

The Shaw Trust Limited &
Subsidiary Companies
Consolidated annual accounts
for the year ended 30 March 1996

Registered no: 1744121
Registered Charity no: 287785
A Company Limited by Guarantee



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Consolidated annual accounts for the year ended 30 March 1996

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Board of Trustees and Advisers

President

Sir Derek Hornby Kt

Vice Presidents

The Rt Hon Lord Carter
H Orr-Ewing
C Richards

Chairman

JR Bradbeer

Hon Treasurer

IEL Harris

Trustees

MJ Edwards
DJ Hinton
Sir Maurice Johnston KCB OBE DL
CWL Keen
CW Lillystone
RM Mansell-Jones
LJ Packer
Miss A Wadlow

Director General

TVF Papé OBE

Finance Director

JF Woods

Business Development Director

MGN Keyzar

Secretary and registered office

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

Solicitors

Wansbroughs Willey Hargrave
103 Temple Street
Bristol, BS99 7UD

Bankers

Barclays Bank Plc
PO Box 47
37 Milsom Street
Bath, BA1 1DW

Auditors

Coopers & Lybrand
Bull Wharf
Redcliff Street
Bristol BS1 6QR

Trustees' report For the year ended 30 March 1996

The aims of the Trust

Shaw Trust's mission is to enable people with disabilities to achieve their potential in work opportunities.

Major events and developments

Review of the year

In Shaw Trust, the key measure of our effectiveness is the number of disabled people assisted and it is pleasing to report that this number, either through direct employment or other means of support, is greater than in any previous year.

As a result of this success, we have set ourselves the ambitious target of doubling the present number of people assisted by the year 2000. Not only do we intend to achieve this quantum leap in numbers but we also intend to diversify the range of services on offer and have planned both our resources and structures with this double aim in mind.

Although it is our expressed intent is to support upwards of 10,000 disabled people by the year 2000, it is necessary to put this number into context. It is estimated that there are around 300,000 disabled or special needs people unemployed at present, a large proportion of which are eligible for the assistance Shaw Trust can offer. The scale of the task we have set ourselves is, therefore, enormous and our development strategies must be both pro-active and innovative.

During the year, our field services were restructured into seven regions. Each region is managed by a Regional General Manager reporting to the Business Development Director. This process of regionalisation is important to the Trust in that we are now able to be more responsive to local needs and more aware of local opportunities. Working within a clearly defined framework the Trust's field services will continue to develop and expand, thus assisting ever more disabled people.

Whilst regionalisation and local identity are clearly important for the Trust, it is equally important to portray a consistent and clear corporate identity. To this end we reviewed our logo and strapline during the year, consulting both staff and supported employees as well as our many stakeholders. The Trustees have approved the new logo with the stronger strapline 'releasing potential of disabled people'. The logo (shown on the cover of this report) portrays Shaw Trust as a dynamic and modern organisation, determined to be ambitious in the achievement of its mission. All Trust stationery, publications, shops and vehicles will, where possible, carry the new logo by April 1997.

At the core of the Trust's business is the contract with the Employment Service to support over 2,100 disabled people in work. Last year we were able to support nearly 100 more people in excess of the contracted numbers and are actively seeking additional non-statutory monies to supplement this Central Government programme.

As the Trust grows and expands the services delivered, we become involved with a growing range of contracts with an increasing number and variety of purchasers. It is critical to successful growth that these contracts are well negotiated and managed. We have developed sound project approval and monitoring processes, ensuring that we remain highly competitive whilst maintaining good quality standards.

During the year we have developed our support services, thus assisting the achievement of business objectives. We are maintaining steady year on year growth and predict an increase in this growth rate as we become ever more attractive to would be purchasers. We have the vision of being the 'leading national organisation with a focus on disability and employment'. The range and quality of our field services will largely determine how and when that vision is realised.

The Trust's influence continues to spread within the UK and the rest of the European Union. Representation on national and local advisory bodies, contribution to the debate on a variety of disability issues, production of reports on a range of national initiatives, together with involvement with world and European disability groupings has resulted in considerable enhancement of our profile. We envisage this process gathering momentum in the coming years.

