

THE SHAW TRUST LIMITED

England & Wales · Charity number 287785

Details

Other names	SHAW TRUST
Status	Registered
Legal form	Charitable company
Company number	01744121
Registered	1983-09-08
Register	View on the Charity Commission register

Contact

Address	Shaw Trust Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Phone	0300 30 33 111
Email	Companysecretary@shaw-trust.org.uk
Website	www.shaw-trust.org.uk

Activities

Objects: 1. 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, ILL-HEALTH OR BECAUSE THEY ARE OFFENDERS, EX-OFFENDERS OR ARE AT RISK OF OFFENDING; 2. THE PROMOTION OF THE HEALTH, EQUALITY AND INDEPENDENCE OF DISABLED PEOPLE; AND 3. THE PREVENTION AND RELIEF OF POVERTY; IN PARTICULAR BY PROVIDING EDUCATION, TRAINING, REHABILITATION, SUPPORT, EMPLOYMENT OPPORTUNITIES AND PERSONAL DEVELOPMENT OPPORTUNITIES. THE COMPANY WILL BE NON-PARTY IN POLITICS AND NON-SECTARIAN IN RELIGION.

Activities: Shaw Trust provides services to people who are disabled or otherwise disadvantaged, principally to help them find employment or to develop work and independence skills.

Classification

- **How:** Provides Services, Provides Advocacy/advice/information
- **What:** Education/training, Disability, The Prevention Or Relief Of Poverty, Economic/community Development/employment
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Defined Groups

Geography

- Australia
- Poland
- Romania
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£291,074,000	£289,069,000	£243,780,000	4998
2024-08-31	£628,667,000	£289,128,000	£244,567,000	5124
2023-08-31	£302,005,000	£316,412,000	£217,880,000	5268
2022-08-31	£295,851,000	£294,753,000	£209,387,000	5430
2021-08-31	£263,402,000	£234,901,000	£89,696,000	4773
2020-08-31	£223,123,000	£217,533,000	£82,889,000	3727

Trustees

Name	Role	Appointed
Annamarie Hassall		2025-10-20
Audrey Coutinho		2021-07-26
Carl Simon Nicholson		2024-03-06
Cedric Ntumba		2025-03-24
Christine Anne Swabey		2024-03-06
Ian Russell Hughes		2025-03-24
James Stewart		2021-07-26
Olly Benzecry		2023-02-22
Omalara Oyesanya		2021-04-28
PAUL MICHAEL BALDWIN		2016-02-08
Stephen Pegge		2021-04-28
Stephen Shaw		2022-02-03

Linked charities

- PALMER GARDENS (287785-1)

THE SHAW TRUST LIMITED

England & Wales - Charity number 287785

Accounts

The Shaw Trust Limited

Annual report and financial statements

For the year ended 31 August 2025

Company No. 01744121

Charity No. in England and Wales 287785

Charity No. in Scotland SC039856

Reference and administrative information

The Shaw Trust Limited	Registered in the United Kingdom
Company number	01744121
Charity number: England and Wales	287785
Charity number: Scotland	SC039856
Registered office	Black Country House Rounds Green Road Oldbury B69 2DG
Directors	O Benzecry (Chair) P M Baldwin A Coutinho A Hassall I Hughes C S Nicholson K C Ntumba O Oyesanya S M Pegge S D Shaw J Stewart C A Swabey
Company Secretary	C A McKinley
Independent Auditor	Crowe U.K. LLP 2 nd Floor 55 Ludgate Hill London EC4M 7JW

The Shaw Trust Limited	2

Index

Chair's Statement	3
Strategic Report	5
Directors' Report	21
Independent Auditor's Report	29
Consolidated Statement of Financial Activities	34
Group and Charity Balance Sheets	36
Group Statement of Cash Flows	38
Notes to the Financial Statements	40

Chair's Statement

This has been a year where the need for Shaw Trust's work has never felt more important or urgent. Over the past year our services have supported more than 270,000 people to access and stay in good work. This includes young people navigating the care system, those who are NEET or at risk of disengaging from education and training, and those facing barriers to employment, particularly where their mental health is concerned.

As a charity, our sole motivation is helping these individuals achieve their full potential through the pathways we provide, and we continue to invest back into impact, multiplying the effect of every pound spent. We have invested in becoming the 'single front door' to find the right pathway for people, integrating services around their needs, and by continuously driving insight and innovation.

Our employment support services continue to set the standard. We launched our first Connect to Work service in West London, delivering strong outcomes for the communities there. As a recognised IPS Centre of Excellence, we have continued to grow our IPS contracts, including those directly commissioned by the health service. Our IPS impact report published in February 2025 highlighted the difference our approach makes. The MSK Trailblazer with the West London Alliance to address economic inactivity associated with physical health by combining employment coaching with rapid access to NHS physiotherapy has demonstrated yet another pathway with the potential to scale.

Our local partnerships have grown in depth and reach. This year we channeled nearly £10m through 46 voluntary sector organisations and small and medium-sized enterprises. This strengthens local capacity and roots our support in the communities we serve. This approach was recognised with an 'outstanding' rating in the Supply Chain Partnership Standard - the first organisation to receive this new accreditation.

In September 2025, we moved from acting as a sponsor for Shaw Education Trust (SET) to being a strategic partner of a newly independent organisation. As the original sponsor, we have been pleased to play an important role in the development of SET over the last 11 years to create an education trust that could drive real change across schools and local communities. This is a significant milestone, reflecting the role Shaw Trust has played in supporting SET's growth and the wider impact we aim to have by backing ambitious, values led organisations. There will be no impact on Unrestricted Reserves, for which we continue to improve a position of financial strength, but next year's accounts will show a demerger of the two organisations, with their £207m of Restricted Reserves going into their own Group accounts.

We are also continuing to develop our Foundation as an important engine of innovation and impact. We have invested in the team and improved our ability to invest our charitable funds where need is greatest, testing new approaches and sharing learning to inform future policy. New services have been launched in Ealing, Harrow, and Somerset to help young people leaving care into employment, education, and training. Our pilot with Fortis Academy in Birmingham supported 30 young people with special educational needs to access work placements: a step too often out of reach for this group. Looking forward we are mobilising an innovation trial to create a service supporting NEET young people with health conditions who are not well served by current services. This trial will generate an evidence base to share with national and local government. Our full Impact Report is available [here](#).

None of this happens without the people who make it possible. Our thanks to those we serve, your commitment and the progression you make is why we do what we do. We are grateful to our commissioners and employer partners for the trust you have in us, and our deep appreciation to our colleagues, volunteers, and partners for all you do to make a difference every day.

A handwritten signature in black ink, appearing to read 'Olly', with a stylized underline.

Olly Benzecry
Chair of the Board of Trustees
14 May 2026

Strategic Report

The directors present their strategic report for The Shaw Trust Limited ('Shaw Trust') for the year ended 31 August 2025.

1. Charity Overview, Principal Activities and Objectives

Our Mission

Shaw Trust aims to provide pathways for individuals facing barriers to work to achieve their full potential.

Our Strategy

To deliver our mission we will:

- Plan and deliver the services required, aligned to our impact areas, in response to societal, government, commissioner, and business need.
- Design integrated services and products using data, business intelligence, digital processes, and service design, to drive measurable increases in outcomes and impact.
- Contribute to national-level impact through our strong regional presence and local partnerships. We will use our expertise with voluntary, community, and social enterprise (VCSE) organisations, and small and medium enterprises (SME) with common purpose. This will create more local impact for commissioners through supply chains and partnerships.
- Seek and champion long-term commissioner partnerships that deliver better outcomes over time and allow for re-investment in continual improvement and innovation.
- Act as a trusted partner and advisor to national, devolved, and local government, commissioners, employers, and stakeholders.
- Tackle the challenge of access to good work by innovating and sharing our insights. We will commission trials, strengthen our evidence base, and apply what we learn to influence policy, improve practice, and design better solutions for delivery.
- Continue to invest in technology-enabled services as well as digitally enabled operational excellence. This will allow colleagues to spend more time supporting people and will make our enabling functions more efficient, creating a better working environment for our teams.
- Continue to build a resilient, agile, empowered, and skilled workforce able to respond to the challenges and opportunities as they arise. Our people and their development will remain our greatest strength. We will recruit, nurture, recognise, and reward the diversity of talent we need and invest in ways to empower our people to realise their full potential.
- Remain committed to culture and diversity to attract and retain the best talent and to reflect society and the communities we support, and to corporate social

responsibility. We will look to create more opportunities for interns and apprentices from all backgrounds wherever possible as part of our commitment to social mobility.

- Continue to minimise our impact on the environment by aiming to be carbon negative by 2030.

