseekers a wider range of support and help including health and wellbeing, money advice and practical signposting to housing, benefit and medical care.

Shaw Trust continues to subcontract (in partnership with WISE) for the ESF Families with Multiple Problems programme, assisting families with complex barriers to move from benefit dependency to sustained employment in Hartlepool.

Day One Trailblazer for Young People was a pilot contract which aimed to help young people with work experience placements. We helped 530 people into paid work during the nine months that we were part of the pilot. We decided not to bid for the full contract as the parameters changed during the procurement process and it was agreed that delivery, results and support would have been extremely difficult for Shaw Trust to deliver.



Knowing what works

We work closely with employers large and small, making sure the customers we send for interview will be a great fit for their organisations. A good example of this partnership approach is with Pret A Manger. Shaw Trust staff take on work experience themselves, doing the

job they are preparing customers for in a local Pret A Manger branch. This means they really understand the job, which enables them to describe it truthfully to their customers and put forward those they know are most suited.

“When we roll our sleeves up to do the job we are recommending for a customer, it shows our different approach.”

Jenny La Rocque,
Regional Employer Manager



A black and white photograph of a man with a beard and short hair, wearing a dark jacket, standing in a warehouse or store. He is looking towards the camera. In the background, there are shelves stocked with various items, including boxes and bags. A sign on the left side of the image reads "I enjoy working and meeting customers. Thank you Shaw Trust."

**"I enjoy working and meeting customers.
Thank you Shaw Trust."**

A first in Falkirk

We found Alan Shanks his first job this year. Alan has autistic spectrum disorder and was referred to our Work Choice office in Falkirk to give him the extra support he needed to find work. Alan now works in a household goods store in Falkirk, and his managers are pleased with his progress.

Joining up the services

2013-2014 was the year we joined up our services to help even more people find work, gain skills and take control of their futures.

Our retail managers helped Work Choice and Bridging the Gap customers to gain experience

Shaw Trust Enterprises staff helped Work Choice and Work Programme customers to train, become skilled and enjoy paid placements

Staff in our Work Choice and Work Programme offices found placements in our enterprises, work at our retail shops and experience for customers all over the country

Our Learning and Skills teams trained, qualified and supported customers from across Shaw Trust in their journeys towards work

The links that support us

In March this year we were awarded the Merlin Standard for our supply chain operations. This standard recognises the progress we have made in developing our approach to supplier management across national programmes. Currently delivering half of all our welfare-to-work activity, suppliers are drawn from across the third, public and private sectors

In the last operational year partners provided help and support to over 9,000 of our customers across Work Choice and Work Programme, finding approximately 5,400 of them employment. Without our partner network, Shaw Trust could not fulfil its mission. We rely on their hard work and commitment to helping our beneficiaries and for that we give our thanks.

In January 2014 we ran a supply chain survey and received some great comments:

"Our relationship with Shaw Trust has been a positive one. Support is good and we are building a good relationship with our new supply chain manager."

"I feel I could talk to the management at Shaw Trust with any concerns, and that I would be taken seriously and offered help if needed. It is a much more open process than it was at the beginning of the contract, when I felt I knew very little. This is good in my opinion, and can only lead to improved confidence and better outcomes for our customers."

"Very happy with supply chain manager support. Review meetings are focused, informative and relevant."

"Our supply chain manager is excellent and provides open communication between our organisation that has embedded true partnership working."

"The new delivery assurance framework is ensuring that we know exactly what is required from us with regards to compliance and performance."

What a difference a Dave makes

Dave was a civil servant for forty years, and wanted to keep his brain active during retirement. He now volunteers at our Portsmouth Work Programme centre for two mornings a week, using his mentoring and coaching skills to guide jobseekers in the right direction and help them achieve their goals.

"I love being able to sit and chat, to understand motivation, or lack of, and to see a real difference in the people that I help. I also like the interactive and social aspect of my volunteering."



10,000

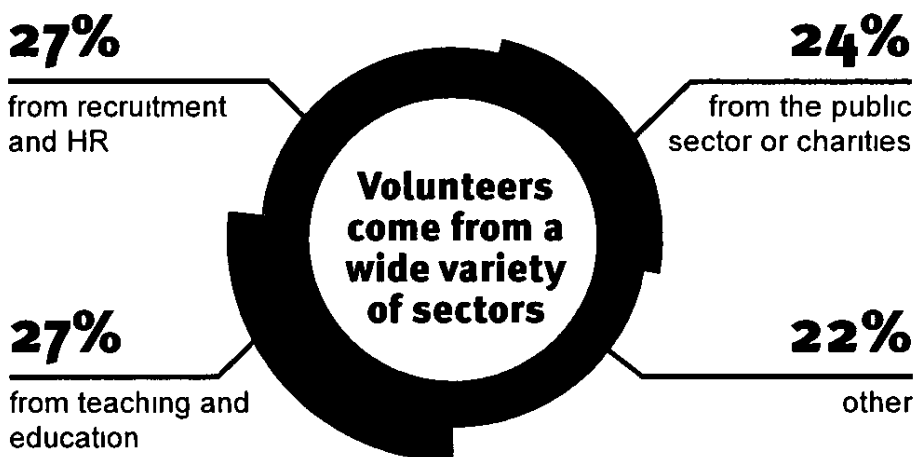
hours of skilled volunteering support given to customers by Shaw Trust CDG volunteers

Volunteering

Shaw Trust CDG volunteers continues to count on the support of skilled volunteers who help mentor, coach and support customers during their jobsearch

Volunteers in our retail shops and at our enterprises support customers while they are

on work experience or on work placements. Employers and partners we work with also provide volunteer support as part of their corporate social responsibility programmes. These include Capita, Sage Publishing and the DWP.



100,000

hours of retail volunteering support given in our shops

Why do they volunteer?



70%
to help people to find a job



68%
to share my skills and experience



59%
to give something back



55%
to help people achieve their potential



An enterprising outlook

It was undoubtedly a year of change for all the staff working in our Charitable, Health and Social Enterprises (CHaSE) as we restructured and looked to ensure all existing services at Shaw Trust aligned to our vision of helping people into employment and greater independence

Projects that couldn't be aligned to our mission or developed to do so are being carefully helped to transition out of Shaw Trust and into the care of new providers. The majority of staff affected have been able to transfer to new providers – and this work will continue in the year ahead

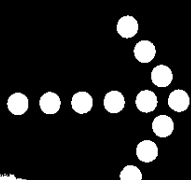
The new Shaw Trust Enterprises is now better aligned with our mission, offering placements and work experience to customers, as well as helping customers to work towards qualifications

We've launched stepping stones to employment – a dedicated programme that helps our clients move towards finding a job. These have been launched in our horticultural enterprises and are proving a real success. In the future, we will integrate all of the services we provide with our enterprises



“Shaw Trust put me back on my feet.”

Following the death of his grandmother, who he had cared for over twenty years, Lee fell into a long period of depression. The one thing that kept him going was gardening. Shaw Trust offered him a stepping stone work experience placement at our horticultural enterprise in Portsmouth, allowing Lee to increase his confidence. He has since started a job in a care home, looking after people with dementia.



**“Without Shaw Trust I’d never
have got back on my feet.
Experiencing the world of work
again after so long, and being able
to spend time doing something I
love in the garden, has done me
the world of good.”**

**Olivia is one of our retail volunteers
and it's not only us that benefits.
"Before I started at Shaw Trust I
was a little bit shy, but now my
confidence is much improved."**

**Our vision is
every disabled
disadvantaged
person has the
ability to**



"Olivia is our little ray of sunshine."

Ruth Janczak, manager, Bath shop

Find out more about Olivia and the work she does at www.shaw-trust.org.uk



Shaw Trust on the high street

Our retail shops' turnover was 3 per cent higher than last year and surplus more than doubled as a direct result of the work that was completed in the year before around restructure, stock collection and training. Our shops are now outperforming their counterparts in the high street.

Retail facts

- 450 volunteers in our shops gave 93,600 hours last year
- 800,000 donated items sold last year
- More than a million people visit our shops each year
- Turnover £3.9m – up 3 per cent on last year
- Surplus £370k – more than double the previous year
- One in every four items (25 per cent) is now donated with a Gift Aid declaration (up from 7 per cent in 2012)
- We've saved more than 5,000 electrical items from ending up in landfill this year



Our Malvern shop found this beautiful vase in a box of donated stock. The manager spotted the 'Moorcroft' signature and called in an independent expert, who suggested the vase was worth £600 and would have been sold at Liberty in 1910. The vase was sold at auction, making a whopping £6,500 for Shaw Trust.



Making a mark in retail

Jack found it hard to stay in work as his condition meant it was difficult for him to finish a task in a set time frame. His Shaw Trust adviser worked closely with him and with his new employer, Primark, to find ways of working that suited them both. Now Jack loves his work. Nearly as much as his employer loves working with Jack.

Vicki from Primark: "Jack is the most reliable member of staff we have. Seeing him come out of his shell, gain confidence and smile has been remarkable."

Further afield

Shaw Trust has supported its international colleagues by sharing knowledge and experience and will continue to do so throughout 2014-2015, encouraging the exchange of best practice between all group members

Interwork, based in Australia, supported more than 4,000 individuals during the year to build their capacity and capability to sustain employment through their disability employment services, training, workplace rehabilitation and community programmes

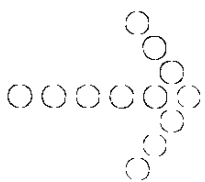
Motivation Romania continued to support over 3,000 disabled clients across a broad spectrum of activities including employment, disability rights advocacy, medical and activity rehabilitation, sheltered units and wheelchair-need assessment and distribution

Foundation Integracja has developed its strategy of focusing on supporting inclusion for disabled people in Poland. It is undertaking a range of practical projects that help employees and employers to break down barriers in the workplace, allow access to financial products and raise awareness of the importance of digital inclusion for all members of society



£2,000

raised by Shaw Trust staff helped our Romanian partner Motivation's teenage clients to have their 'happy Christmas'.



Sharon's Story

Sometimes the help we give results in more than just a job. Our Lowestoft Mental Health Employment Team gave Sharon the confidence to break down barriers and set up her own cake decorating business.

Sharon said, "I've been unable to leave the house for many years as I have agoraphobia. Shaw Trust helped me recognise my

skills in art and design, supported me to gain a qualification in cake decoration and guided me to start my own business. It's been a very long and slow journey as I struggled with my mental health and my fear of people.