Although much of the Trust's work is funded via service contracts, there are many other disabled people whom we can and wish to support but who fall outside statutory funding. We are particularly pleased to report an improvement with the Trust's fundraising. Targets have been significantly exceeded and we are deeply indebted to all corporate or individual donors who have supported us.

Last year we launched the Trust's charity shops. These have been outstandingly successful in generating much needed resources to support the Trust's work, raising the profile of the organisation and spreading information to the general public. By the year end 20 shops were open and trading. These occupy prime sites in the high street, presenting a most professional and attractive image of the Trust. We plan an extension of our 'shop chain' during 1996/97.

Trustees

We were pleased to welcome Sir Maurice Johnston and Charles Keen to the Board of Trustees. The Trustees have agreed that the time was now right for the recruitment of a group of influential people willing to support the Trust as Patrons. It was with great pleasure that the Trustees were able to announce that Sir Geoffrey Holland had accepted to become the first of the group of Patrons. Others will be announced shortly.

Financial Overview

The financial results for the year were satisfactory and have resulted in a strengthened balance sheet.

Total income increased by about £1.2 million (6%) with all types of activity contributing to this increase. Particular mention should be made of the Placement Scheme, where average numbers supported were considerably higher than the funded ceiling and the contribution of £84,000 from our shops' trading subsidiary, Shaw Trust Enterprises Limited.

On the expenditure side, placement wages paid were considerably higher than the previous year, while staff costs and overheads showed only small increases as percentages to income generated.

Despite the increase in turnover, cash movement was positive over the year, resulting in nil borrowings at the year end.

The surplus of income over expenditure of £99,000 has been taken to Reserves which now stand at £651,000.

Employees

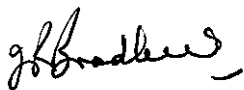
A key resource available to the Trust is its staff. During the year, we were delighted to be awarded the prestigious Investor in People (IIP) accreditation and believe we are the first major national charity to be so recognised. Achievement of this award not only demonstrates the progress made by the Trust in the training and development of its staff towards business objectives but also recognises the additional contribution made by our staff in conforming to this quality standard. The Trustees acknowledge, with thanks, all the efforts made by staff during the year which have resulted in such a successful outcome.

The Future

This report clearly states the Trust's intention of assisting ever more disabled people. This will be achieved by maximising the usage of existing resources and vigorous strategies for securing additional ones.

We believe we have an increasingly important role to play both within the UK and the rest of Europe. We have been pioneers in developing a range of services that assist disabled people to integrate into the world of work and believe we have much to offer in translating these types of services in a wider European context.

We have certainly achieved much to date but there is still much more to do. We shall continue to be innovative, promote best practice and deliver top quality services. The Trustees believe that Shaw Trust will continue to strengthen, develop and lead the field in the years ahead.

A handwritten signature in black ink, appearing to read 'JR Bradbeer', with a stylized flourish at the end.

JR Bradbeer
Chairman

Consolidated income and expenditure account for the year ended 30 March 1996

| | Note | 1996 £ | £ | 1995 £ | £ |
|--|------|-------------------|---|-------------------|---|
| Income | | | | | |
| Supported Placement Scheme: | | | | | |
| Employment service | | 9,712,990 | | 9,494,684 | |
| Host employer's contributions | | 9,905,600 | | 9,620,280 | |
| | | <u>19,618,590</u> | | <u>19,114,964</u> | |
| Other grants | 1 | 992,549 | | 791,989 | |
| Agency, training and management fees | | 571,703 | | 475,822 | |
| Sales and activities | | 166,778 | | 108,275 | |
| Fundraising and donations | | 192,678 | | 85,704 | |
| Profit of trading subsidiary | | 84,100 | | 12,671 | |
| Sundry other income | | 205,759 | | 44,177 | |
| | | <u>21,832,157</u> | | <u>20,633,602</u> | |
| Expenditure | | | | | |
| Personnel costs: | | | | | |
| Supported placements | | 16,717,425 | | 16,392,122 | |
| Staff | | 3,178,692 | | 2,632,952 | |
| | | <u>19,896,117</u> | | <u>19,025,074</u> | |
| Overhead expenses: | | | | | |
| Establishment costs | | 546,434 | | 415,178 | |
| Vehicles and travelling | | 486,249 | | 423,487 | |
| Other expenses | | 332,431 | | 273,318 | |
| | | <u>1,365,114</u> | | <u>1,111,983</u> | |
| Depreciation | | 185,482 | | 54,088 | |
| Direct cost of sales and activities | | 104,531 | | 41,017 | |
| Publicity expenses | | 146,113 | | 216,256 | |
| Stewardship expenses | 2 | 933 | | 884 | |
| Bad debts written off | | 7,692 | | 14,432 | |
| | | <u>444,751</u> | | <u>326,677</u> | |
| | | <u>21,705,982</u> | | <u>20,463,734</u> | |
| Surplus before finance charges | | 126,175 | | 169,868 | |
| Net finance charges | 3 | 26,933 | | 43,965 | |
| | | <u>99,242</u> | | <u>125,903</u> | |
| Surplus for the year transferred to reserves | 4,15 | | | | |