The Market and Objectives and Performance for the Year

Shaw Trust provides a range of services through our impact areas of:

- **Careers and Skills:** ensuring skills, training, and education drive individual through-life employment progression.
- **Children's Homes:** integrating a caring home, health, and education environment around the individual while in care and ease the transition into adulthood and employment.
- **Education:** the delivery of academies and specialist schools supporting our children in care and our multi-academy trust, Shaw Education Trust.
- **Work, Wellbeing and Health:** ensuring skills, training, and education drive individuals through-life employment progression.

Supported by a range of additional services and programmes including Community and Retail Operations and Justice Rehabilitation.

Careers and Skills

The market remains dynamic, with a growing need for Shaw Trust services. We remain agile following the launch of Skills England in July 2024, the transfer of the skills agenda from the Department for Education (DfE) to Department for Work and Pensions (DWP) and the ongoing evolution in governmental policy e.g. the recently announced Independent Report into Young People and Work, to be led by the Right Honourable Alan Milburn.

Shaw Trust is well positioned to meet this demand, as we consolidate our offer through Local Skills Improvement Plans that are informed by commissioners and employer needs in the region. These plans address local skills shortages, using apprenticeships, supported internships and other skills programmes, while at the same time developing our Business-to-Business relationships and capabilities.

This year we have:

- Supported over 109,000 individuals on our National Careers Service contract, achieving a 44% learning and 24% job outcome rate for the year¹.
- Gave Careers, Information, Advice and Guidance to 33,150 young people to help them map out their career ambitions and plans.
- Helped 56,744 Year 11 students to make a positive transition to either employment or remain in education.

¹ Note: though Shaw Trust consider this data accurate, it has not been officially published by the Department for Education.

- Supported over 1,400 individuals across our Ofsted registered training courses. Of those we helped, 45% were unemployed or economically inactive and 28% had Special Educational Needs and/or Disabilities (SEND).
- Supported hundreds of young people on our study programmes and supported internships.
- Launched new employer-led initiatives such as the 'Power Up' and 'Jobs+Skills Project' with Shell and Higgins respectively. These programmes are designed to support unemployed individuals who may not otherwise be eligible or otherwise able to access existing funded employability schemes, thereby helping to address a critical gap in local provision.

Children's Homes

Demand for our services is significant, with mobilisation of new homes and growth into new regions both achieved and planned. Our particular focus is however on deepening existing services, helping young people in our care achieve the best employment, education and training outcomes during care and post-care.

Achievements of note include:

- Growing to 55 registered children's homes that place 159 children (an increase of two homes with another four in mobilisation). This is alongside our 18 foster families and 38 self-contained flats across two Ofsted-registered sites.
- A consistent performance above the national Ofsted average, with 91% of our homes rated Good or Outstanding between April 2024 and March 2025 (Ofsted average 81% achieving Good or Outstanding).
- 54% of our children attending a mainstream school, a consistent increase over the last five years, and another 33 young people sitting formal exams, including GCSEs, functional skills, and entry-level qualifications.

Education

The Shaw Education Trust continued to operate 31 academies and one specialist college for almost 12,000 pupils aged 2 to 25 years. During the year control over Newfriars College ceased and the activities of Newfriars College are treated as a discontinued activity in these accounts.

All our schools deliver bespoke curricula which gives every young person the knowledge and skills they need for their futures. We continue to foster creativity, innovation, depth, and breadth in pupil/student learning by firing imaginations and fueling intellectual diversity.

During the year nine schools were Ofsted inspected with all receiving a rating of 'Good' or above.

Work, Wellbeing and Health

Work, Wellbeing and Health (WWH) delivers comprehensive support to individuals managing a range of mental and physical health conditions across a wide range of contracts.

This support is grounded in the biopsychosocial model, which considers the complex interplay between biological, psychological, and social factors in health and wellbeing. Our approach to support enables individuals to improve their well-being and ability to overcome challenges they face at home and at work.

The individuals we support often present with complex needs, including severe mental health conditions, long-term physical health issues, learning disabilities, substance use challenges and other co-occurring conditions.

This division delivers a diverse portfolio of services designed to support individuals with health-related barriers to employment and independent living. These services include:

- Work and Health Programme (WHP).
- Connect to Work and other employability programmes such as Restart.
- Individual Placement and Support (IPS).
- Employment Advisers within Talking Therapies.
- Community Wellbeing programmes.
- Day opportunities for individuals with learning disabilities.

In addition to direct employment support, the division facilitates progression towards work through structured pathways such as work placements, supported internships, volunteering opportunities, and personalised guidance on independent living aids. These services are delivered through five dedicated social enterprise sites, as well as via the Accessibility service and the Living Made Easy service.

The division also includes a team of qualified clinical practitioners who provide specialist support to individuals managing their health conditions. This includes clinical assessments and the delivery of targeted interventions, such as counselling, to enable individuals to better manage their conditions and improve their overall wellbeing.

In the year, demand for our services continued to grow, with over 50,000 individuals accessing support. This growth was accompanied by the launch of several new initiatives, including:

- **Connect to Work Programme:** The first of its kind in the country, funded by DWP, this programme operates across seven boroughs in West London.
- **Work Well Contracts:** Two new contracts funded by the DWP were initiated in North Central London and North West London, enhancing our regional employment support offer.
- **Individual Placement and Support (IPS):** A new service supporting individuals with severe and enduring mental health conditions, delivered across Hampshire and the Isle of Wight. This initiative is funded by the Hampshire and Isle of Wight Integrated Care Board (ICB).
- **Link Worker Programme:** Introduced in Kent and Medway to support the Mental Health Transformation agenda.

- **Contract Extensions and Expansions:** Numerous existing contracts were extended or expanded, reflecting continued confidence in our delivery and outcomes.

Key achievements include:

- **Employment Outcomes:** as the largest provider of DWP's Work and Health Programme (WHP) we supported 22,338 individuals, with 6,220 entering employment and 5,138 achieving sustained employment outcomes. In addition, 2,746 individuals secured employment through our Individual Placement and Support (IPS) and Live Well Kent and Medway services, representing a 21% increase compared to the previous year. We also provide a range of other national employability programmes such as Pioneer and Restart.
- **Wellbeing Improvements:** 92% of individuals accessing our services either maintained or improved their personal wellbeing scores, demonstrating the effectiveness of our holistic support approach.
- **Learning and Development:** over 1,200 learners engaged with our training services during the year. Training programmes included Neurodiversity Awareness, Mental Health First Aid, and Trusted Assessor Training, delivering substantial benefits to both customers and service users.
- **Digital Accessibility:** Our Accessibility Services completed more than 60 Digital Accessibility Assessments for clients across the public and private sectors. These assessments enabled improved and equitable access to digital services for over 500,000 individuals.
- **Digital Engagement:** The Living Made Easy website attracted over 450,000 visitors between September 2024 and August 2025. Additionally, our AskSARA portal facilitated over 78,000 completed assessments, supporting individuals in adapting their home environments for improved daily living.

Other Services

Community and Retail Operations successfully acquired nine charity retail shops and a warehouse from Trussell Trust in November 2024. During the year, we operated a diverse network of 33 sites and piloted an online eBay store. Our shops and wider enterprise sites serve local communities by offering quality second-hand goods tailored to their varied needs, with different pricing options to ensure accessibility, as well as providing day opportunities, supported internships and work experience opportunities. Our warehouse helps generate additional revenue through donated goods, while our online platform enables us to reach a wider audience with specialised items that are not suitable for sale in-store.

Shaw Trust also works in the Justice sector, being committed to empowering individuals to make positive contributions to society and break the cycle of reoffending. During the year, this work included the delivery of the Education provision in HMYOI Feltham A and delivery of the Creating Future Opportunities (CFO) Evolution contract.

CFO was designed to enhance social inclusion among offenders and ex-offenders, particularly those considered most challenging to support within the justice system. We provide assistance to individuals preparing for life beyond incarceration,

including helping them disengage from crime, access training, and secure employment. Through our contracts, we supported over 3,052 new participants, delivering over 18,186 activities, leading to 638 education and training outcomes (accredited and non-accredited) and facilitated employment opportunities for more than 95 individuals.

The HMYOI Feltham Education contract delivers on-site education, training, career guidance, and resettlement support for young male offenders aged 15-18. This year, we worked with over 324 learners at Feltham, lower than the previous year due to a reduction in the number of children in custody. This resulted in more than 735 accredited achievements, including 29 GCSEs and 1 AS Level which combined consisted of 101 exam papers - the highest total in the Youth Estate.