"The team at Shaw Trust has shown patience and care and now my recovery is looking more positive by the day."

Awards and rewards

ERSA Awards 2013

Shortlisted Significant Achievement Award Work Programme customer Terence Burton, who found work after 14 years of being a carer

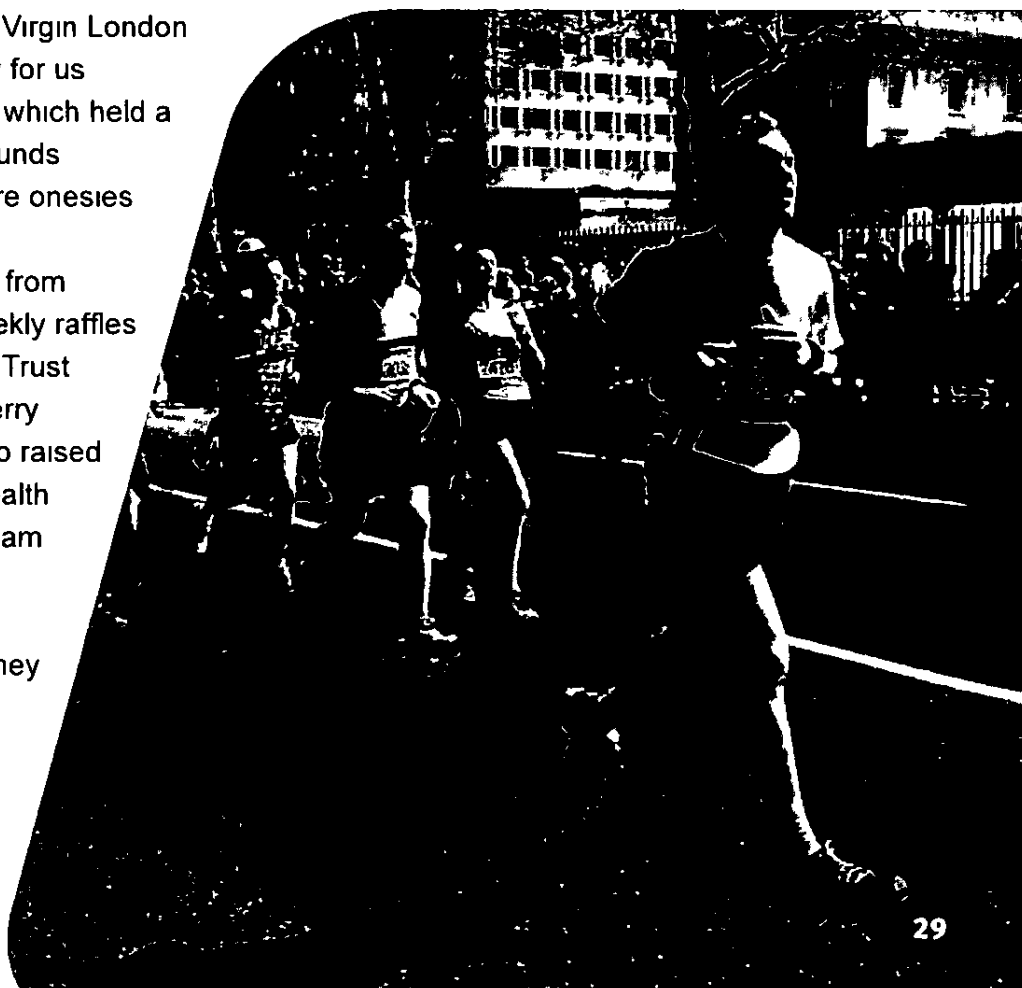
Shortlisted Macmillan Cancer Support Project at the Christie Hospital, which helps people with cancer when they need support with job-related concerns, such as time off for treatment and adjustments to their working schedule

Our garden centre, Palmer Gardens, won three categories in the Trowbridge in Bloom competition and a Taylor Bulbs Community Award



Thank you to our supporters

- Everyone who ran in the Virgin London Marathon to raise money for us
- Swansea Bay Golf Club, which held a charity golf day to raise funds
- Dorset Health, which wore onesies and raised money for us
- Tony Barrett, a volunteer from Eastleigh, who holds weekly raffles to raise money for Shaw Trust
- The Monday Morning Merry Makers in Tonbridge, who raised money for our Mental Health Employment Services Team
- Palmer Gardens' light switch-on and Christmas extravaganza raised money for its training room
- All our volunteers, for their time



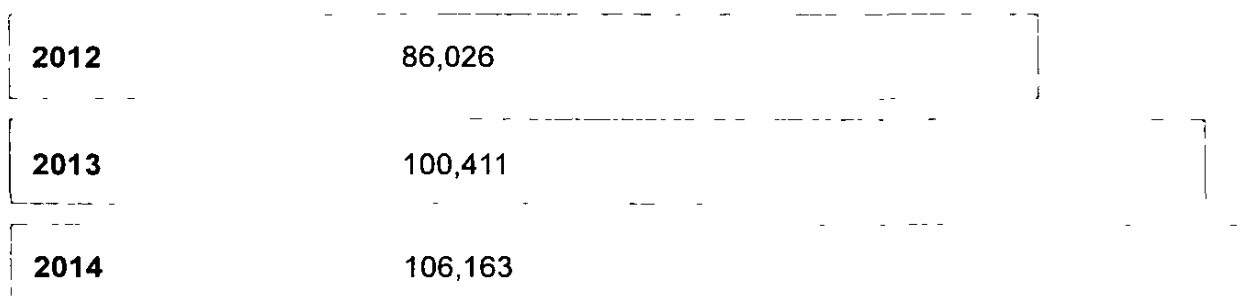
Figures at a glance

The financial performance (figures in £'000)

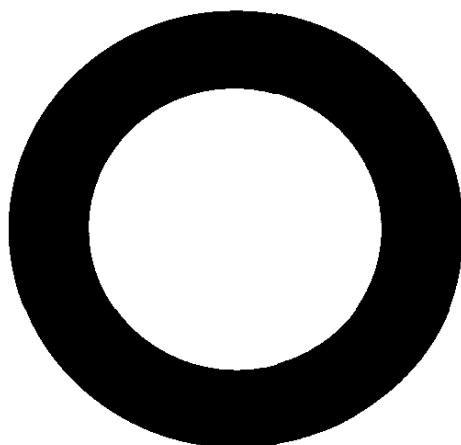
Incoming Resources



Resources expended

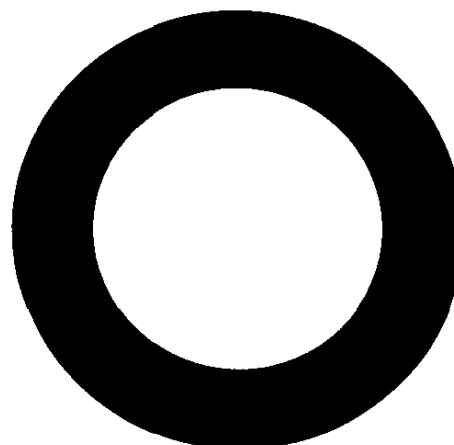


Incoming resources: £107,897



- Employment - UK £97,577
- Employment - overseas £5,256
- Charity shops £3,886
- Other £1,178

Resources Expended: £106,163



- Employment - UK £95,364
- Employment - overseas £6,844
- Charity shops £3,516
- Other £439

2. Financial Review

The consolidated financial statements for 2013-14 include the results of Careers Development Group Ltd ("CDG") for the full twelve months. The prior year includes the performance from the acquisition date of 26 September 2012 to 31 March 2013 and the necessary costs of merging the operations of CDG with those of the Shaw Trust operations in the UK. Overall the economic conditions in the main UK market continued to be challenging but the Trust have significantly improved its performance on both its main Welfare to Work contracts. The Trust recorded an increase in reserves of £1.7m in the year (2013 a decrease of £1.8m). The net surplus before the effect of unrealised gains on the investment portfolio, unrealised gains on foreign currency net assets and actuarial losses on the pension fund was £2.3m (2013 deficit of £3.5m). Total incoming resources increased by 12% to £107.9m (2013 £96.6m), mainly due to the improvements in performance and the inclusion of the full year's Work Programme activity of CDG. The costs of delivering these activities have increased by 6% to £106.2m (2013 £100.4m), the prior year included the costs of integrating CDG.

During the year the operational performance on the main Work Choice programme and the payment by results Work Programme improved significantly resulting in contribution above plan despite overall client referrals to Work Programme being lower than originally forecast. The strategic plan to develop significant alternative income streams remains, although 2013-14 showed no significant new contracts in chosen areas, despite considerable preparatory activity. Internal costs in the UK continued to be controlled in the year with the restructuring of the combined central service departments of both UK organisations largely completed.

Net current assets at 31 March 2014 were £22.2m, £3.2m higher than the previous

year, largely due to the timing of receipts from the main employment programmes. The loan taken out by CDG was fully repaid in April 2013. Net cash and current asset investments increased by £4.6m in the year (2013 cash utilised £1.0m) with the main contributing factors being the net incoming resources (£1.7m), an increase in working capital as a result of timing of customer receipts and supplier payments (£6.4m) being offset by the repayment of the loan (£5.0m). Capital expenditure of £0.8m, mainly on software, was offset by depreciation of £3.3m.

The unrestricted UK activities of the Trust recorded a surplus of £3.2m (2013 deficit of £2.3m) as a result of increased performance. The UK retail shops are mid-way through a three year strategic improvement plan and income levels rose by 3%, to £3.9m, and reported a surplus of £0.37m for the year (2013 a surplus of £0.17m), after allocated central support costs.

Interwork, the group's Australian subsidiary, continued to suffer from reduced income levels following the re-tendering round on its main employment contracts and a weak performance in its training division which contributed to the decision in the prior year to write-down the goodwill previously recognised in connection with the acquisition in 2011-12. In the financial year Interwork recorded a deficit of £1.5m (2013 deficit of £1.5m).

The investment portfolio recorded a net surplus of £0.9m in the year (2013 a surplus of £1.8m) due to the continued improving market conditions.

Investment powers, policy and performance

Investment powers are governed by the Trust's Memorandum and Articles of Association and permit the Trust's funds to be invested in a wide range of assets.