The above results derive solely from continuing operations.

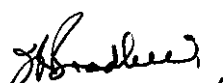
The group has no recognised gains and losses other than the surplus above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the surplus for the year and the historical cost equivalent.

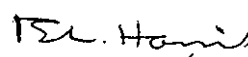
Balance sheets at 30 March 1996

| | Note | Group | | Company | |
|--|------|------------------|------------------|------------------|------------------|
| | | 1996 | 1995 | 1996 | 1995 |
| | | £ | | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 9 | 731,337 | 463,961 | 731,337 | 463,961 |
| Investments | | - | - | 20,000 | 20,000 |
| | | <u>731,337</u> | <u>463,961</u> | <u>751,337</u> | <u>483,961</u> |
| Current assets | | | | | |
| Stocks | 10 | 102,379 | 82,398 | 50,053 | 59,732 |
| Debtors | 11 | 1,421,915 | 1,398,935 | 1,441,360 | 1,393,444 |
| Cash at bank and in hand | | 120,032 | 33,577 | 95,166 | 23,645 |
| | | <u>1,644,326</u> | <u>1,514,910</u> | <u>1,586,579</u> | <u>1,476,821</u> |
| Creditors | | | | | |
| Amounts falling due within one year | 12 | 1,540,282 | 1,426,951 | 1,500,775 | 1,407,102 |
| | | <u>104,044</u> | <u>87,959</u> | <u>85,804</u> | <u>69,719</u> |
| Net current assets | | <u>835,381</u> | <u>551,920</u> | <u>837,141</u> | <u>553,680</u> |
| Total assets less current liabilities | | | | | |
| Creditors | | | | | |
| Amounts falling due after more than one year | 13 | 184,248 | - | 184,248 | - |
| | | <u>651,133</u> | <u>551,920</u> | <u>652,893</u> | <u>553,680</u> |
| Net assets | | | | | |
| Capital and reserves | | | | | |
| Guarantee fund | | 32 | 61 | 32 | 61 |
| Revenue reserves | 15 | 651,101 | 551,859 | 652,861 | 553,619 |
| | | <u>651,133</u> | <u>551,920</u> | <u>652,893</u> | <u>553,680</u> |

The financial statements on pages 6 to 17 were approved by the Board of Trustees on 19 June 1996 and were signed on its behalf by:



JR Bradbeer



IEL Harris

Consolidated cash flow statement for the year ended 30 March 1996

| | Note | 1996 £ | £ | 1995 £ | £ |
|---|------|-----------|----------|-----------|----------|
| Net cash inflow from operating activities | 17 | | 488,150 | | 356,460 |
| Returns on investments and servicing of finance | | | | | |
| Interest received | 3 | 22,553 | | 1,612 | |
| Interest/charges paid | 3 | (44,006) | | (45,153) | |
| Interest element of finance lease rental payments | 3 | (5,480) | | (424) | |
| | | | | | |
| Net cash outflow from returns on investments and servicing of finance | | | (26,933) | | (43,965) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | 9 | (452,858) | | (283,818) | |
| Investment in subsidiary undertaking | | - | | (20,000) | |
| | | | | | |
| Net cash inflow before financing | | | 8,359 | | 8,677 |
| Financing | | | | | |
| Finance leases undertaken | 20 | 114,183 | | - | |
| Capital element of finance lease rental payments | 20 | (36,058) | | (1,907) | |
| Decrease in guarantee fund | 20 | (29) | | - | |
| | | | | | |
| Net cash inflow/(outflow) from financing | | | 78,096 | | (1,907) |
| | | | | | |
| Increase in cash | 19 | | 86,455 | | 6,770 |

Notes to the financial statements for the year ended 30 March 1996

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The Trustees are currently considering the changes to accounts formats required by the revised Statement of Recommended Practice ("SORP") "Accounting for Charities", with a view to full compliance in 1997. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared on the historical cost basis.