Future plans

Careers and Skills

- Continue to consolidate the courses offered while embedding our locally led Local Skills Improvement Plan model.
- Launching two new key employer and co-designed programmes over the next twelve months (in line with the Power Up and the Jobs+Skills projects).
- Maintain our strong performance while responsibly transferring the National Careers Service contract back to government when it is scheduled to end in September 2026.
- Target double digits growth in our supported internships and study programmes.

Children's Homes

Recent publications have highlighted the challenges of the market such as the Children's Wellbeing and Schools Bill (2025), Keeping Children Safe, Helping Families Thrive (2024), DfE's Stable Homes, Built on Love Strategy (2023) and Josh MacAlister's Independent Review of Children's Social Care (2022).

In response, we will continue to build on our success to fix the system by targeting double-digit growth each year for the next three years, primarily through deployment of our award-winning strategic partnership model. We will also continue to work with the Shaw Trust Foundation and local authorities to expand our supported work experience and other post-care leaver support programmes. This will be achieved while we maintain our exceptional, above market average quality.

Education

As of 1 September 2025, The Shaw Education Trust (SET) ceased being controlled by Shaw Trust and has become an independent Company. SET currently forms the majority of the restricted funds of the Group.

Work, Wellbeing and Health

The rollout of Connect to Work remains ongoing, with dozens of contracts either in tendering or to commence. Winning and mobilisation of these contracts provides a significant opportunity for the organisation to grow and enter new geographies where

cross-layering of our services can be developed. We will continue to grow and strengthen all service lines at the same time, in recognition of the strong demand for our services.

Other Services

For Community and Retail Operations the focus is on embedding operational excellence while benefiting from economies of scale following the onboarding of the new shops. For Justice, the goal is to win a significant foothold in the Commissioned Rehabilitative Services upcoming tender in order to grow into new services and geographies for our Justice division.

Our Values and Differentiators

Our values define who we are and how we work. They shape how we support each other, our participants, and how we make a difference together.

- We care about people. We support our colleagues and the people we work with to realise their potential and transform their lives.
- We make a difference. We deliver high quality across our services, helping people to improve their lives.
- We are inclusive. We value the ideas, views, and strengths of everyone we work with and support. Everyone is different and everyone deserves equal opportunity.
- We have integrity. We hold ourselves to the highest standards of behaviour.
- We are innovative. We will test new ideas, methods, services, and products to increase the impact and value we add.
- We are collaborative. We believe that by working together with those we support and our partners we create better services and solutions.

Our approach to our mission is defined by four differentiators that set us apart:

- We are impact versus profit motivated. Our motivation is care for the individual and their progress. We are not for profit.
- We continuously drive insight and innovation. We learn, improve impact, and influence change by doing.
- We integrate around the individual. We maximise impact by integrating solutions around the individual – partnering extensively to do so.
- We multiply every pound. As a not for profit, we invest back into charitable impact, multiplying the effect of every pound spent.

2. Financial Performance

Net Income and Expenditure

	Year to 31 August 2025 £m	Year to 31 August 2024 £m
Incoming resources	291.1	315.8
Net income before other recognised gains and losses	2.1	27.0
Depreciation and amortisation	9.7	9.1
Donations and asset transfers in SET	-	(21.9)
Adjusted net income before other recognised gains and losses	11.8	14.2

Incoming resources

The incoming resources for the Group have decreased by £24.7m year-on-year, to £291.1m. This has mainly been driven by SET, who had increased revenue in the prior year through additional academies with associated one-off donations of property (2024: £21.9m), in addition to the timing fluctuations of contracts ending in the current year and new contract mobilisations.

Total expenditure

During the year our total expenditure remained at £289.1m. Although there was a reduction in the level of charitable activity within contracts during the year we have maintained our cost base to ensure we are ready for the continued growth of our contracts within the Charity in the next few years.

Net movement in funds

Total funds have decreased by £0.8m (2024: increased £27.8m). This is after the deconsolidation of Newfriars College in the year which reduces restricted funds by £3.4m. Deconsolidation of Newfriars College occurred as at 31 March 2025 when the Shaw Education Trust was no longer deemed to have control of the entity.

Movement in Funds	Unrestricted	Restricted	Total
	£m	£m	£m
The Shaw Trust Group operations	2.4	(0.3)	2.1
Net Movement in Funds (before pensions impact)	2.4	(0.3)	2.1
Deconsolidation of Newfriars College	-	(3.4)	(3.4)
Actuarial gains and Net finance return on defined benefit pension scheme	0.2	0.3	0.5
Net Movement in Funds	2.6	(3.4)	(0.8)

Balance Sheet

At the end of the financial year overall consolidated funds stood at £243.8m compared to £244.6m in the prior year.

Total current assets were £83.4m as at 31 August 2025, an increase from £76.8m in the prior year but are still mainly a reflection of standard movements in the working capital position with a significant proportion of the accrued income being invoiced in September 2025. Short-term creditors remained level at £39.7m (2024: £39.8m). The Group's overall cash position decreased by £4.3m in the year to £27.3m, reflecting the result for the year, capital spend and the removal of Newfriars College cash balances.

Overall, working capital remained positive and in line with our key KPIs.

The decrease in tangible fixed assets of £8.5m was mainly driven by £4.9m of capital additions offset by £9.7m of depreciation charges and £2.9m removal of Newfriars College assets.

On 1 September 2025, SET moved out of the Group when Shaw Trust relinquished being the controlling Member. SET funds are all within restricted funds in the Group financial statements and post year end the restricted funds will therefore reduce by £207.1m.

Reserves policy

The reserves policy is based on the level of Free Reserves, being the total unrestricted funds less any designated funds. Due to the long-term nature of many of the contracts and associated assets and liabilities, the Trustees concluded that the measure should focus on reserves able to be used freely for the charity's purpose.

The Trust's Free Reserves are held in order to manage the risks to which the charity is exposed to 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 in the event of a significant financial downturn and to take advantage of opportunities that are in line with our charitable mission.

Reserves are underpinned by liquid cash balances, providing working capital funding for day-to-day operating costs, supporting the delivery of the Charity's objectives in an efficient and cost-effective way.

The reserves policy is reviewed 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.

As of 31 August 2025, the Charity had Free Reserves of £33.3m (31 August 2024: £28.9m) as follows:

	At 31 Aug 2025 £m	At 31 Aug 2024 £m
Total Reserves	243.8	244.6
Less: Restricted funds	(207.9)	(211.3)
Less: Designated funds (relating to the Foundation and fixed asset commitments)	(2.6)	(4.4)
Free Reserves	33.3	28.9

The current target is to maintain reserves in the range of two – four months of costs (being approximately £25m – £49m). The increase in Free Reserves is predominantly a reflection of the strong operating performance and demand for Shaw Trust’s services.

In addition to the suggested level of Free Reserves, the Charity’s policy stipulates a minimum level of cash holding requirement to meet the following scenarios, including:

- a delay in collection of receipts,
- exceptional payments of costs; and,
- a significant financial impact or loss of business.

Detailed review of the risk and stress testing has been undertaken to assess the risk of a significant contract loss and the mitigation steps available to management. The Trustees have considered the level of cash reserves required and consider it appropriate given the current resources and activities of the Charity.

Investment powers, policy and performance

Our investment managers are selected on the basis of reputation and adherence to environmental, social and governance issues. The investments are governed by investment policies which are reviewed by Trustees and the portfolio is designed to balance the objective of maximising investment returns against the risk and liquidity of the investments. The investment objective is to generate a return of CPI plus 3% over a time period of at least 10 years. In year performance has achieved a return of more than CPI plus 3%. Investment performance is monitored and reviewed against a number of benchmarks set by the Finance Committee.

The Charity’s long-term policy for its 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, while obtaining the best yield that can be generated given the Charity’s risk appetite.

Pension Schemes

The principal pension scheme available to employees of Shaw Trust is a defined contribution scheme, administered by Standard Life. Contributions to this plan during the year totaled £2.5m (2024: £2.7m).

The Trust also participates in several active final salary pension schemes through its multi academy trust subsidiary. The two principal pension schemes are the Teachers' Pension Scheme England and Wales (TPS) for academic and related

staff; and a number of Local Government Pension Schemes (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes and therefore accounted for as a defined benefit scheme. Contributions to these schemes during the year totaled £10.9m (2024: £9.8m).

In addition, the Group retains a funding obligation to several smaller final salary schemes, all of which are closed to new entrants. These are detailed in note 24 - Pension Commitments.

The final salary schemes remain subject to a formal triennial funding valuation, with the most recent completed being as at 31 March 2023. This showed a funding surplus of £6.4m, and in the majority of schemes future contributions were nil or had reduced.

Separate annual valuations of the schemes are carried out in accordance with 'FRS 102: Employee Benefits' in which different funding assumptions are applied. The FRS 102 valuation of the Charity's pension schemes at 31 August 2025 showed an overall funding deficit of £0.6m (2024: deficit £3.8m).