Shaw Trust's investment policy for its UK reserves is to balance the security of its funds available for investment with the need for liquidity to meet its obligations as they fall due, whilst obtaining the best yield that can be generated given the Trust's risk appetite. In line with this policy the Trust has continued to invest the majority of its UK reserves in fixed-term deposits with highly rated UK banks. The amount held on deposit as at 31 March 2014 was £24.0m (2013: £14.0m). The weighted average amount on deposit during the year was £15.0m (2013: £12.0m) and this average investment produced a yield of £0.11m or 0.75% (2013: £0.16m or 1.33%) illustrating the continuing low returns available on cash deposits.

The remainder of the Trust's UK reserves are invested by the Trust's Investment Manager, Quilter Cheviot, in a balanced portfolio of listed UK and overseas equities and bonds and alternative investments. During the year the Trust's investment portfolio increased in value by £1.0m and the market value as at 31 March 2014 was £14.7m (2013: £13.7m). The increase in value was 6.7%, which is in line with the APCIMS Balanced benchmark return.

The Trust's Australian subsidiary, Interwork Limited, invests any available funds in fixed-term bank deposits. The directors of Interwork do not consider that any further diversification is appropriate given the amount of funds available to invest.

Reserves policy

The Trust's free reserves are held in order to manage the risks to which the charity is exposed in the course of its activities. The Trustees ensure that the charity is in a responsible and secure financial position to provide reliable services for our beneficiaries, to absorb unforeseen setbacks and to take advantage of opportunities that are in line with our charitable mission.

The reserves policy is reviewed at least annually by the Trustees, to take account of changes to the environment in which the Trust operates, and any other internal or external risk factors that might impact on the level of reserves required.

The reserves policy is based on the level of free reserves which is defined as total unrestricted funds less any designated funds, revaluation reserves and pension scheme surpluses or deficits.

The Trustees ensure that the free reserve target they set will be capable of providing sufficient:

- Working capital to fund targeted growth opportunities,
- Funds for responsive action in the event of a significant financial down-turn, and
- Funds to enable the Trust to take advantage of market driven investment opportunities.

In setting the target, the Trustees appraise current areas of activity, funding sources, future needs, opportunities, contingencies and the risks faced by the charity. Specific attention is given to:

- The time needed to implement an effective operational response to any significant, permanent income reduction,
- Dependence on, and the future reliability of, individual income streams as the Trust currently undertakes medium-term contracts within a maturing market sector,
- The need to have sufficient working capital available to participate in relevant future major employment related programmes funded by the UK Government, and

- the actual on-going liabilities of the Trust to all stakeholders

Shaw Trust has calculated the target level for free reserves as the equivalent of between 10 and 14 weeks' of operating expenditure. At 31 March 2014, the sum needed, based on the operational expenditure during the year just ended, was in the range of £20.4m to £28.6m (2013: £19.5m to £27.3m). At the same date, the actual level of free reserves was £30.2m (2013: £20.9m) which is equivalent to 14.8 weeks expenditure (2013: 10.7 weeks). The Trustees continue to monitor the level of reserves held by the Trust to ensure that the appropriate balance is struck between the prudence that is necessary in the light of continuing economic uncertainty and the fulfilment of the Trust's charitable aims.

have delivered since their inception, our planned direction will include new avenues – in justice and in education – that will see us helping even more people that need us.

This year we launch Shaw Education Trust, a special charity designed to act as a sponsor for special schools wishing to become academies, where we can offer even more of a helping hand to those that need it most.

3. Risks and Uncertainties

This subject-matter is referred to in depth in the Risk Management section of the Structure, Governance and Management, pages 35 - 37.

4. Plans for the future

For 2014-15 the Trust is focused in the UK on maximising performance on the key Work Choice and Work Programme contracts by ensuring that clients are supported to remain in employment, and securing income growth in targeted sectors. Cash flow from current business activities is planned to be positive in the year as no major capital expenditure is anticipated and internationally we will continue to monitor and review the operational activities of Interwork.

As we get ready to face the challenges of the potential change in government in 2015 and the end of the Work Choice and Work Programme employment contracts that we

Structure, Governance and Management

Governing documents

The company is legally constituted under its Memorandum and Articles of Association dated 3 August 1983 and amendments thereto

Objects of the Trust

The objects of the Trust are:

- To relieve any person who is in need because of any disability or because of any other disadvantage resulting from unemployment, youth, age, financial hardship or ill-health,
- The promotion of the health, equality and independence of disabled people,
- The prevention and relief of poverty, in particular, by providing education, training, rehabilitation and employment opportunities

The company is non-party in politics and non-sectarian in religion

Governance

The Trustees in office during the year, and at the date of signing these financial statements, are set out on page 38. The Trustee Board has overall responsibility for the governance of the Trust which means ensuring that the Trust has in place

- A clearly defined strategy along with detailed operating plans to execute those strategies,
- A robust system of internal control and risk management that ensures the Trust safeguards its assets, meets its statutory and contractual obligations and protects the clients it services and

- An appropriate reporting and oversight structure to ensure that the senior executives to whom the Trustees have delegated the day to day management of the Trust are performing to the standards expected

The Board meets bi-monthly and, whilst the matters discussed at those meetings will vary, the general themes of discussions are

- Strategy,
- Review of performance,
- Developments in the Trust's external operating environment, and
- Major internal change programmes and investment decisions

During the year, the following sub-committees of the Trustees discharged specific aspects of their responsibilities

- The Audit Committee has a key responsibility for financial and corporate governance, including ensuring effective liaison with external audit, considering major findings of internal audit reports and matters of risk management, and receiving updates on the Trust's strategic risk register
- The HR and Remuneration Committee is responsible for determining the Trust's overall HR strategy and approving major changes to the Trust's structure, employees' terms and conditions and the pay and reward for senior executives
- The Performance and Finance Committee is responsible for reviewing in detail the operational and financial performance of the Trust

- The New Business Committee is responsible for scrutinising major new business opportunities

The Trustees have delegated the day to day management of the Trust to the Chief Executive and the Executive Management Team. The main employment related contracts are delivered by a regionally organised operations department with other operational activities being delivered by dedicated business unit teams.

Our operational staff are supported by business and communications, information services, people and performance and finance teams.

As part of their succession planning, the Trustees have a system of Trustee evaluation to identify potential gaps in their individual skills and of the board as a whole. Evaluation is carried out annually by the Trustees.

Trustees are recruited in an open process, targeted towards any skills needs identified by the Trustee evaluation process, ensuring that we obtain the right balance of experience and expertise.

New Trustees can be co-opted by the members to fill a vacancy at any time during the year. Co-opted Trustees, if they wish to continue, seek re-election at the first Annual General Meeting after their appointment.

Every new Trustee receives a copy of Shaw Trust's Memorandum and Articles of Association, a summary of how it operates to achieve its charitable objects, with particular attention to its core areas of operations, a copy of Shaw Trust's latest reports and financial statements, a copy of the Code of Practice adopted by the Trustees, details of Shaw Trust's senior executives and their respective roles, terms of reference and reporting lines, details of board meetings

and the board papers made available for meetings.

In addition to induction, Trustees are able to undertake training in specific areas of Shaw Trust's operations through visits and presentations.

Risk Management

Trustees are responsible for setting the tone and influencing the culture of risk management within the Trust, including the attitude to risk. Through the Executive Management Team and Audit Committee, which consists of Trustees with a financial and risk management background, Trustees discharge their responsibilities toward risk management by

- The adoption of a range of policies and procedures to enable effective risk management including a risk management policy, an anti-fraud policy, a whistleblowing policy and a registration of interests' policy,
- The maintenance of a corporate risk register which is used to monitor the risk environment of the Trust and to inform audit plans, and the establishment and maintenance of the "three lines of defence" model of internal control
- Line 1 - Management controls to prevent, detect and respond to exposure to risk. These include organisational structures that enable segregation of duties, the implementation of security protocols in respect of assets and information, pre-employment checks and ongoing training, supplemented by management supervision and checking arrangements,
- Line 2 - Risk Management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, Line 2 provides assurance in respect of the quality

Structure, Governance and Management

of service provision and compliance with legislation, contractual requirements and relevant standards. The Trust's Line 2 reports into senior management and the Trustee Board, through the Audit Committee, and informs the Trust's risk register, and

- Line 3 - Internal Audit which is performed by an internal Commercial Assurance Team (CAT) and, to maximise independence and objectivity, an outsourced provider (Deloitte). Reporting primarily to the Audit Committee, the CAT and Deloitte undertake a range of auditing and compliance testing to provide assurance over the effectiveness of corporate governance and the control environment. All reports identify areas of strength and good practice along with areas for improvement. In the case of the latter the Audit Committee monitor a time based log of improvement actions, agreed by the management and the auditors, to ensure that they are implemented.

The identification, evaluation and monitoring of significant risks is a continuous process. Emerging risks and changes to the risk profile are identified by the Executive Management Team and reported to the Audit Committee and main Trustee Board through a Corporate Risk Register. The Trustee Board reviews new and existing risks, challenges risk ratings and assesses the effectiveness of mitigating actions and controls. It also considers whether other risks should be reviewed and advises management accordingly.

The assessment of risk is linked to the evolving Shaw Trust strategy and the following have been identified as key risks and the Trust is taking appropriate steps to monitor and mitigate them

- Loss of ability to deliver services and mission arising from unexpected business interruption,
- Inability to grow and develop the Trust both culturally and commercially to enable its long term viability,
- Financial and reputational damage caused by theft, fraud or poor governance,
- Ineffective protection of the confidentiality, integrity or availability of the Trust's records and information assets,
- Breakdown of relationships with key commissioners (notably DWP) as a result of poor performance or breach of contract and the consequent impact on contract renewals and new business,
- Inability to evolve in response to changes in the political, social and economic climate, including the need to innovate new service delivery models and funding streams, and
- The need to constantly safeguard vulnerable clients from harm

The Group's financial risk management objectives and policies are to

- Maintain a strong balance sheet so as to maintain the confidence of stakeholders and to sustain the future development of the business, and
- Invest surplus funds so as to return a yield consistent with the Group's low risk appetite and ensuring sufficient liquidity to meet obligations as they fall due

The main risks arising from this policy are counterparty and liquidity risk which the Group manages by

- Diversifying its investments
- Investing only with highly rated institutions
- Ensuring investments mature on a regular basis

The Group currently finances its operations through its reserves and has not required external funding to date

The Group does have a foreign exchange risk arising from investments in charities operating in Poland, Romania and Australia. However, as the Group has no plans in the foreseeable future to repatriate funds from any of these countries to the UK because the reserves of those charities can only be applied in their country of residence, this risk has not been hedged.

Whilst the Group does have significant concentrations of debt due from the UK Central and Local Government, the risk is not considered to be significant because of the credit rating of the institutions.