The consolidated financial statements include the activities of the company and its principal subsidiary Shaw Trust Enterprises Limited. Shaw Trust Enterprises Limited is a wholly owned subsidiary whose sole activity is the management and operation of charity shops in England and Wales. A dormant subsidiary, Chirton Limited has not been consolidated within these financial statements as in the opinion of the Trustees its inclusion would have no material effect on the financial statements.

Accounting period

The company's accounting year ends on the Saturday prior to, or on, 5 April. The year to 30 March 1996 consists of 52 weeks (1995: 52 weeks).

Donations, subscriptions, legacies and other voluntary income

All donations, subscriptions, legacies and other voluntary income are included in the income and expenditure account and accounted for according to the date of receipt.

Grants/fees

All grants or fees receivable from the Employment Service, County Councils, and government agencies relating to the period are included in the income and expenditure account.

Expenditure

All expenditure, other than that which has been capitalised, is included in the income and expenditure account.

Donated assets

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

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements, which transfer to the Trust substantially all the benefits and risk of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as an obligation under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated at the same rates as equivalent owned assets.

Pension costs

All applicable pension costs are charged in the income and expenditure account as incurred.

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.

Depreciation

Long leasehold properties are amortised by equal annual instalments over 50 years. Short leasehold improvements and charity shop fixed assets are depreciated over a period up to the first break clause on individual leases.

All other fixed assets are depreciated on a straight line basis at rates varying between 20% and 25% per annum.

2 Stewardship expenses

These expenses relate to travelling costs for Trustees.

3 Finance charges

| | 1996 | 1995 |
|---|---------------|---------------|
| | £ | £ |
| On bank overdrafts, repayable within 5 years not by instalments | 18,623 | 14,037 |
| Bank charges | 25,383 | 31,116 |
| Finance lease charges | 5,480 | 424 |
| | <u>49,486</u> | <u>45,577</u> |
| Interest receivable | 22,553 | 1,612 |
| | <u>26,933</u> | <u>43,965</u> |

4 Surplus for the year

| | 1996 | 1995 |
|--|----------------|----------------|
| | £ | £ |
| The surplus for the year is stated after charging: | | |
| Depreciation on tangible fixed assets | 185,482 | 54,088 |
| Auditors' remuneration for audit services | 9,000 | 9,000 |
| Auditors' remuneration for non-audit services | 2,300 | 9,691 |
| Operating leases - motor vehicles | 186,885 | 170,341 |
| | <u>186,885</u> | <u>170,341</u> |

5 Taxation

The Trust has no liability for taxation in the year.

6 Pension costs

The Trust operates insured defined contribution schemes for eligible employees. The Schemes are currently insured through Allied Dunbar, Norwich Union, Scottish Amicable and Standard Life and the total pension cost for the Trust was £511,022 (1995 : £492,980).

7 Trustees' and "directors'" remuneration

- (a) During 1996 and 1995, no Trustee received any emoluments from the company.
- (b) The "directorships" outlined on page 1 of these financial statements are nominal titles and as such the employees concerned are not officers of the company. Accordingly no disclosure of "directors'" emoluments is included in these financial statements.

8 Employees

| | 1996 Number | 1995 Number |
|---|-------------------|-------------------|
| The average number of persons employed by the Trust was: | | |
| Supported Placements | 1,899 | 1,968 |
| Administrative staff | 162 | 145 |
| | <u>2,061</u> | <u>2,113</u> |
| Retention placements | 355 | 305 |
| | <u>2,416</u> | <u>2,418</u> |
| | 1996 | 1995 |
| | £ | £ |
| Employees costs for the above persons during the year were: | | |
| Wages and salaries | 18,293,837 | 17,442,029 |
| Social security costs | 1,002,631 | 1,056,149 |
| Other pension costs | 511,022 | 492,980 |
| | <u>19,807,490</u> | <u>18,991,158</u> |