In accordance with FRS 102, the surplus on individual schemes is not recognised as an asset, on the basis that future economic benefits are not deemed available to the Group.

The Charity monitors the size of the pension deficit and feels that there is sufficient income and cash flow in future years to service the requirement of these schemes. In addition, a significant review of pension exposure and risk is ongoing and continued during the year.

The Charity has exercised its agreement to exit the Gloucestershire Pension Fund following the end of the contract. This final salary scheme had been closed to new and existing members following a detailed review and consultation with members during 2020 and at the time a long-term repayment plan agreed with the provider. This transaction had no detriment to benefits for scheme members and significantly reduced the balance sheet risk and exposure to valuation fluctuations arising from future changes of actuarial assumptions.

3. Principal Risks and Uncertainties

Our approach to risk management

Risk is an accepted and necessary part of carrying on our business and we rely upon our risk management processes to appropriately balance risks against rewards. The Board of Trustees has overall responsibility for risk management and internal control, and the executive management team ensure that risk management plans are effectively communicated throughout the organisation.

The Board of Trustees review the Risk Appetite Statement on a minimum of an annual basis, and the risks and control effectiveness on a rolling quarterly cycle. The objectives of this review are:

- To provide a clear articulation of the Charity's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level.
- To create a foundation for effective communication of risk among internal and

external stakeholders.

- To increase understanding of the Charity's material risk exposures and raise risk awareness across the organisation.
- To positively impact the defined risk culture of the Charity.
- To support the Board of Trustees and Executive Management Team in planning, formulating, and executing strategic business decisions to achieve the long-term targets of the Charity.
- To provide means for the Board of Trustees and Executive Management Team to engage in discussions on risk-taking, risk management, and business strategy, and their interlinkages.
- To provide the tools for the Board of Trustees and senior management to continuously monitor and align the Charity's actual risk profile with the risk appetite.
- The Board of Trustees are responsible for setting the tone and influencing the culture of risk management within the Charity, including the attitude to risk. Through the Executive Management Team and Audit and Risk 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 register 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.
- The establishment and maintenance of the 'three lines of defence' model of internal control:
 - Line one: 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 two: risk management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, an internal team provides assurance in respect of the quality-of-service provision and compliance with legislation, contractual requirements, and relevant standards. Shaw Trust's Line two reports into Executive Management Team and the Board of Trustees, through the Audit and Risk Committee; and
 - Line three: Internal Audit which is performed by an outsourced provider. Reporting primarily to the Audit and Risk Committee, the internal auditors provide assurance over the effectiveness of corporate governance and the overall control environment including the Line two defences. All reports identify areas of strength and good practice along with areas for

improvement. In the case of the latter, the Audit and Risk Committee monitors a time-based log of improvement actions, agreed by the management and the auditors, to ensure that they are implemented.

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

- Build and maintain a strong balance sheet so as to instill confidence of stakeholders and to sustain the future development of the business.
- Build and maintain a strategic reserve to enable the Charity to operate and continue its core activities.
- Invest surplus funds where applicable in order to return a yield consistent with the Group's risk appetite and ensuring sufficient liquidity to meet obligations as they fall due.

Liquidity risk is managed by carefully forecasting and monitoring the short- term and long-term cash flows and ensuring the Charity has sufficient reserves and liquid investments to cover foreseeable requirements.

Credit risk on amounts owed to the Charity by its customers is low, being mostly Government departments and local authorities. Credit risk also arises from cash deposits with banks, and only independently rated parties with a minimum rating of 'A' are accepted.

Interest rate cash flow control risks are mitigated as the Charity is able to place surplus funds on short-term deposits.

The Group has, to date, financed the majority of its operations through its reserves and has not required significant external funding. Loan balances at 31 August 2025 of £0.1m (2024: £0.2m) included the external funding held in Forth Sector.

While 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 and the statutory nature of the majority of services provided (i.e., in the event of local authority insolvency statutory services will continue to be funded).

Principal Risks

The assessment of risks is linked to the Group strategy, and the following have been identified as key risks. The Group is taking appropriate steps to monitor them:

Risk description	Potential impact	Mitigation
A failure in the welfare, safeguarding or duty of care of our beneficiaries.	We regularly work with vulnerable client groups, and a failure could result in potential loss of business or have an adverse effect on performance.	We maintain comprehensive safeguarding and related policies and procedures, including whistleblowing safeguards. We ensure that all staff are subject to robust pre-employment vetting, including Disclosure and Barring Service checks. All staff receive the appropriate safeguarding training.

Risk description	Potential impact	Mitigation
Significant staff induction and turnover affects costs and operational quality.	The inability to recruit sufficient staff to meet operational need has the potential to hinder service delivery. Poor staff retention could also affect our ability to deliver high quality services. Inability to deliver service could result in loss of contracts or have an adverse effect on financial performance.	We seek to ensure pay and conditions remain attractive and competitive in the sector. We also undertake an organisational development programme to ensure that staff attain and maintain the skills to develop and perform. We have invested in new recruitment specialists to ensure that we can meet operational staffing requirements.
Failure to win or poor mobilisation of key contracts.	Failure to win bids or mobilise them well could restrict growth opportunities, resulting in onerous contracts and therefore have an adverse effect on financial performance.	To win contracts, we focus on high quality service delivery under our existing contracts. We demonstrate value for money and maintain a strong central bidding team in a high demand sector. To mobilise contracts well, we have a dedicated operational excellence team, clear mobilisation project governance, supersession and succession plans in place to support capacity and carefully forecast FTE and other group needs to ensure required resource is in place.
Environmental headwinds.	Significant reductions in public sector funding and changes in government policies could impact on renewal or terms of existing contracts. Any cuts in local authority funding could have an adverse effect on financial performance.	We seek to develop innovative service delivery models and solutions within available funding parameters, maintain good relationships across central and local government, and communicate our success stories through case studies and proactive public relations. Our services are also statutory services so less vulnerable to the impact of local authority spending pressures.
A failure to achieve revenue targets due to commissioner delays.	The margin between costs and income is reduced, affecting the scope and scale of the Trust's strategic ambition and objectives.	We continuously review and adjust structures, costs-to-achieve, investments and other costs to ensure the Trust is appropriately scaled relative to revenue. Additionally, we consider bids that sit outside the Risk Appetite Statement case-by-case to determine opportunities to increase revenue.
Organisational capacity inadequate to deliver plan effectively and assure robustness or resilience.	Strategic objectives and KPIs are not delivered to plan as a result of pace/extent of growth or change.	We maintain standardised Business Development and Investment processes to ensure the right resources are allocated to maximise the right opportunities and manage/mitigate risks effectively. We operate a number of investment and development roadmaps as part of our Strategic Planning team, alongside a multi-year investment programme.
Major information	As a provider of public services, we have to handle sensitive and	We ensure that all our staff receive information security training and run staff

Risk description	Potential impact	Mitigation
security breach.	confidential data. An information security breach, whether by accident or malicious attack, could result in the potential loss of contracts, have an adverse effect on financial performance and lead to reputational damage in bidding for future work.	awareness campaigns in line with organisational policy to promote data security. We employ experienced personnel specialising in information assurance and security, run penetration tests, and operate in accordance with the ISO27001 certification, which is subject to regular external assessment.
Loss of critical IT systems due to cyber event or otherwise.	Business continuity is put at risk as operations fail to function, meaning an inability to deliver services and additional costs are incurred reinstating operability.	We target Business Continuity Plans and Serious Incident Response Plans at both Group and team level in preparation for IT or other events. This is done on a 'when', not 'if' basis. These are reinforced as part of regular tabletop exercises and other external assessments to improve readiness. We follow and consider a range of other guidelines and frameworks, including Cyber Essentials Plus or the previously mentioned ISO27001.

4. Section 172(1) Statement

General confirmation of the Board of Trustees and Directors' duties:

The Board of Trustees has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board of Trustees consideration and approval.

S172(1) (A) "The likely consequences of any decision in the long term"

The Board of Trustees completely understand the importance of the Charity and the long-term impact of its decision on beneficiaries, participants and communities. The Board of Trustees has developed proper strategies and processes to follow for any decision which can have long-term impacts.

S172(1) (B) "The interests of the company's employees"

The Board of Trustees recognise that Shaw Trust employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining, and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments, and commissioners. Shaw Trust seeks the promotion and application of certain general principles in such relationships. The Charity supports the government strategy to support SMEs via doing business with

them and paying promptly. The Charity recognises the importance of its supply chain partners to deliver its targets and achieve strategic goals. Certain rules and procedures have been developed to maintain the good relationship with them.