Disabled employees

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status.

The group gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities.

Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged as a means of achieving a common awareness on the part of all employees of the financial and economic factors affecting the group. The group encourages the involvement of employees through a forum where employees are represented by elected colleagues on a regional basis who meet regularly with the Executive Management Team.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Statutory and administrative details of the charity, the Trustees and advisers

President

Tim Papé OBE, DL

Patrons

Dame Evelyn Glennie OBE
Sir Derek Hornby Kt
Baroness Kinnock
Clive Richards OBE, DL
Oliver Stocken
Mark Daymond

Sir Geoffrey Holland KCB
John Bush OBE, LL
Richard M Mansell-Jones
Rt Hon Sir Richard Needham
Professor Sir Mansel Aylward CB

Trustees

Ken Olisa OBE (Chairman, appointed 25 September 2013)
Janet Allen # *
John Briffitt (Chairman, resigned 24 July 2013)
Andy Bruen (resigned 12 September 2013)
Mike Hawker #
Philip Hollins *
Peter Holmes ●
Ann Lloyd CBE ♦
Fred McCrindle OBE *●# (Interim Chairman, 24 July 2013 to 25 September 2013)
Vanessa Miner
John Norman ♦
Cha Patel ●♦

* Member of the Audit Committee

♦ Member of the HR and Remuneration Committee

● Member of the Performance and Finance Committee # Member of the New Business Committee

Executive Management Team

Roy O'Shaughnessy	Chief Executive
Jerome Walls	Chief Finance Officer (resigned 8 November 2013)
David Phipps	Finance Director (appointed 22 April 2014, previously Interim Chief Finance Officer, appointed 8 November 2013)
Jacque Smallwood	Executive Director of Operations
Richard Clifton	Executive Director of New Business
Jude Sheeran	Organisational Development and Corporate Resources Director (appointed 16 September 2013, previously Interim Executive Director of Integration)

Company Secretary

Nick Carey (appointed 28 January 2013)
Mark Woodward (resigned 28 January 2013)

Registered Office

Shaw House
Epsom Square
White Horse Business Park
Trowbridge
Wiltshire
BA14 0XJ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
31 Great George Street
Bristol
BS1 5QD

Bankers

The Royal Bank of Scotland
9th Floor,
280 Bishopsgate,
London
EC2M 4RB

Investment Manager

Quilter Cheviot
One Kingsway
London
WC2B 6AN

Solicitors

Brabner Chaffe Street Solicitors
55 King Street
Manchester
M2 4LQ

A Company Limited by Guarantee Registered Number 1744121
Registered Charity Number in England & Wales 287785
Registered Charity Number in Scotland SC039856

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Shaw Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to.

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgments and 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, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment

(Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Trustees are aware

- There is no relevant audit information of which the charitable company's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission

Ken Olisa, Chairman
23 July 2014



Independent auditors' report to the members and trustees of The Shaw Trust Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2014 and of the group's incoming resources and application of resources, including its income and expenditure and the group's cash flows 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended)

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The group financial statements and parent company financial statements (the "financial statements"), which are prepared by The Shaw Trust Limited, comprise

- the group and parent charitable company balance sheet as at 31 March 2014,
- the group statement of financial activities (including the group income and expenditure account) for the year then ended,
- the group cash flow statement for the year then ended,
- the accounting policies, and
- the notes to the financial statements, which include other explanatory information

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). In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the group's and the charitable company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the trustees, and
- the overall presentation of the financial statements

Independent auditors' report to the members and trustees of The Shaw Trust Limited

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Trustees' remuneration specified by law are not made. We have

no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 40, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members and trustees as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and regulations made under those Acts (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and Chapter 3 of Part 16 of the Companies Act 2006) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Katharine Finn (Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

23 July 2014

Group Statement of Financial Activities (including group income and expenditure account) for the year ended 31 March 2014

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources					
Incoming resources from generated funds					
Donation of net assets arising on merger	26	-	-	-	1,845
Fundraising and Donations		90	268	358	329
Income from Charity shops	2	3,886	-	3,886	3,756
Investment income		674	146	820	774
Incoming resources from charitable activities		98,322	7,457	105,779	91,523
Incoming resources including share of joint ventures	1	102,972	7,871	110,843	98,227
Less Share of Gross Incoming Resources of joint ventures		(1,425)	(1,521)	(2,946)	(1,637)
Group incoming resources:		101,547	6,350	107,897	96,590
Resources expended					
Costs of generating funds					
Charity shops' trading costs of goods sold and other expenses	2	(3,516)	-	(3,516)	(3,591)
Investment Management fees		(26)	-	(26)	(33)
Cost of Charitable activities		(94,280)	(7,927)	(102,207)	(96,340)
Governance costs		(414)	-	(414)	(447)
Total resources expended	3	(98,236)	(7,927)	(106,163)	(100,411)
Net incoming/(outgoing) resources before transfers					
Gross transfers between funds	18	(87)	87	-	-
Group net income/(expenditure):		3,224	(1,490)	1,734	(3,821)
Share of net incoming resources of joint ventures	10	246	314	560	295
Net incoming/(outgoing) resources including joint ventures					
Gain on fixed asset investment	11	404	-	404	1,471
Unrealised (losses)/gains on foreign currency translation of net assets of subsidiaries and joint ventures		-	(1,023)	(1,023)	309
Actuarial gain/(loss) in defined benefit pension schemes	24	75	-	75	(71)
Net movement in funds		3,949	(2,199)	1,750	(1,817)
Fund balances brought forward		32,810	8,016	40,826	42,643
Fund balances carried forward	18,19	36,579	5,817	42,576	40,826

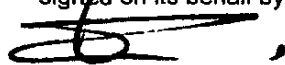
The Consolidated Statement of Financial Activities includes all gains and losses recognised in the current and prior year. The difference between the net outgoing resources and the historical cost equivalent is not material, therefore no note of historical cost profits and losses has been presented. All of the above results are derived from continuing activities.

Group and Company Balance Sheets as at 31 March 2014

Company Number 1744121

	Note	Group		Company	
		2014	2013	2014	2013
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8	-	-	-	-
Tangible assets	9	9,354	12,023	9,002	7,587
Investments in joint ventures – investment at cost					
Gross assets		1,450	1,501	-	-
Gross liabilities		(539)	(966)	-	-
Net assets	10	911	535	-	-
Available for sale investments	11	14,654	13,740	14,654	13,740
Total fixed assets		24,919	26,298	23,656	21,327
Current assets					
Stocks	13	343	321	343	321
Debtors	14	7,457	12,610	6,816	10,291
Current asset investments		26,488	18,962	24,000	14,000
Cash at bank and in hand	15	6,123	9,077	5,779	4,495
Total current assets		40,411	40,970	36,938	29,107
Creditors – amounts falling due within one year	16	(18,215)	(22,003)	(17,811)	(13,390)
Net current assets		22,196	18,967	19,127	15,717
Total assets less current liabilities		47,115	45,265	42,783	37,044
Provisions for liabilities and charges	17	(4,552)	(4,335)	(4,028)	(3,449)
Net assets, excluding pension asset/ (liability)		42,563	40,930	38,755	33,595
Pension asset/(liability)	24	13	(104)	13	(104)
Net assets, including pension asset/(liability)		42,576	40,826	38,768	33,491
Funds					
Designated funds	18	3,872	9,352	3,564	5,500
Revaluation reserve	18	2,687	2,696	2,687	2,696
General funds	18	30,187	20,866	30,095	22,942
Total unrestricted funds, excluding pension asset/(liability)		36,746	32,914	36,346	31,138
Pension asset/(liability)	24	13	(104)	13	(104)
Total unrestricted funds	18	36,759	32,810	36,359	31,034
Restricted funds	19	5,817	8,016	2,409	2,457
Total	20	42,576	40,826	38,768	33,491

The financial statements on pages 43 to 72 were approved by the board of directors on 23 July 2014 and were signed on its behalf by



K Olisa, Chairman

Group cash flow statement for the year ended 31 March 2014

	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Net cash inflow/(outflow) from operating activities	a		10,548		(4,698)
Investment income received		820		774	
Interest and charges paid		(102)		(78)	
Net cash inflow from returns on investments and servicing on finance			718		696
Business combinations					
Cash at bank acquired with subsidiary undertaking			-		5,189
Capital expenditure and financial investment					
Purchase of tangible assets		(785)		(2,501)	
Net purchases of investments		(535)		(321)	
Net cash outflow from capital expenditure and financial investment			(1,320)		(2,822)
Impact of foreign currency translation			(374)		265
Increase/(decrease) in cash before movement in short term deposits			9,572		(1,370)
Net cash (outflow)/inflow from movement in short term deposits			(7,526)		4,828
Financing					
Repayment of loan		(5,000)		-	
Net cash outflow from financing			(5,000)		-
(Decrease)/increase in cash	b		(2,954)		3,458

a) Reconciliation of net incoming/(outgoing) resources before other recognised gains to net cash inflow/(outflow) from operating activities

	2014 £'000	2013 £'000
Net incoming/(outgoing) resources before other recognised gains	1,734	(3,821)
Donation of net assets arising on acquisition	-	(1,845)
Pensions (FRS17) – adjustment to net incoming resources	(42)	(25)
Investment income received	(820)	(774)
Bank charges and interest paid	102	78
Depreciation and fixed asset write-offs	3,313	2,518
Amortisation of goodwill	-	467
Net loss on write off/disposal of fixed assets	33	30
Increase in stock	(22)	(47)
Decrease in debtors	5,153	364
Increase/(decrease) in creditors	880	(724)
Increase/(decrease) in provisions for liabilities and charges	217	(919)
Net cash inflow/(outflow) from operating activities	10,548	(4,698)

Group cash flow statement for the year ended 31 March 2014

b) Reconciliation of net cash flow to movement in net funds

	2013	Cash Flow	2014	
	£'000	£000	£000	
Cash held on behalf of third parties	1,764	(89)	1,675	
Cash pledged as security for guarantee	250	-	250	
Unrestricted cash at bank and in hand	7,063	(2,865)	4,198	
Total cash at bank and hand	15	9,077	(2,954)	6,123

Principal accounting policies

The financial statements have been prepared on a going concern basis in accordance with the requirements of the Companies Act 2006, the applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. A summary of the significant accounting policies, which have been applied on a consistent basis, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain tangible fixed assets and fixed asset investments.