9 Tangible fixed assets

Group and Company

| | Long leaseholds £ | Short leaseholds improvements £ | Plant and machinery £ | Motor vehicles £ | Fixtures and fittings £ | Charity Shops £ | Total £ |
|--|-------------------------|--|--------------------------------|------------------------|----------------------------------|-----------------------|------------------|
| Cost | | | | | | | |
| At 2 April 1995 | 102,508 | - | 85,139 | 46,360 | 502,413 | 118,561 | 854,981 |
| Additions | - | 20,575 | 23,449 | 23,433 | 225,162 | 160,239 | 452,858 |
| | <u>102,508</u> | <u>20,575</u> | <u>108,588</u> | <u>69,793</u> | <u>727,575</u> | <u>278,800</u> | <u>1,307,839</u> |
| At 30 March 1996 | 102,508 | 20,575 | 108,588 | 69,793 | 727,575 | 278,800 | 1,307,839 |
| Depreciation | | | | | | | |
| At 2 April 1995 | 17,847 | - | 11,960 | 24,234 | 330,234 | 6,745 | 391,020 |
| Charge for the year | 2,050 | - | 20,157 | 7,467 | 120,448 | 35,360 | 185,482 |
| | <u>19,897</u> | <u>-</u> | <u>32,117</u> | <u>31,701</u> | <u>450,682</u> | <u>42,105</u> | <u>576,502</u> |
| At 30 March 1996 | 19,897 | - | 32,117 | 31,701 | 450,682 | 42,105 | 576,502 |
| Net book value at 30 March 1996 | 82,611 | 20,575 | 76,471 | 38,092 | 276,893 | 236,695 | 731,337 |
| Net book value at 1 April 1995 | 84,661 | - | 73,179 | 22,126 | 172,179 | 111,816 | 463,961 |

10 Stocks

| | Group | | Company | |
|-----------------------------------|----------------|---------------|---------------|---------------|
| | 1996 £ | 1995 £ | 1996 £ | 1995 £ |
| Plants, shrubs and trees | 31,477 | 30,358 | 31,477 | 30,358 |
| Retail and nursery sundries | 6,505 | 9,339 | 6,505 | 9,339 |
| Printing materials and stationery | 12,071 | 20,035 | 12,071 | 20,035 |
| Shop stock | 52,326 | 32,666 | - | - |
| | <u>102,379</u> | <u>82,398</u> | <u>50,053</u> | <u>59,732</u> |

11 Debtors

| | Group | | Company | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 1996 | 1995 | 1996 | 1995 |
| | £ | £ | | £ |
| Amounts falling due within one year: | | | | |
| Trade debtors | 1,345,792 | 1,269,325 | 1,345,792 | 1,269,325 |
| Other debtors | 28,905 | 31,823 | 7,628 | 23,586 |
| Related companies current accounts | - | - | 43,498 | 7,800 |
| Prepayments | 47,218 | 97,787 | 44,442 | 92,733 |
| | <u>1,421,915</u> | <u>1,398,935</u> | <u>1,441,360</u> | <u>1,393,444</u> |

12 Creditors: amounts falling due within one year

| | Group | | Company | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | 1996 | 1995 | 1996 | 1995 |
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Finances leases (see note 14) | 36,057 | - | 36,057 | - |
| Advance loan funding | 342,451 | 249,489 | 342,451 | 249,489 |
| Trade Creditors | 291,339 | 253,866 | 281,892 | 236,258 |
| Taxation and social security | 659,783 | 650,314 | 659,783 | 650,314 |
| Other creditors | 84,363 | 164,837 | 54,803 | 163,096 |
| Accruals | 64,984 | 23,212 | 64,484 | 22,712 |
| Restricted fundraising income | 61,305 | 85,233 | 61,305 | 85,233 |
| | <u>1,540,282</u> | <u>1,426,951</u> | <u>1,500,775</u> | <u>1,407,102</u> |

Bank overdraft facilities are secured by a charge on the book debts of the company and on the long leasehold premises comprising the Hereford Centre.