Moreover, the Board of Trustees receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

S172(1) (D) “The impact of the company’s operations on the community and the environment”

The Board of Trustees receives information on these topics to provide relevant information for specific Board decisions e.g., working from home, green energy, and carbon footprint policies.

S172(1) (E) “The desirability of the company maintaining a reputation for high standards of business conduct”

The Board of Trustees periodically reviews and approves clear frameworks to ensure that its high standards are maintained both within its businesses and the business relationships we maintain. This complements the way the Board of Trustees is informed and monitors compliance with relevant governance standards.

This report was approved by the Board of Trustees and signed on its behalf by:



Olly Benzecry
Chair
14 May 2026

Directors' Report

The Board of Trustees ('the Trustees'), who are also the Directors of the Charity, present their report and the audited financial statements of the Charity for the year ended 31 August 2025. This report contains the statutory information disclosed in addition to that set out in the Strategic Report.

Review of the business

The financial results of the Group are detailed in the income statement on page 34. The financial position of the Group remains strong with total reserves of £243.8m. Further information on the business performance is detailed on pages 6 to 15 of the Strategic Report.

Legal Structure and Governance

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

The Trustees in office during the year, and at the date of signing these financial statements, are set out on page 23. The Trustees have overall responsibility for the governance of the Charity which it discharges through three main duties:

- Ensuring there is a strategy in place; the main strategic goal is to help as many people as possible to adjust to and navigate the complex employability challenges that lie ahead. To achieve this main strategy, Trustees have agreed on different objectives which include organisational growth, maintaining a balanced portfolio of services and programmes that are locally based and nationally scalable, financial and operational stability, compliance and stakeholder's relationships.
- Monitoring the implementation of the strategy against agreed plans, ensuring adequate resource is available.
- Ensuring the Charity complies with all necessary statutory and regulatory obligations.

As part of this, the Trustees ensure that there is a robust system of internal control and risk management, as well as an appropriate reporting and oversight structure to ensure that the Executive Management Team to whom the Trustees have delegated the daily management of the Charity are performing to the standards expected.

The Trustees meets quarterly and, while the matters discussed at those meetings will vary, the general themes of discussions are strategy, charitable purpose and impact, review of performance, developments in the Charity's external operating environment and major internal change programmes.

The following committees of the Board of Trustees discharge specific aspects of their responsibilities:

- The Audit and Risk 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 Charity's strategic risk register.

- The HR Committee is responsible for determining the Charity's overall HR strategy and approving major changes to the Charity's structure, employees' terms and conditions and the pay and reward for the Executive Management Team. The Charity uses external consultants and comparison tools available to set the salary level for its key management. Salary and benchmarks are reviewed regularly to make sure the Charity can attract and retain the best talent.
- The Finance Committee is responsible for the Charity's financial performance on behalf of the Trustees to ensure short and long-term viability and ensure finances are aligned with Shaw Trust's Strategic Directive.
- The Commercial and Performance Committee is responsible for advising the Trustees in relation to business investment and opportunities for growth (both organic and inorganic) in accordance with the Charity's strategy, and to oversee the operational performance of Shaw Trust.

The Trustees have delegated the daily management of the Charity to the Group Chief Executive and the Executive Management Team. The current Chief Executive, Chris Luck CB MBE DL, was appointed in May 2019, and joined the Charity after a distinguished career in the armed forces.

The Charity manages its activities through five operational divisions and service delivery within each is managed by dedicated business unit teams.

Operational staff are supported by Finance, People and Performance, Business Development, Information Services and Communications 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 Trustees 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 period. 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 The Charity'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 the Charity's latest reports and financial statements; a copy of the Code of Practice adopted by the Trustees; details of the Charity's Executive Management Team and their respective roles, Terms of Reference and reporting lines; details of Board meetings; and the Board papers made available for meetings. As well as induction, Trustees are able to undertake training in specific areas of the Charity's operations through visits and presentations.

The Charity takes into consideration the principles contained within the Charity Governance Code when reviewing and updating its governance function.

Committee Membership and Executive Management Team

Trustees

Gregory Allen ♦ (resigned 26 February 2025)
Paul Baldwin * ~
Olly Benzecry Chairman
Diane Côté * ~ (resigned 7 November 2024)
Audrey Coutinho * ^
Deborah Dorman ♦ (resigned 26 February 2026)
Annamarie Hassall MBE (resigned 24 February 2025, reappointed 20 October 2025) ♦
Ian Hughes MBE (appointed 24 March 2025) ^ ♦
Carl Nicholson ^ ~
Cedric Ntumba (appointed 24 March 2025) ^ ~
Dr Mike Nussbaum ^ ♦ (resigned 14 May 2025)
Lara Oyesanya ^ ♦
Kalm Paul-Christian ^ (resigned 26 February 2025)
Stephen Pegge OBE ~
Steve Shaw * ♦
James Stewart OBE ~
Christine Swabey *

* Member of the Audit and Risk Committee

^ Member of the Commercial and Performance Committee

~ Member of the Finance Committee

♦ Member of the HR Committee

Executive Management Team

Group Chief Executive Officer

Chris Luck CB MBE DL

Chief Executive Officer – The Shaw Education Trust

Jo Morgan (resigned 28 March 2025), Kerry Inscker Acting (from 29 March 2025)

Chief Financial Officer

James Robertson

Chief Commercial Officer

Richard Clifton

Chief Operating Officer

Shelley Southon

Chief Corporate and Risk Officer

Scott Miller

Chief People Officer

Mark Earl

Chief Impact Officer

Julie Leonard (from 16 September 2024)

Company Secretary

Carol McKinley

Disabled employees

The Charity is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, religion, sex, race, colour, disability, sexuality, or marital status. The Charity gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. To this end, the Charity was delighted to be awarded Disability Confident Leader Status in 2018.

Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Charity.

If members of staff become disabled, the Charity continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The Charity 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 Charity is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Charity plays a major role in maintaining and growing its position.

The Charity 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 Charity also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Fundraising compliance statement

The Charities (Protection and Social Investment) Act 2016 requires charities such as ours to include a statement of our fundraising. We believe that, under current regulations and best practice, we comply with the Fundraising Regulator's Code of Fundraising Practice and adhere to Charity Commission guidance for the organisation as a whole.

The Charity does not proactively fundraise. Fundraising income is received largely through legacy donations as well as some personal donations. Some of the legacy income is facilitated through a third party. We did not receive any fundraising complaints during the reporting year.

Statement on going concern

The Charity prepares a detailed annual budget and three-year business plan that indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Charity's principal lenders.

The Executive Management Team continues to closely monitor significant risks, and modelling of sensitivities have indicated the Charity has sufficient liquid resources to meet its obligations as they fall due.

The Charity has produced a comprehensive risk assessment framework and monitors and reports on this on a quarterly basis. It continues to drive for performance, carefully manages costs and looks for further opportunities to develop. It seeks to mitigate any ongoing risk by ensuring that it continues to be lean and fit for purpose, responds to the changing environments and markets in which it operates.

The Trustees have reviewed the Charity's forecasts, sensitivity analysis and projections and its reserves, and the systems of financial control and risk management. As a result of this review, the Trustees have a reasonable expectation that the Charity can manage these risks and has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Streamlined Energy and Carbon Reporting

Shaw Trust maintains scopes one (1), two (2) and three (3) emissions, which includes natural gas. Shaw Trust also maintains transport emissions inclusive of company owned/operated vehicles and employee owned/operated vehicles (whereby mileage is claimed as a business expense). Electricity is procured from a renewable source and is therefore zero emissions.

Shaw Trust previously devised a strategy to reduce overall carbon footprint including:

- Installed mains-fed water coolers with ECO SIP technology from AquAid, reducing engineer visits to twice per year (no bottle deliveries).
- Recycled one tonne of mixed office waste from the Ramsgate site (Suite 7, The Argyle Centre, York Street, Ramsgate CT11 9DS) on 28 October 2025 via Russell Fewins Ltd.
- Achieved 70.9% recycling rate for scheduled waste services (138.651 tonnes recycled out of 195.478 tonnes total) and 75.0% recycling rate for skip collections (5.228 tonnes out of 6.970 tonnes).
- Estimated 900kg of materials responsibly disposed from garden centre clearance project.
- Maintained 100% renewable electricity procurement across all Shaw Trust Group sites.
- Purchasing energy efficient equipment where appropriate in our offices.
- Replacing HVAC systems with energy-efficient equipment where possible.

- Adopting behavioural change measures where possible.
- Whilst not included in our carbon emission calculations we sell second hand goods through our charity retail shops, which avoids the emissions incurred if they went to landfill or incinerated.