Basis of consolidation

The consolidated financial statements include the activities of the Trust and its joint ventures and subsidiary undertakings (note 10) made up to 31 March 2014. Intra group transactions and profits are eliminated on consolidation. The results, assets and liabilities of the subsidiary undertakings are combined with those of the Trust in the results of the group on a line by line basis. Joint ventures are accounted for under the gross equity method of accounting.

Income

Income is recognised in the Statement of Financial Activities based on the completed performance of agreed services for third parties.

Deferred income

Where income is received for a specific period and that period straddles the Trust's year end, the appropriate portion of income is carried forward to the following year.

Donations and other voluntary income

All donations and other voluntary income are included in the Statement of Financial Activities and accounted for according to the date of receipt.

Sales and trading activities

Income from the retail trading division (charity shops) and sales made as part of the Trust's other trading operations are recognised on a receipts basis.

Grants/fees

All revenue grants and fees receivable principally from the Department of Work and Pensions, other Government agencies and local authorities relating to the period are included in the Statement of Financial Activities. All grants that relate to specific capital expenditure are disclosed as income in the year in which they are receivable and disclosed as restricted funds.

Resources expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities.

(a) Costs of generating fundraising and donations are costs incurred in seeking voluntary contributions.

(b) Charity shops' expenditure relates to the costs incurred in running and maintaining the Trust's charity shops.

(c) The Cost of Charitable expenditure relates to the costs of running and supporting the Trust's various charitable activities.

(d) Governance costs relate to the review of the Trust's strategy, the organisation and administration of the charitable company and compliance with constitutional and statutory requirements.

Apportionment of costs

Costs have been allocated directly to a business heading wherever possible using

Principal accounting policies

relevant cost drivers for each support cost department. Support costs that have not been directly allocated to a business heading in this way have been attributed to a business heading based on the results of an activity based costing exercise undertaken for the organisation as a whole.

Irrecoverable VAT

Any irrecoverable VAT is charged to the Statement of Financial Activities or capitalised as part of the cost of the related asset, where appropriate.

Tangible fixed assets and depreciation

Tangible fixed assets, excluding freehold and long leasehold properties, are stated at cost less depreciation. Freehold and long leasehold properties are revalued every five years with an interim valuation if there has been material change.

Where freehold land and buildings are purchased for use by specific services, the difference between the cost and estimated residual value is depreciated on a straight-line basis over the service contract's life.

Revalued long leasehold properties are amortised over the remaining life of the lease. Short leasehold improvements and charity shop fixed assets are depreciated over a period up to the first break clause on individual leases, or over five years if sooner. Assets under construction are not depreciated until they are completed and brought into use.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual values, on a straight-line basis over their expected useful economic life as follows:

- freehold buildings 2 per cent (or over the lifetime of the contract if more appropriate)
- long leasehold buildings 2 per cent (or length of lease if shorter than 50 years)

- fixtures and fittings 20 per cent (or more if first break clause of lease is within 5 years)
- equipment and vehicles 20 per cent
- computer equipment 25 per cent
- software 25 per cent (or over the lifetime of the contract if more appropriate)

Intangible fixed assets

Intangible fixed assets comprise goodwill arising on the purchase by the group's Australian subsidiary, Interworks Limited, of the share capital of Skills Training Australia Group Pty Ltd and of the assets and business of We Will Pty Ltd. Together these 2 companies operated a business as a Registered Training Organisation in Sydney, Australia. The amount of goodwill ascribed reflected the business model and profitable growth exhibited since trading began in 2008. In determining the period of amortisation, management considered these factors as well as the network of customers and intellectual property, the competitive nature of the marketplace in which the business operates, the barriers to entry to that marketplace and the relative immaturity of the business and have concluded that 7 years was a reasonable time over which to amortise the goodwill arising on this acquisition. However, trading results since the acquisition of the business have been weak and, whilst actions are being taken to restore this activity to profitability, the Trustees concluded in the prior year that the goodwill on acquisition is impaired and should be written-off fully.

Available for sale investments

Available for sale investments are investments held in listed companies, government and corporate bonds and other investments. These investments are stated at market value at the period-end. Unrealised gains/(losses) are derived from the movement in market value during the year and are recorded in the Statement of Financial Activities.

Donated fixed assets

All donated fixed assets are included in the financial statements at a reasonable estimate of their market value at the date of receipt.

Cash at bank and in hand

Cash at bank and in hand comprises cash held on deposit with qualifying institutions that is repayable on demand

Current Asset Investments

Current Asset Investments comprise cash held on term deposits with qualifying financial institutions

Stocks

Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks

Designated funds

Reserves which relate to certain fixed assets are held as designated funds

Revaluation reserve

The difference between the market value and the historic cost of revalued, unrestricted, fixed assets, including available for sale investments, is accounted for within the revaluation reserve, along with the difference between the market value and historical cost of fixed asset investments

Unrestricted funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the objectives of the Trust

Restricted funds

These are funds where the purpose for which they can be used has been specifically restricted by the donor, contractual agreement or the law. The amounts in the funds represent the monies still remaining for future expenditure or funds represented by fixed assets

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term

Pension costs

The Trust operates insured defined contribution pensions for eligible employees. All applicable pension costs are charged in the Statement of Financial Activities as incurred. In addition to the core Shaw Trust defined contribution pension scheme, the Trust operates two defined benefit pension arrangements, which are detailed in note 24 to the Financial Statements

Both defined benefit schemes are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being agreed by the actuary. In the intervening years the actuary reviews the continuing appropriateness of these rates

The costs to the Trust of funding the schemes are accounted for in accordance with Financial Reporting Standard 17 'Accounting for Retirement Benefits' (FRS17). The contributions paid by the Trust to the defined contribution schemes are charged as resources expended in the year in which they are payable, in accordance with the rules on accounting for defined contribution pension schemes as set out in FRS 17

Related party transactions

The Shaw Trust Limited is the parent company within a group that prepares consolidated financial statements. The company has taken advantage of the exemption from disclosing transactions with group entities under the terms of Financial Reporting Standard No 8

Foreign currency translation

The assets and liabilities of the Trust's joint ventures and subsidiaries are translated into sterling at the rates ruling at the balance sheet date. The revenue and expenses of those companies are translated into sterling at the average rate during the year and gains or losses arising on translation are dealt with through the Statement of Financial Activities

Notes to the financial statements

1. Total incoming resources/material funders

The total income of the Trust, including income derived from joint ventures, comprises

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000	Total 2013 £'000
Incoming resources from generated funds				
Donation of net assets arising on merger	-	-	-	1,845
Fundraising	90	268	358	329
Charity shops	3,886	-	3,886	3,756
Interest receivable and dividends received	674	146	820	774
Incoming resources from generated funds	4,650	414	5,064	6,704
Incoming resources from charitable activities				
Contract delivery, social enterprises and other charitable activities	96,897	5,936	102,833	89,886
Joint ventures	1,425	1,521	2,946	1,637
Incoming resources from charitable activities	98,322	7,457	105,779	91,523
Total	102,972	7,871	110,843	98,227

The Trustees consider material funders to be those contributing over 10 per cent of income. The principal funder is The Department for Work and Pensions (DWP) from which a total of £85.0 million (2013 £53.0 million) was received. The South Australian government contributed A\$9.0 million which translates to £5.3 million at the average rate for the year (2013 A\$13.6 million, £8.8 million).

Included within incoming resources from charitable activities is £534,000 received from Big Lottery Fund in respect of three projects run by Shaw Trust in South Wales – Life Skills, Convergence Neath Port Talbot & Swansea and Competitiveness Vale of Glamorgan & Cardiff.

The results of the company, as required to be disclosed by para 397 of the Charity SORP, are

	2014 £'000	2013 £'000
Total income	97,682	73,033
Net incoming/(outgoing) resources	3,023	(4,099)

2. Charity shops

	2014 £'000	2013 £'000
Turnover	3,886	3,756
Cost of sales	(1,883)	(1,942)
Gross profit	2,003	1,814
Administrative expenses	(1,386)	(1,386)
Depreciation	(120)	(154)
Net Contribution	497	274
Bank charges	(1)	-
Allocated Central Support costs	(126)	(109)
Net surplus for the year	370	165

3. Analysis of total resources expended

	Activities undertaken directly £'000	Support costs not directly allocated £'000	2014 Total £'000	2014 Unrestricted Funds £'000	2014 Restricted Funds £'000	2013 £'000
Cost of Generating Funds						
Fundraising	-	-	-	-	-	-
Charity shops	3,516	-	3,516	3,516	-	3,591
Investment Management Fees	26	-	26	26	-	33
Cost of Generating Funds	3,542	-	3,542	3,542	-	3,624
Cost of Charitable Activities						
Contract delivery, social enterprises and other charitable activities	99,736	2,169	101,905	94,865	7,624	95,959
Usage of Fundraising Funds	302	-	302	-	302	381
Cost of Charitable Activities	100,038	2,169	102,207	94,281	7,926	96,340
Governance	414	-	414	414	-	447
Total	103,994	2,169	106,163	98,237	7,926	100,411

Support costs not directly allocated comprise the following

	2014 £'000	2013 £'000
Support costs		
Management	1,163	2,082
Finance	396	442
Information Technology	275	258
Human Resources	225	386
Corporate Affairs	110	91
Support costs not directly allocated	2,169	3,259

The reduction in management costs not directly allocated reflect the prior year's cost of the merger with CDG net of a VAT refund received

Notes to the financial statements

4. Finance costs

	2014 £'000	2013 £'000
Bank charges, interest and other finance costs	102	78
Net finance return on defined benefit pension scheme (note 24)	(30)	(10)
Total	72	68

5. Net incoming resources

	2014 £'000	2013 £'000
The net incoming resources are stated after charging		
Depreciation charge for the year on tangible owned assets	3,313	2,453
Amortisation charge for the year on intangible fixed assets	-	73
Impairment charge arising on review of carrying value of intangible fixed assets	-	394
Auditors' remuneration audit services		
- Parent company and consolidated financial services	48	47
- Audit of the company's subsidiaries	10	25
Auditors' remuneration other services		
- services relating to taxation	46	37
- all other services	6	7
Operating leases		
- others	724	1,096
- property	3,946	4,314
Net loss on write off/disposal of tangible fixed assets	33	30

6. Employees

The average monthly number of persons employed by the group during the year was

	2014		2013	
	Full Time Equivalent Number	Total Number	Full Time Equivalent Number	Total Number
Charitable purposes	1,120	1,347	1,258	1,407
Retail	91	127	100	136
Total	1,211	1,474	1,358	1,543

Employee costs for the above persons during the year were

	2014 £'000	2013 £'000
Wages and salaries	39,357	37,917
Social security costs	3,295	3,235
Other pensions costs (note 24)	1,009	1,000
Total	43,661	42,152

6. Employees (continued)

In addition to the above employees, the Trust is also the legal employer of a number of clients of the Government's Workstep Welfare to Work programme. These clients have a contract of employment with the Trust and are paid through the Trust's payroll but they are placed with host employers in supported employment and this arrangement has survived the transition to the Work Choice contract. The average monthly number of such employees during the year ended 31 March 2014 was 186 (2013 224) and their net employment costs, after contributions from the companies with whom they are placed, was £209,248 (2013 £387,000).