13 Creditors: amounts falling due after more than one year

| | Group | | Company | |
|------------------------------|----------------|----------|----------------|----------|
| | 1996 | 1995 | 1996 | 1995 |
| | £ | £ | £ | £ |
| Finance leases (see note 14) | 42,068 | - | 42,068 | - |
| Advance loan funding | 142,180 | - | 142,180 | - |
| | <u>184,248</u> | <u>-</u> | <u>184,248</u> | <u>-</u> |

14 Finance leases

| | Group | | Company | |
|----------------------|---------------|----------|---------------|----------|
| | 1996 | 1995 | 1996 | 1995 |
| | £ | £ | £ | £ |
| Repayable: | | | | |
| In one year or less | 36,057 | - | 36,057 | - |
| In two to five years | 42,068 | - | 42,068 | - |
| | <u>78,125</u> | <u>-</u> | <u>78,125</u> | <u>-</u> |

15 Revenue reserves

| | Group | | Company | |
|----------------------|----------------|----------------|----------------|----------------|
| | 1996 | 1995 | 1996 | 1995 |
| | £ | £ | £ | £ |
| At 2 April 1995 | 551,859 | 425,956 | 553,619 | 440,387 |
| Surplus for the year | 99,242 | 125,903 | 99,242 | 113,232 |
| | <u>651,101</u> | <u>551,859</u> | <u>652,861</u> | <u>553,619</u> |

16 Capital commitments

Commitments for capital expenditure at 30 March 1996 was £170,075 (1995 : £Nil).

17 Reconciliation of operating profit to net cash inflow from operating activities

| | 1996 £ | 1995 £ |
|--|----------------|----------------|
| Operating surplus | 126,175 | 169,868 |
| Depreciation | 185,482 | 54,088 |
| (Increase)/decrease in stocks | (19,981) | (49,470) |
| (Increase)/decrease in debtors | (22,980) | 128,876 |
| Increase/(decrease) in creditors | 219,454 | 53,098 |
| | <u>488,150</u> | <u>356,460</u> |
| Net cash inflow from continuing operating activities | <u>488,150</u> | <u>356,460</u> |

18 Analysis of change in cash during the year

| | 1996 £ | 1995 £ |
|--------------------------|----------------|---------------|
| Balance at 2 April 1995 | 33,577 | 26,807 |
| Net cash inflow | 86,455 | 6,770 |
| | <u>120,032</u> | <u>33,577</u> |
| Balance at 30 March 1996 | <u>120,032</u> | <u>33,577</u> |

19 Analysis of cash as shown in the balance sheet

| | 1996 £ | 1995 £ | Change £ |
|--------------------------|----------------|---------------|---------------|
| Cash at bank and in hand | <u>120,032</u> | <u>33,577</u> | <u>86,455</u> |

20 Analysis of changes in financing during the year

| | Guarantee Fund £ | Finance Leases £ |
|---------------------------|------------------------|------------------------|
| Balances at 2 April 1995 | 61 | - |
| Inflow from financing | - | 114,183 |
| Outflow from financing | (29) | (36,058) |
| | <hr/> | <hr/> |
| Balances at 30 March 1996 | 32 | 78,125 |
| | <hr/> | <hr/> |

21 Financial commitments

At 30 March 1996 the Trust had annual commitments under non-cancellable operating leases as follows:

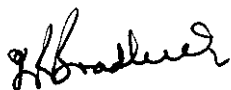
| | 1996 Motor Vehicles £ |
|--|--------------------------------|
| Expiring within one year | 19,218 |
| Expiring within two and five years inclusive | 105,484 |
| | <hr/> |
| | 124,702 |
| | <hr/> |

Statement of Trustees' responsibilities

The Trustees are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and subsidiary companies and of the excess of income over expenditure of the group for that year.

The Trustees confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 March 1996. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the group and to prevent and detect fraud and other irregularities



J R Bradbeer
Chairman

Report of the auditors to the members of The Shaw Trust Limited

We have audited the financial statements on pages 6 to 17.

Respective responsibilities of trustees and auditors

As described on page 18 the company's trustees are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

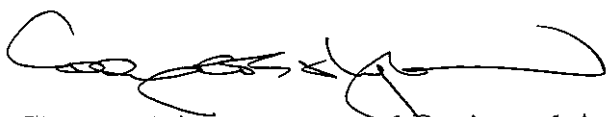
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and group at 30 March 1996 and of the surplus of income over expenditure and cash flow of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Bristol, 19 June 1996