Shaw Trust have a longstanding commitment to tackling climate change. Calculated carbon footprint for the current financial year is **1,143.34 tCO₂e**, whilst energy consumption was 4,553,35 MWh.

Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. Reporting of calculated emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024.

The reporting period is the financial year 2024/25, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2024/2025 Emissions

	Shaw Trust	The Shaw Education Trust
	kWh	kWh
Energy consumption (kWh)	4,553,335	41,965,966
<u>2024/2025 Emissions</u>	tCO ₂ e	tCO ₂ e
Tonnes CO ₂ equivalent (tCO ₂ e):		
<u>Scope 1 emissions</u>		
Natural gas heating	359	6,320
Owned transport	385	148
<u>Scope 2 emissions</u>		
Purchased electricity	-	1,434
<u>Scope 3 emissions</u>		
Business travel – employee mileage and T&D losses	399	103
Optional (Train travel)	36	-
Total (Scope 1+2+3 Mandatory)	1,143	8,005
	tCO ₂ e/employee	tCO ₂ e/pupil
Scope 1, 2 and 3 carbon intensity	0.44	0.67

The Shaw Education Trust emissions and energy consumption have been separately disclosed above due to the sector difference including the recommended intensity ratio per pupil. Further details can be found in the Trustees report of The Shaw Education Trust annual report and financial statements for the year ended 31 August 2025.

Efficiency Measures Taken

During the year, the Charity has continued to develop energy efficiency initiatives to reduce environmental impact and improve long term sustainability across its estate.

Actions taken include upgrading to LED lighting where possible within the estate and in several academies; installation of improved building management systems to reduce unnecessary consumption include PIR sensors where possible and installing EV charging across some of the academy sites.

Statement of Trustees' responsibilities in respect of the financial statements

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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- State whether applicable UK Accounting Standards, comprising FRS 102, 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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.

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.

Disclosure of information to auditors

In so far as the Trustees are aware:

- a) There is no relevant audit information of which the charitable company's auditor is unaware; and
- b) The Trustees have taken all the steps that they ought to have taken as a Trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Public Benefit

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.



Olly Benzecry
Chair
14 May 2026

Independent Auditor's Report to the Members and the Trustees of The Shaw Trust Limited

Opinion

We have audited the financial statements of The Shaw Trust Limited (the “charitable company”) and its subsidiaries (the “group”) for the year ended 31 August 2025 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2025 and of the group's incoming resources and application of resources, including its income and expenditure 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.

Basis for opinion

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

Conclusions relating to going concern

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

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

authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent company has not kept adequate accounting records; or
- the parent company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 27, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including internal specialists and component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which

the charitable company and group operate, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charities SORP (FRS 102), and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the group's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the group for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management and revenue recognition in relation to grants and contracts. Our audit procedures to respond to these risks included enquiries of management, internal audit, legal counsel and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and revenue, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

26th May 2026

The Shaw Trust Limited consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 August 2025

		Continuing operations		Discontinued operations		Total funds 2025
	Note	£'000		£'000		£'000
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	Total
Income and endowments from:						
Donations and capital grants	1b	214	5,416	-	-	5,630
Charitable activities	1a	138,844	137,638	-	4,345	280,827
Other trading activities	1c	3,465	-	-	-	3,465
Income on investments, interest, and dividends		123	591	-	-	714
Other income		438	-	-	-	438
Group incoming resources		143,084	143,645	-	4,345	291,074
Expenditure on:						
Raising funds	2a	(4,058)	-	-	-	(4,058)
Charitable activities	2b	(136,927)	(144,346)	-	(3,738)	(285,011)
Total resources expended		(140,985)	(144,346)	-	(3,738)	(289,069)
Net income / (expenditure) before gains on investments	4	2,099	(701)	-	607	2,005
Gains/(losses) on fixed asset investments	10	311	(110)	-	-	201
Transfers between funds		101	(101)	-	-	-
Net income / (expenditure) before taxation		2,511	(912)	-	607	2,206
Taxation	21	(81)	-	-	-	(81)
Group net income / (expenditure) before other recognised gains and losses		2,430	(912)	-	607	2,125
Loss on disposal of subsidiaries and discontinued activities		-	-	-	(3,380)	(3,380)
Actuarial gains on defined benefit pension schemes	24	224	244	-	-	468
Net movement in funds		2,654	(668)	-	(2,773)	(787)
Fund balances brought forward		33,246	208,548	-	2,773	244,567
Fund balances carried forward	20	35,900	207,880	-	-	243,780

The Shaw Trust Limited consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 August 2024

		Continuing operations		Discontinued operations		Total funds 2024
	Note	£'000		£'000		£'000
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	Total
Income and endowments from:						
Donations and capital grants	1b	351	5,015	-	188	5,554
Charitable activities	1a	152,523	123,788	2,034	5,942	284,287
Other trading activities	1c	2,175	720	-	-	2,895
Income on investments, interest, and dividends		730	-	-	-	730
Other income		371	-	-	-	371
Net assets taken on with mergers and transfers	25	-	21,917	-	-	21,917
Group incoming resources	1	156,150	151,440	2,034	6,130	315,754
Expenditure on:						
Raising funds	2a	(2,493)	-	-	-	(2,493)
Charitable activities	2b	(147,423)	(131,303)	(2,050)	(5,859)	(286,635)
Total resources expended		(149,916)	(131,303)	(2,050)	(5,859)	(289,128)
Net income / (expenditure) before gains on investments		6,234	20,137	(16)	271	26,626
Gains on fixed asset investments	10	375	-	-	-	375
Transfers between funds		1,639	(201)	(1,816)	378	-
Net income / (expenditure) before taxation		8,248	19,936	(1,832)	649	27,001
Taxation	21	(4)	-	(15)	-	(19)
Group net income / (expenditure) before other recognised gains and losses		8,244	19,936	(1,847)	649	26,982
Gain / (loss) on disposal of subsidiaries and discontinued activities		-	-	453	(221)	232
Actuarial gains on defined benefit pension schemes		21	307	-	263	591
Net movement in funds		8,265	20,243	(1,394)	691	27,805
Fund balances brought forward		24,981	188,305	1,394	2,082	216,762
Fund balances carried forward	20	33,246	208,548	-	2,773	244,567

Group and Charity Balance Sheets

Company No. 01744121

For the year ended 31 August 2025

	Note	Group 2025 £'000	2024 £'000	Charity 2025 £'000	2024 £'000
Fixed assets					
Intangible assets	7	87	148	50	94
Tangible assets	8	199,889	208,363	2,088	3,037
Investments in subsidiaries	9	-	-	22,568	17,568
Investments in financial securities	10	8,710	8,419	5,717	5,317
Total fixed assets		208,686	216,930	30,423	26,016
Current assets					
Stocks	12	134	202	134	201
Debtors: Due within one year	13	48,018	37,358	16,398	13,553
Debtors: Due over one year	14	178	302	-	-
Short-term investments	10	7,760	7,340	109	107
Cash at bank and in hand		27,342	31,637	9,264	8,557
Total current assets		83,432	76,839	25,905	22,418
Creditors - amounts falling due within one year	16	(39,724)	(39,805)	(21,399)	(18,012)
Net current assets		43,708	37,034	4,506	4,406
Total assets less current liabilities		252,394	253,964	34,929	30,422
Creditors - amounts falling due after one year	16b	(227)	(365)	-	-
Provision for liabilities and charges	17	(7,817)	(5,226)	(4,476)	(2,359)
Net assets before pension liability		244,350	248,373	30,453	28,063
Pension liability	24	(570)	(3,806)	-	-
Net assets after pension liability		243,780	244,567	30,453	28,063
Funds					
Designated funds	18	2,588	4,414	1,360	3,169
General funds	18	33,312	28,832	27,635	22,729
Total unrestricted funds		35,900	33,246	28,995	25,898
Pension liability		(570)	(3,806)	-	-
Restricted funds		208,450	215,127	1,458	2,165
Total restricted funds	19	207,880	211,321	1,458	2,165
Total Funds	20	243,780	244,567	30,453	28,063

The Group statement of cashflows, basis of preparation, principal accounting policies and the notes to the financial accounts below are an integral part of these financial statements.

The Parent Charity has taken the exemption from preparing a separate statement of financial activities as permitted under Section 408 of Companies Act 2006. The Parent Charity's total income for the year amounted to £74,784k (2024: £81,483k) and net movement in funds for the year was an increase of £2,390k (2024: decrease of £9,869k).

The financial statements were approved by the Board of Directors on 14 May 2026 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Olly', with a long horizontal flourish extending to the right.