The total emoluments of employees earning more than £60,000 fall within the following bandings

	2014 Total emoluments	2013 Total emoluments	2014 Total emoluments (excluding severance costs)	2013 Total emoluments (excluding severance payments)
	Number	Number	Number	Number
£60,001 - £70,000	16	17	16	18
£70,001 - £80,000	5	9	5	7
£80,001 - £90,000	5	6	4	5
£90,001 - £100,000	2	2	1	-
£100,001 - £110,000	2	2	2	-
£110,001 - £120,000	5	6	3	2
£120,001 - £130,000	1	2	1	-
£170,001 - £180,000	1	1	-	-

The total pension contributions in respect of the above staff, all of which were made to defined contribution schemes, were £102,349 (2013 £146,130).

The total emoluments of those employees who earned more than £60,000, including severance payments, during the year includes £326,000 (2013 £905,000) paid, or to be paid, to employees as a result of the termination of their employment with the Trust. The 2013 cost included £746,000 in respect of severance payments relating to the reorganisation of the Trust following the merger with Careers Development Group.

7. Trustees' and senior executives' remuneration

(a) During 2014 and 2013, no Trustee received any emoluments from the Trust. Incidental travelling costs of £9,236 (2013: £11,988) were reimbursed to, or paid on behalf of, 10 (2013: 12) Trustees by the Trust.

(b) The 'directorships' outlined on page 38 of these financial statements in respect of senior executives are nominal titles and accordingly no disclosure of 'directors' emoluments are included in these financial statements.

(c) Included within the support costs is the amount of £10,500 (2013: £7,155) in respect of indemnity insurance which protects the Trust, up to an agreed limit, against loss arising from defaults of or neglect by its Trustees and officers.

8. Intangible Fixed Assets

Group	2014
Cost	£'000
At 1 April 2013	540
Additions	-
At 31 March 2014	540
Amortisation	
At 1 April 2013	540
Charge for the year	-
At 31 March 2014	540
Net Book Value	
At 31 March 2014	-
At 31 March 2013	-

The intangible fixed assets comprises goodwill on the acquisition of the share capital of Skills Training Australia Group Pty Ltd and the assets and business of We Will Pty Ltd, two organisations who operate a business as a Registered Training Organisation in Sydney, Australia. As a result of weak trading results, the carrying value of this goodwill was reviewed and a determination was made in 2013 to write-off the remaining balance.

9. Tangible assets

Group	Freehold land and buildings £'000	Long leasehold property £'000	Assets under construction £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Computer Software £'000	Total £'000
Cost or valuation							
At 1 April 2013	340	6,562	64	3,661	3,893	9,269	23,789
Additions	-	18	511	105	40	111	785
Transfers	-	21	-	(598)	2,881	(2,304)	-
Foreign exchange losses	-	(24)	-	(84)	-	-	(108)
Write offs	-	(58)	-	(56)	-	-	(114)
At 31 March 2014	340	6,519	575	3,028	6,814	7,077	24,352
Accumulated depreciation							
At 1 April 2013	27	2,692	-	2,265	2,772	4,010	11,766
Transfers	-	256	-	(378)	2,067	(1,945)	-
Charge for the year	10	458	-	387	724	1,734	3,313
Write offs	-	(28)	-	(53)	-	-	(81)
At 31 March 2014	37	3,378	-	2,221	5,563	3,799	14,998
Net book value							
At 31 March 2014	303	3,141	575	807	1,251	3,277	9,354
At 31 March 2013	313	3,870	64	1,396	1,121	5,259	12,023

Company	Freehold land and buildings £'000	Long leasehold property £'000	Assets under construction £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Computer Software £'000	Total £'000
Cost or valuation							
At 1 April 2013	340	3,252	64	1,201	3,893	5,749	14,499
Additions	-	-	511	11	40	13	575
Transfers	-	2,989	-	782	2,881	1,440	8,092
Write offs	-	-	-	(14)	-	-	(14)
At 31 March 2014	340	6,241	575	1,980	6,814	7,202	23,151
Accumulated depreciation							
At 1 April 2013	27	1,140	-	872	2,772	2,101	6,912
Transfers	10	353	-	201	724	1,125	2,413
Charge for the year	-	1,660	-	424	2,067	688	4,839
Write offs	-	-	-	(14)	-	-	(14)
At 31 March 2014	37	3,153	-	1,483	5,563	3,914	14,150
Net book value							
At 31 March 2014	303	3,088	575	497	1,251	3,288	9,002
At 31 March 2013	313	2,112	64	329	1,121	3,648	7,587

9. Tangible assets (continued)

The following fixed assets, included in freehold land and buildings and in long leasehold property, have been revalued in a previous year

The Palmer Gardens site was revalued on 28 January 2010 by independent qualified valuers, Quinton Edwards, Chartered Surveyors. The open market value at that date was estimated at £800,000

The development at Lowestoft was revalued on 22 January 2010 by independent qualified valuers, Aldreds Chartered Surveyor. The open market value at that date was estimated at £180,000

The building in Bootle was revalued on 20 January 2010 by independent qualified surveyors, Venmore Survey and Valuations. The open market value at that date was estimated at £160,000

The above valuations were made in accordance with the RICS Appraisal and Valuation Manual. Revaluation adjustments arising from those valuations have been taken to the revaluation reserve (see Note 18)

If the revalued freehold land and buildings and long leasehold assets were stated on the historical cost basis, the amounts would be

	Group and Company £'000
At cost	3,337
Accumulated depreciation	(1,232)
Net book value based on historical cost	2,105

The net book value of tangible assets includes an amount of £722,768 (2013: £745,206) in respect of assets principally financed by capital grants from The Big Lottery Fund and the European Regional Development Fund

10. Investments in Subsidiaries and Joint Ventures

Company interests in group undertakings

	2014 £'000	2013 £'000
At 1 April 2013 and 31 March 2014	-	-

The Trust has the following wholly owned subsidiaries and joint ventures. All subsidiaries, other than those that are dormant, are included in the consolidated financial statements.

Name of subsidiary	Country of incorporation	Nature of business
Interwork Limited	Australia	Charity
Careers Development Group	England and Wales	Charity
Shaw Work pty Limited	Australia	Dormant
Careers Development Group Ltd	Australia	Dormant
Shaw Trust Services Limited	England and Wales	Dormant
Shaw Trust Enterprises Limited	England and Wales	Dormant
Welfare to Work Systems Ltd	England and Wales	Dormant
CDG (Trading) Limited	England and Wales	Dormant

Name of joint venture	Country of incorporation	Nature of business
CDG-WISE Ability Limited	England and Wales	Welfare to work
The Integracja Foundation	Poland	Charity
Motivation Romania Foundation	Romania	Charity

	CDG-WISE Ability		Motivation Romania Foundation		Integracja Foundation	
Shaw Trust share of	2014 £'000	2013 £'000	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Total assets	333	399	1,081	1,066	36	36
Total liabilities	(87)	(231)	(416)	(699)	(36)	(36)
Gross incoming resources	1,425	451	1,385	1,057	137	129
Net surplus of expenditure over income	246	96	314	199	-	-

The investments in the joint ventures are stated at the net of the group's interest in the gross assets and gross liabilities of the joint ventures.

Both Motivation Romania Foundation and The Integracja Foundation, prepare audited annual financial statements to 31 December each year. For the purposes of accounting for the joint ventures in the Trust's group financial statements, the group has adjusted the audited annual financial statements for the transactions recognised in the unaudited management accounts for both joint venture companies for the three months ended 31 March 2014 and 2013.

11. Available for sale investments

As a part of the Trust's investment policy, a portion of funds available for investment are held in a broad range of UK and overseas listed equities, government and corporate bonds and alternative investments in order to generate capital growth without exposure to undue risk. These funds are held for the medium-term and there are no currently identified calls on these funds. As a result, and in accordance with accounting guidance, these investments are classified as fixed assets.

At the balance sheet date, these investments are held in the following classes

Group and Company	2014	2013
	£'000	£'000
Investments listed on a UK recognised stock exchange, or valued by reference to one	7,102	6,378
Investments listed on a non-UK recognised stock exchange, or valued by reference to one	3,724	3,464
UK government and corporate bonds	1,522	1,095
Other investments	2,184	1,991
Cash and settlements pending	122	2
At 31 March 2014	14,654	13,740

The movement on the value of the investments during the year are as follows

	2014	2013
	£'000	£'000
At 1 April 2013	13,740	11,981
Additions to investments at cost	4,134	2,288
Disposals at carrying value	(3,624)	(2,000)
Net gain on revaluation	404	1,471
At 31 March 2014	14,654	13,740

The cost of investments is £12,218,000 (2013: £11,296,000). The Trustees believe that the carrying value of the investments is supported by their underlying net assets.

12. Palmer Gardens

The Shaw Trust Limited is the corporate trustee of Palmer Gardens, which is a charitable trust, first registered as a charity on 25 March 1977 under number 273092. Under a Scheme dated 21 August 2008 a uniting direction was passed combining The Shaw Trust Limited and Palmer Gardens for accounting purposes. Consequently, the trading results, assets and liabilities of Palmer Gardens are accounted for within the restricted funds of Shaw Trust Limited. The financial results of Palmer Gardens are shown below.

As at 31 March 2014, Palmer Gardens has a Revenue Fund of £Nil (2013: £Nil) and a Capital Fund of £761,000 (2013: £774,000). The income and expenditure account for the Revenue Fund is set out below.