Olly Benzecry
Chair

Consolidated statement of cash flows

For the year ended 31 August 2025

	Note	Year ended 31 August 2025 £'000	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000	Year ended 31 August 2024 £'000
Net cash generated from operating activities	a)		2,601		17,831
Cash flow from investing activities					
Cash disposed of with subsidiary undertakings		(1,957)		-	
Purchase of tangible assets	8	(4,922)		(6,957)	
Purchase of intangible assets	7	-		(62)	
Net purchase of investments		(420)		135	
Cash from investments		-		(95)	
Cash from disposal of fixed assets		-		423	
Investment income received		626		730	
Net cash expended from investing activities			(6,673)		(5,826)
Cash flow from financing activities					
Interest and charges paid		(8)		(22)	
Repayment of loans		(215)		(451)	
Net cash used in financing activities			(223)		(472)
Net (decrease) / increase in cash and cash equivalents			(4,295)		11,532
Cash and cash equivalents at the beginning of the period at 1 September			31,637		20,105
Cash and cash equivalents at 31 August			27,342		31,637

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

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Net incoming resources before other recognised gains	2,125	26,982
Donation of net assets arising on acquisition	-	(20,747)
Pensions - adjustment to net incoming resources	(2,220)	(1,829)
Investment income received	(714)	(730)
Bank charges and interest paid	8	22
Taxation	81	-
Depreciation charge on fixed assets	9,660	8,955
Amortisation of goodwill	61	185
Net loss on disposal of tangible fixed assets	862	351
Net loss on disposal of intangible fixed assets	-	204
Net gain on disposal of investments	(201)	(143)
Decrease in stock	68	88
(Increase) / decrease in debtors	(10,705)	4,824
(Decrease) / increase in creditors	(625)	789
Increase / (decrease) in deferred income	1,610	(447)
Increase / (decrease) in provisions for liabilities and charges	2,591	(673)
Net cash inflow from operating activities	2,601	17,831

b) Analysis of changes in net debt

	1 September 2024 £'000	Cash Flow (Continuing Activities) £'000	Discontinued Activities £'000	31 August 2025 £'000
Cash at bank and in hand	31,637	(2,338)	(1,957)	27,342
Total cash and cash equivalents	31,637	(2,338)	(1,957)	27,342
Loans due within one year	(224)	2	50	(172)
Loans due after more than one year	(365)	213	10	(142)
Total	31,048	(2,123)	(1,897)	27,028

Notes to the Financial Statements

Basis of preparation

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.

General information

The Shaw Trust Limited (“the Charity”) is domiciled in England and Wales with registration number 01744121. The address of its registered office is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The principal activity of the Charity during the period is to co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

Basis of consolidation

The consolidated financial statements include the activities of the Charity and its subsidiary undertakings (note 9) made up to 31 August 2025. Intra-Group transactions and profits are eliminated on consolidation. The results, assets and liabilities of the subsidiary undertakings are combined with those of the Charity in the results of the Group on a line-by-line basis.

During the year, following a change in operational and management structure, Shaw Education Trust was deemed to no longer control Newfriars College and it has therefore been deconsolidated out of the Group.

FRS 102 Exemptions

FRS 102 allows a qualifying entity, certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of, and no objection to, the use of exemptions by the Charity’s Trustees.

The Charity has taken advantage of the following exemptions:

- a) From preparing a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated group statement of cash flows, included in these financial statements, includes the company cash flows; and
- b) From preparing a company Statement of Financial Activities (SOFA), on the basis that it is a qualifying entity and the consolidated SOFA, included in these financial statements, includes the company SOFA.

Functional currency

The Group financial statements are presented in pound sterling and rounded to thousands. The Charity’s functional and presentation currency is the pound sterling.

Notes to the Financial Statements

Principal accounting policies

The financial statements of the Charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

Incoming Resources

All incoming resources are recognised in the Statement of Financial Activities when there is an entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Contract income

Where the outcome of a transaction involving the rendering of services via contracts can be estimated reliably, the revenue is recognised by reference to the stage of completion at the end of the reporting period. This is reviewed and, when necessary, revised based on the estimates of revenue and costs as the contract progresses.

Stage of completion is determined using the method that measures most reliably the work performed and assumes use of the straight-line basis unless there is evidence that some other method better represents the stage of completion.

Deferred income

Where income is received for a specific period and that period straddles the Charity's year end, the appropriate portion of income is deferred and carried forward to the following year, or where income is received in advance of the services being delivered.

Donations and other income

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

Other income is recognised when there is entitlement to the funds, any performance conditions attached to the item of income have been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

Sales and trading activities

Income from the Retail trading division (charity shops) and sales made as part of the Charity's other trading operations are recognised on point of sale for both donated and purchased goods.

Donated services from volunteers

Donated services from our volunteers are not included within the financial statements.

The services of volunteers are critical to the Charity, particularly in relation to the operation of our retail shops.

These ventures would not be able to continue without the support and time given by our network of volunteers.

Donated goods for resale

The Charity receives donated goods for resale in its network of charity shops. Income is recognised at point of sale as the Trustees consider it to be impractical to recognise such gifts on receipt due to the large number of small value items received.

Grants/fees

All revenue grants receivable from the 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 at the reporting date as a result of a past event.
- It is more likely than not that a transfer of economic benefit, often cash, will be required in settlement; and
- When the amount of the obligation can be measured or estimated reliably.

Costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities:

- a) Costs of raising funds are costs incurred in seeking voluntary contributions, operating charity shops and investment management costs; and
- b) Charitable activity expenditure relates to the costs of running and supporting the Charity's various charitable activities for furthering its charitable aims for the benefit of its participants/beneficiaries.

Apportionment of costs

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

Operating leases

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

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 are stated at cost less depreciation.

Land and buildings transferred as part of the Academies Programme to Shaw Education Trust are reflected within freehold or long leasehold fixed assets at the point of transfer. They are recorded at valuation at the point of transfer and are depreciated from that date.

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

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 land - not depreciated.
- Freehold buildings 2% (or over the lifetime of the contract if more appropriate).
- Long leasehold buildings 2% (or length of lease if shorter than 50 years).
- Fixtures and fittings 20% (or more if first break clause of lease is within five years).
- Equipment and vehicles 20%.
- Computer equipment 25%; and
- Plant and machinery in Forth Sector 6.75%.

Fixed assets costing less than £3,000 for non-computer equipment and less than £250 for computer equipment are charged against profit on the date of purchase.

Intangible fixed assets – goodwill and computer software

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible Assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses.

Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

During 2017/18 Shaw Trust acquired Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited and the intangible fixed assets include goodwill arising on the purchase.

In determining the period of amortisation, management considered the length of the current contracts, the performance of the business and the likelihood of securing additional future business and concluded that five years was a reasonable time over which to amortise the goodwill arising on these acquisitions.

All goodwill has been fully amortised.

Computer software 25% (or over the lifetime of the contract if more appropriate).

Assets costing less than £3,000 are not capitalised.

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.

Investments in financial securities

Fixed asset investments are investments held in listed companies, government and corporate bonds and other investments. These investments are stated at mid-price 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.

Investments are carried at 'fair value' and therefore stated at market value as at the balance sheet date. Changes in fair value are recognised in the income and expenditure section of the Statement of Financial Activities.

Investments in subsidiaries jointly controlled entities and associates

These investments are held at cost less impairment.

Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments comprise cash held on term deposits with qualifying financial institutions.

Basic financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of Financial Instruments.

Financial Assets: Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities: Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Designated funds are those which have been set aside at the discretion of the Trustees for a specific purpose. These funds relate to specific fixed assets or contracts and commitments set aside for Shaw Trust Foundation's activities.

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 Charity.

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.

Provisions

Provisions are recognised when the Charity has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

Pension costs

The Charity 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 Charity operates a number of defined benefit pension arrangements, which are detailed in note 24 to the Financial Statements.

The actuarial valuations are obtained annually and are updated at each balance sheet date.

The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The costs to the Charity of funding the schemes are accounted for in accordance with FRS 102. The contributions paid by the Charity 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 102.

Related party transactions

All related party transactions are disclosed in note 26.

Tax and deferred tax

The Charity is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

Current tax arising in non-charitable subsidiaries is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented in creditors and deferred tax assets within debtors.

Statement on going concern

The Charity continues to adopt the going concern basis in preparing its financial statements.

The Charity prepares a detailed annual budget and three-year business plan which indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees.

Having reviewed the Charity's and Group's forecasts and its current reserves, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operation for the foreseeable future.

Key accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carry amounts of assets and liabilities within the next financial year are below.

- (i) Income recognition based on contract terms and estimates of completion.
- (ii) Impairment of investments in subsidiaries (note 9).
- (iii) Recoverability of intercompany debt.
- (iv) Provisions (note 17)

Provision is made for dilapidations, asset retirement obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, timing of the cash flows and discount rates used to establish net present value of the obligations require management judgement.