Revenue Fund	2014 £'000	2013 £'000
Turnover	679	602
Costs of sales	(351)	(348)
Gross profit	328	254
Selling and distribution	(274)	(271)
Administration	(60)	(48)
Operating deficit	(6)	(65)
Support costs	(68)	(68)
Depreciation	(25)	(36)
Net deficit	(99)	(169)
Palmer Gardens Revenue Fund Brought Forward	-	-
Transfer from capital fund	25	36
Donation from Shaw Trust to Palmer Gardens	74	133
Balance of restricted revenue reserve (see note 19)	-	-

The assets and liabilities held by the Capital Fund are set out below.

Capital Fund	2014 £'000	2013 £'000
Fixed Assets		
Palmer Gardens	761	774
Analysis of net assets		
Current assets – stocks	158	160
Current liabilities – creditors Shaw Trust	(158)	(160)
Net current assets	-	-
Total assets less current liabilities	761	774
Funds		
Restricted capital funds	761	774
Total (See note 19)	761	774

Notes to the financial statements

13. Stocks

Finished goods	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Plants, shrubs and nursery	181	190	181	190
Shop stock	110	95	110	95
Other	52	36	52	36
Total	343	321	343	321

14. Debtors

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Amounts falling due within one year				
Trade debtors	5,339	8,525	5,068	6,240
Amounts due from group undertakings	-	100	-	1,264
Other debtors	177	275	21	133
Prepayments and accrued income	1,941	3,710	1,726	2,654
Total	7,457	12,610	6,816	10,291

15. Cash at bank and in hand

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Cash at bank and in hand	4,448	7,313	4,104	2,731
Cash held on behalf of third parties (note 16)	1,675	1,764	1,675	1,764
Total	6,123	9,077	5,779	4,495

Cash at bank and in hand includes £250,000 that has been pledged as security against a guarantee provided by the Trust's bankers to Doncaster Borough Council in respect of the Trust's obligations to the South Yorkshire Pension Scheme

The Trustees consider that the cash held on behalf of third parties should be disclosed within Cash at Bank and Creditors falling due within one year (note 16) in order to show the total amount of monies received under contracts with funders that is managed by Shaw Trust on behalf of clients

16. Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade creditors	367	2,377	218	1,208
Taxation and social security	3,395	3,461	3,266	2,971
Other creditors	60	292	-	185
FutureBuilders Loan	-	5,000	-	-
Accruals	12,066	8,196	12,052	6,568
Moneys held on behalf of third parties	1,675	1,764	1,675	1,764
Deferred income (see below)	652	913	600	694
Total	18,215	22,003	17,811	13,390

The FutureBuilders loan taken out by Careers Development Group in December 2009 to provide capital for future development was repaid in full on 18th April 2013

Deferred Income

Group	2014	2013
	£'000	£'000
At 1 April 2013	913	1,736
Foreign exchange (losses)/gains	(41)	16
Amount received in year	8,749	12,339
Income utilised in year	(8,969)	(13,178)
Movement in the year	(261)	(823)
At 31 March 2014	652	913

Company	2014	2013
	£'000	£'000
At 1 April 2013	694	1,449
Amount received in year	8,091	10,371
Income utilised in year	(8,185)	(11,126)
Movement in the year	(94)	(755)
At 31 March 2014	600	694

17. Provisions for liabilities and charges

Group	Contract Closure Costs £'000	Dilapidations £'000	Contract Risk £'000	Employee Benefits £'000	Total £'000
At 1 April 2013	85	1,468	2,200	582	4,335
Foreign exchange losses	-	-	-	(105)	(105)
Utilised during the year	(85)	(108)	-	(178)	(371)
Created during the year	-	468	-	225	693
At 31 March 2014	-	1,828	2,200	524	4,552

Company	Contract Closure Costs £'000	Dilapidations £'000	Contract Risk £'000	Total £'000
At 1 April 2013	85	1,164	2,200	3,449
Transfers	-	326	-	326
Utilised during the year	(85)	(108)	-	(193)
Created during the year	-	446	-	446
At 31 March 2014	-	1,828	2,200	4,028

The contract closure costs related to the estimated anticipated expenditure in respect of staff and property related costs arising from the ending of the Trust's NDDP, Pathways and ESF contracts

The dilapidations provision relates to the costs that the Trust will incur in reinstating its leased properties to original condition, accrued over the length of the lease

The contract risk provision relates to an initiative undertaken during the year ended 31 March 2010 to enhance procedures and compliance within the Trust's welfare to work contracts. As a result of this work, the Trustees made a contract risk provision to cover possible rectification costs that might arise from short-comings in the record keeping on these contracts

The employee benefits provision relates to the accumulated holiday pay and long service leave for the employees of Interwork Limited and has been calculated in accordance with Australian law

18. Unrestricted funds

Group	Movement in funds				Balance 2014 £'000
	Balance 2013 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds					
Fixed assets fund	9,352	-	-	(5,480)	3,872
Total designated funds	9,352	-	-	(5,480)	3,872
Revaluation reserve	2,696	-	(9)	-	2,687
General funds	20,866	102,206	(98,278)	5,394	30,187
Total unrestricted funds, before pension surplus/(deficit) and investment losses	32,914	102,206	(98,287)	(87)	36,746
Pension surplus/(deficit)	(104)	117	-	-	13
Total unrestricted funds	32,810	102,323	(98,287)	(87)	36,759

Company	Movement in funds				Balance 2014 £'000
	Balance 2013 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds					
Fixed assets fund	5,500	-	-	(1,936)	3,564
Total designated funds	5,500	-	-	(1,936)	3,564
Revaluation reserve	2,696	-	(9)	-	2,687
General funds	22,942	97,316	(92,012)	1,850	30,095
Total unrestricted funds, before pension surplus/(deficit) and investment losses	31,138	97,316	(92,021)	(87)	36,346
Pension surplus/(deficit)	(104)	117	-	-	13
Total unrestricted funds	31,034	97,433	(92,021)	(87)	36,359

The designated fund represents the Trust's fixed assets which are not subject to restriction

The revaluation reserve arises from revaluations of freehold property in previous years, as set out in Note 9, and the marking to market of fixed asset investments

The pension surplus/(deficit) arises from a defined benefit scheme, as set out in Note 24

The transfers comprise transfers to restricted reserves as shown in Note 19

Notes to the financial statements

19. Restricted funds

Group and Company	Movement in funds			Impact of Foreign Currency Translation £'000	Transfers £'000	Balance 2014 £'000
	Balance 2013	Incoming	(Outgoing)			
	£'000	£'000	£'000			
The Big Lottery Fund						
Art Works	40	99	(137)	-	-	2
Worcester Talent Match	-	6	(1)	-	-	5
Ecominds Basingstoke	35	48	(50)	-	-	33
DIG for Dinner	-	105	(65)	-	-	40
Shaw Trust Horticulture Portsmouth	8	-	(5)	-	-	3
Sub-total The Big Lottery Fund	83	257	(257)	-	-	83
Doncaster Borough Council (guarantee)	250	-	-	-	-	250
Palmer Gardens Fund (Capital)	774	-	(25)	-	12	761
Palmer Gardens Fund (Revenue)	-	679	(754)	-	75	-
Basingstoke MH Artisans	2	-	-	-	-	2
Disability Action Centre (Capital)	566	-	(10)	-	-	556
Disability Action Centre (Revenue)	2	2	(1)	-	-	3
Employment Action Centre (Capital)	746	-	(18)	-	-	728
Shaw Trust Clamp Hill	8	1	(2)	-	-	7
Shaw Trust Salisbury	13	1	(5)	-	-	9
Other	13	6	(9)	-	-	10
Total company	2,457	947	(1,082)	-	87	2,409
Interwork Limited	5,192	5,402	(6,844)	(1,008)	-	2,742
Integracja Foundation	-	137	(137)	-	-	-
Foundation Motivation Romania	367	1,496	(1,182)	(15)	-	666
Total group	8,016	7,982	(9,244)	(1,023)	87	5,817

Monies received in year from The Big Lottery Fund for Art Works, Talent Match, Ecominds Basingstoke and DIG for Dinner totalled £257,000 (2013 £267,000)

Art Works provides arts design and woodcraft activity sessions to mental health in-patients and community centre users in the Chorley & South Ribble area of Lancashire. Working in this way enables clients to develop literacy, numeracy, communication and planning skills. It is partly funded through the Big Lottery Fund and Lancashire Care NHS Trust. In addition, the Green Partnership Award provided funding for people to attend a Willow Craft course and purchase willow materials to create sculptures for Worden Park.

Worcester Talent Match is a scheme designed to help local young people who have been unemployed or out of education for at least 12 months with the aim of helping those aged 18-24 year olds who are having difficulty finding career opportunities.

19. Restricted funds (continued)

Shaw Trust Ecominds benefits through the Big Lottery Fund and supports adults in the primary mental health sector in Basingstoke, providing them with access to allotments to help them learn new skills as well as improving the local environment

The DIG for Dinner project aims to establish a sustainable community food growing initiative in a deprived area of County Durham by teaching people how to grow their own food, to produce food locally and to contribute to local food networks. The project provides practical and purposeful activities for people with learning disabilities and mental ill health as well as volunteering opportunities for local people, school children and community groups. Funding has also been received from Rothley Trust and Hadrian Trust

Shaw Trust Horticulture Portsmouth (Greenfingers) provided a grounds maintenance service. The Big Lottery funded the renovation of a disused building on the hospital site to provide the project with an office and shop area

Shaw Trust Horticulture Basingstoke MH Artisans received funds from Mencap Basingstoke for development of site activities

The Employment Action Centre provides, within a multi-functional resource centre, a holistic approach to the employment needs of people living in Middlesbrough who are disabled and disadvantaged. The fund relates to the construction of the centre which was carried out with contributions from Big Lottery Fund, European Regional Development Fund, Middlesbrough Council and the West Middlesbrough Neighbourhood Trust

The Disability Action Centre is a highly innovative, multi-function centre, which integrates independent living services with training, employment, and disability consultancy services. The fund relates to the construction of the centre

Shaw Trust Clamp Hill received donations to contribute towards client activities

Shaw Trust Horticulture Salisbury benefitted from a community fundraising appeal 'Sow a Seed of Change' which helped the service to expand its range of client activities and for vital repairs at the training centre

Palmer Gardens is a vocational training centre and the restricted capital fund comprises £761,000 (2013 £774,000) of re-valued tangible fixed assets relating to the construction of the original training centre and later expansion of the facilities. Palmer Gardens also has a restricted revenue fund of £Nil for 2014 (2013 Nil). During the year there were donations from Shaw Trust's unrestricted reserves to Palmer Gardens of £87,000 (2013 £161,000) to cover the purchase of fixed assets and the deficit in revenue running costs (see note 12)

The funds held by Interwork Limited, Integracja Foundation and Foundation Motivation Romania are treated as restricted funds because those funds can only be used for charitable purposes in those countries

Notes to the financial statements

20. Analysis of net assets between funds

	Designated	Unrestricted (including funds pension asset)	Restricted	Total funds 2014	Total funds 2013
Group	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March are represented by					
Tangible fixed assets	3,872	3,075	2,407	9,354	12,023
Share of net assets of joint ventures	-	245	666	911	535
Available for sale investments	-	14,654	-	14,654	13,740
Current assets	-	36,581	3,830	40,411	40,970
Current liabilities	-	(17,653)	(562)	(18,215)	(22,003)
Provisions for liabilities and charges	-	(4,028)	(524)	(4,552)	(4,335)
Pension asset/(deficit)	-	13	-	13	(104)
Total net assets 31 March 2014	3,872	32,887	5,817	42,576	
Total net assets 31 March 2013	9,352	23,458	8,016		40,826

Included within designated funds and restricted funds are revaluations of £255,000 (2013 £255,000) and £Nil (2013 £Nil) respectively See note 19 for additional details

	Designated	Unrestricted (including funds pension deficit)	Restricted	Total funds 2014	Total funds 2013
Company	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 March are represented by					
Tangible fixed assets	3,564	3,392	2,046	9,002	7,587
Available for sale investments	-	14,654	-	14,654	13,740
Current assets	-	36,575	363	36,938	29,107
Current liabilities	-	(17,811)	-	(17,811)	(13,390)
Provisions for liabilities and charges	-	(4,028)	-	(4,028)	(3,449)
Pension asset/(deficit)	-	13	-	13	(104)
Total net assets 31 March 2014	3,564	32,795	2,409	38,768	
Total net assets 31 March 2013	5,500	25,534	2,457		33,491

21. Taxation

The Trust has no obligation to corporation tax as it is exempt on income and gains that are applied for wholly charitable purposes There is no similar exemption for VAT

22. Financial commitments

At 31 March 2014 the group and company had annual commitments under non-cancellable operating leases expiring as follows

Group	Property		Other	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Within one year	1,090	294	94	36
Between one and five years	1,572	1,437	271	860
After five years	1,535	1,788	-	-
Total	4,197	3,519	365	896

Company	Property		Other	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Within one year	1,012	236	80	9
Between one and five years	1,253	879	193	269
After five years	1,535	841	-	-
Total	3,800	1,956	273	278

Other operating leases relate to motor vehicles and office equipment

23. Capital commitments

At 31 March 2014, there were no commitments for capital expenditure (2013 £NIL)

24. Pension commitments

The Trust makes payments to the South Yorkshire Pension Scheme and the Platinum multi-employer passported scheme in respect of certain employees to whom The Transfer of Undertakings (Protection of Employment) Regulations ("TUPE") applied. Both schemes are defined benefit schemes and the assets are held in a separately administered fund. Both schemes are multi-employer schemes but it is possible to identify the Trust's share of the Schemes' assets and liabilities and these are separately disclosed below.

24. Pension commitments (continued)

South Yorkshire Pension Scheme

An actuarial valuation of the South Yorkshire Pension Scheme using the projected unit method was carried out in March 2010 by Mercer Human Resource Consulting, consulting actuaries. The major assumptions used by the actuary for the last three years are

	2014	2013	2012
Rate of increase in salaries	4.15%	4.15%	4.25%
Rate of increase in pensions in payment	2.4%	2.4%	2.5%
Inflation rate	2.4%	2.4%	2.5%
Discount rate	4.4%	4.2%	4.9%
Life expectancy of a future pensioner aged 65 in 20 years' time			
Male	90.2	88.7	87.8
Female	93.6	91.6	90.8

The inflation rate disclosed above is the CPI

Shaw Trust's assessed share of the assets of this scheme and the expected rate of return were

	Long term rate of return expected 2014 %	Value at 31 March 2014 £'000	Long term rate of return expected 2013 %	Value at 31 March 2013 £'000
Equities	7.0	1,335	7.0	1,305
Bonds	4.3	148	3.9	217
Gilts	3.4	289	2.8	236
Property	6.2	218	5.7	198
Cash	0.5	33	0.5	17
Other	7.0	152	7.0	153
Total market value of assets		2,175		2,126
Present value of scheme liabilities		(2,243)		(2,362)
Net pension deficit		(68)		(236)

Analysis of the amount charged to staff costs in the Statement of Financial Activities

	2014 £'000	2013 £'000
Current service	19	19
Past service gain	-	-
Total operating charge	19	19

24. Pension commitments (continued)

	2014	2013
Analysis of the amount credited to other finance income/(costs)	£'000	£'000
Expected return on pension scheme assets	123	107
Interest on pension scheme liabilities	(98)	(101)
Net return	25	6

Analysis of actuarial gain/(loss) recognised in the Statement of Financial Activities

	2014	2013
	£'000	£'000
Actual return less expected return on pension scheme assets	(34)	154
Actuarial gains/(losses) arising on scheme liabilities	178	(238)
Changes in the assumptions underlying the present value of the scheme liabilities	-	-
Actuarial gain/(loss) recognised in the Statement of Financial Activities	144	(84)

Movement in deficit during the year	2014	2013
	£000	£'000
Deficit in the scheme at the start of the year	(236)	(158)
Movement		
Current service cost	(19)	(19)
Past service credit	-	-
Contributions	18	19
Other finance income	25	6
Actuarial gain/(loss)	144	(84)
Deficit in the scheme at the end of the year	(68)	(236)

History of experience – gains and losses	2014	2013	2012	2011	2010
Difference between expected and actual return on scheme assets					
Amount (£'000)	(34)	154	(41)	(63)	373
Percentage of scheme assets (%)	1.6%	7.2%	2.1%	3.3%	19.8%
Experience gains and losses on scheme liabilities					
Amount in (£'000)	90	-	-	-	-
Percentage of the present value of the scheme liabilities (%)	4%	0%	0%	0%	0%
Total amount recognised in the Statement of Financial Activities					
Amount (£'000)	144	(84)	(107)	224	(145)
Percentage of the present value of the scheme liabilities (%)	6.4%	3.6%	5.0%	11.3%	6.4%

24. Pension commitments (continued)

Platinum Pension Scheme

The Trust joined the Platinum multi-employer passported pension scheme in October 2010 in order to accommodate the pension arrangements for staff whose employment transferred to the Trust under TUPE as a result of the Trust being awarded the Work Choice contract. An actuarial valuation of the Platinum pension scheme has not yet been carried out. The major assumptions used by the actuary for the last three years are

	2014	2013	2012
Rate of increase in salaries	3.8%	2.6%	2.6%
Rate of increase in pensions in payment	3.3%	2.6%	2.6%
Inflation rate	2.6%	2.1%	2.6%
Discount rate	4.4%	4.1%	4.6%
Life expectancy of a future pensioner aged 65 in 20 years' time			
Male	88.6	89.6	89.5
Female	91.1	92.0	91.9

Shaw Trust's assessed share of the assets of this scheme and the expected rate of return were

	Long term rate of return expected 2014	Value at 31 March 2014	Long term rate of return expected 2013	Value at 31 March 2013
	%	£'000	%	£'000
Equities	6.2	183	5.3	153
Bonds	4.3	156	4.1	134
Gilts	3.2	161	2.3	150
Other	6.2	57	5.3	48
Total market value of assets		557		485
Present value of scheme liabilities		(476)		(353)
Net pension surplus		81		132

Analysis of the amount charged to staff costs in the Statement of Financial Activities

	2014 £'000	2013 £'000
Current service	90	117
Past service cost	-	-
Total operating charge	90	117

Analysis of the amount credited to other finance cost

	2014 £'000	2013 £'000
Expected return on pension scheme assets	21	16
Interest on pension scheme liabilities	(16)	(12)
Net return	5	4

24. Pension commitments (continued)**Analysis of actuarial (loss)/gain in the Statement of Financial Activities**

	2014	2013
	£'000	£'000
Actual return less expected return on pension scheme assets	(13)	41
Experience gains and losses arising on the scheme liabilities	(56)	(28)
Changes in the assumptions underlying the present value of the scheme liabilities	-	-
Actuarial (loss)/gain recognised in the Statement of Financial Activities	(69)	13

Movement in surplus during the year	2014	2013
	£000	£000
Surplus in the scheme at the start of the year	132	100
Movement		
Current service cost	(90)	(117)
Past service cost	-	-
Contributions	103	132
Other finance income	5	4
Actuarial (loss)/gain	(69)	13
Surplus in the scheme at the end of the year	81	132

History of experience – gains and losses	2014	2013	2012
Difference between expected and actual return on scheme assets			
Amount (£'000)	(13)	41	(12)
Percentage of scheme assets (%)	(2.3%)	8.5%	3.9%
Experience gains and losses on scheme liabilities			
Amount in (£'000)	(56)	(28)	11
Percentage of the present value of the scheme liabilities (%)	11.8%	7.9%	5.2%
Total amount recognised in the Statement of Financial Activities			
Amount (£'000)	(69)	13	(1)
Percentage of the present value of the scheme liabilities (%)	(14.5%)	3.7%	(0.5%)

Summary of pension cost

The pension cost charged to the Statement of Financial Activities for the year amounted to £1.0 million (2013: £1.0 million) and was made up as follows

	2014	2013
	£'000	£'000
Defined benefit scheme	121	151
Defined contribution scheme	888	849
Total	1,009	1,000

25. Share Capital

The company is limited by guarantee and does not have a share capital. The liability of members in the event of winding up is limited to an amount not exceeding £1 per member.

26. Acquisitions

On 26th September 2012 the charity acquired 100 per cent control of the membership of Careers Development Group ("CDG") (a UK charitable company with the registered charity number 285251) in consideration of assuming the responsibility of continuing to increase employment opportunities, mainly under the Work Programme contract.

On 31 May 2013, a Business Transfer Agreement was signed and CDG transferred its assets and liabilities to Shaw Trust on that date, at their book value, leaving a residual balance of £1,931k due by Shaw Trust to CDG.

Shaw Trust

Ability at work

...tion is app

a soc



Registered Number 1744121

Registered Charity Number in England & Wales 287785

Registered Charity Number in Scotland SC039856

A Company Limited by Guarantee

Annual Report and Consolidated Financial Statements for the year ended 31 March 2014



London 12 11
MAYOR OF LONDON



In partnership with



Department for
Work and Pensions