(v) Defined benefit pension scheme (note 24)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuation and the corporate bond discount rate. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Key accounting judgements

Assessing whether the Group controls SET requires judgement. SET is a wholly owned subsidiary of The Shaw Trust Limited, who is also the sponsor company. Through the SET Articles of Association, The Shaw Trust Limited can appoint members and Trustees to the Shaw Education Trust Board, thereby giving control to the decision making and authority for the work of the academy trust. The Group considers that these powers demonstrate that the Group controls SET.

During the year, following a change in operational and management structure, Shaw Education Trust was deemed to no longer control Newfriars College and it has therefore been deconsolidated out of the Group. This is with effect from 31 March 2025, when a change in Directors of the College took place. Newfriars College is therefore shown as a disposal in the restricted funds.

Notes to the financial statements

1. Total incoming resources/material funders

1a. Analysis of income from charitable activities

	2025 £'000	2024 £'000
Careers and Skills	37,870	43,786
Work, Wellbeing and Health	52,441	51,069
Children's Homes	43,046	38,685
Education	135,358	123,047
Other Services	12,112	27,700
Total income from charitable activities	280,827	284,287

The Trustees consider material funders to be those contributing over 10% of income.

The principal funders are Department for Work and Pensions (DWP), from which a total of £21.7m (2024: £41.8m) was earned, and Department for Education (DfE), from which a total of £107.2m (2024: £111.1m) was earned.

1b. Analysis of income from donations and capital grants

	2025 £'000	2024 £'000
SCA Grant (restricted)	3,483	3,976
Capital grants (restricted)	1,907	1,227
Other donations (restricted)	26	-
Other donations (unrestricted)	214	351
Total income from donations and capital grants	5,630	5,554

The fair value of net assets acquired from business combinations are treated as a donation (see note 25).

1c. Analysis of income from other trading activities

	2025 £'000	2024 £'000
Charity shops	3,465	2,895
Total income from other trading activities	3,465	2,895

2. Analysis of total resources expended

2a. Analysis of expenditure on raising funds

	2025			2024	
	Direct costs £'000	Support costs £'000	Total £'000	Direct costs £'000	Total £'000
Charity shops	3,589	445	4,034	2,473	2,473
Investment management fees	24	-	24	20	20
Total expenditure on raising funds	3,613	445	4,058	2,493	2,493

2b. Analysis of expenditure on charitable activities

	2025			2024		
	Activities undertaken directly £'000	Support costs £'000	Total £'000	Activities undertaken directly £'000	Support costs £'000	Total £'000
Careers and Skills	32,957	5,516	38,473	40,358	5,251	45,609
Work, Wellbeing and Health	41,711	6,998	48,709	39,291	5,657	44,948
Children's Homes	37,647	5,268	42,915	32,877	3,532	36,409
Education	110,124	30,735	140,859	98,451	31,612	130,063
Other Services	12,326	1,729	14,055	26,767	2,839	29,606
Total expenditure on charitable activities	234,765	50,246	285,011	237,744	48,891	286,635

2. Analysis of total resources expended (continued)

2c. Analysis of support costs

	Raising funds	Careers and Skills	Work, Wellbeing and Health	Children's Homes	Education	Other Services	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Management	162	1,791	1,746	1,195	-	508	5,402	5,217
Corporate Governance	22	1,264	1,838	844	1,105	341	5,414	5,280
Finance	96	725	992	955	-	313	3,081	2,539
Information Technology	88	950	1,321	1,083	2,768	309	6,519	5,791
Human Resources	58	595	809	1,088	-	193	2,743	2,067
Communications and Marketing	19	191	292	103	-	65	670	11
Academy support staff costs	-	-	-	-	10,014	-	10,014	9,849
Other academy support costs	-	-	-	-	6,508	-	6,508	6,419
Academy premises expenses	-	-	-	-	10,340	-	10,340	11,718
Total support costs	445	5,516	6,998	5,268	30,735	1,729	50,691	48,891

Support costs are allocated to activities where directly attributable or on a basis appropriate to the type of cost, such as by activity staff numbers, revenue, and number of transactions.

3. Finance costs

	2025	2024
	£'000	£'000
Interest on loans	8	22
Net interest income on defined benefit pension schemes (note 24)	(354)	(369)
Total	(346)	(347)

These charges have been reported in the Statement of Financial Activities under Charitable Activities.

4. Net income / (expenditure) before gains on investments

	2025	2024
The net income / (expenditure) before gains on investments are stated after charging:	£'000	£'000
Amortisation charge for the year on intangible owned assets	61	185
Depreciation charge for the year on tangible owned assets	9,660	8,955
Auditors' remuneration: audit services		
- Parent Charity and consolidated financial services	97	98
- Audit of the Charity's subsidiaries	167	161
Auditors' remuneration: other services		
- services relating to taxation	6	1
- all other services	20	21
Operating leases:		
- others	661	653
- property	5,053	4,873
Net loss on disposal of fixed assets	862	351

5. Employees

The average monthly number of persons employed during the year was:

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	No.	No.	No.	No.
Charitable purposes	4,919	5,065	1,602	1,743
Retail	79	59	79	59
Total	4,998	5,124	1,681	1,802

Employee costs for the above persons during the year were:

	Group	Group	Charity	Charity
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Wages and salaries	162,366	158,129	49,108	47,367
Social security costs	18,083	15,698	5,368	4,613
Contribution to defined contribution pension schemes	13,931	12,500	1,416	1,413
Operating costs of defined benefit pension schemes (note 24)	4,952	5,317	-	93
Total	199,332	191,644	55,892	53,486

Included in the above figures is a Group figure of £1,320k (2024: £826k) for redundancies, of which £114k (2024: £155k) was unpaid and accrued or provided as at the year end.

5. Employees (continued)

The number of employees who received employee benefits (excluding employer pension costs) totaling more than £60,000 fell within the following bandings:

	Group 2025 No.	Group 2024 No.
£60,001 - £70,000	136	112
£70,001 - £80,000	57	48
£80,001 - £90,000	28	26
£90,001 - £100,000	17	19
£100,001 - £110,000	13	15
£110,001 - £120,000	9	6
£120,001 - £130,000	3	1
£130,000 - £140,000	2	4
£140,001 - £150,000	5	4
£150,001 - £160,000	1	1
£160,001 - £170,000	2	-
£170,001 - £180,000	1	-
£180,001 - £190,000	1	-
£220,001 - £230,000	1	-
£230,001 - £240,000	-	1
£270,001 - £280,000	1	-
£280,001 - £290,000	-	1
£300,001 - £310,000	1	-

6. Trustees' and executive management team's remuneration

- a) During 2025 and 2024, no Trustee received any emoluments from the Charity. Incidental travelling costs of £1,296 (2024: £1,301) were reimbursed or paid on behalf of six (2024: six) Trustees by the Charity.
- b) The 'Directorships' outlined on page 23 of these financial statements in respect of Executive Management Team 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 £10,651 (2024: £10,651) in respect of indemnity insurance which protects the Charity, up to an agreed limit, against loss arising from defaults of or neglect by its Trustees and officers.
- d) The Key Management Personnel of the Group comprise the Trustees and the Executive Management Team as listed on page 23 of these financial statements and seven other key members of the senior leadership team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Group was £2,719,415 (2024: £2,005,649) for the year.

7. Intangible assets

Computer software	Group	Charity
	£'000	£'000
Cost		
At 1 September 2024	7,830	7,403
Disposals	(5,579)	(5,304)
At 31 August 2025	2,251	2,099
Accumulated Amortisation		
At 1 September 2024	7,682	7,309
Charge for the year	61	44
Disposals	(5,579)	(5,304)
At 31 August 2025	2,164	2,049
Net book value		
At 31 August 2025	87	50
At 1 September 2024	148	94

8. Tangible assets

Group	Freehold land and buildings	Long leasehold Property	Assets under construction	Equipment and vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 September 2024	51,123	200,523	780	943	20,509	273,878
Additions	188	2,256	1,107	50	1,321	4,922
Disposals	-	(2,169)	-	(3,342)	(6,939)	(12,450)
Deconsolidation	(3,091)	(459)	-	(96)	(316)	(3,962)
Reclassifications	-	563	(495)	2,806	(2,874)	-
At 31 August 2025	48,220	200,714	1,392	361	11,701	262,388
Accumulated depreciation						
At 1 September 2024	17,968	30,955	-	805	15,787	65,515
Charge for the year	1,083	6,219	-	79	2,279	9,660
Disposals	-	(1,330)	-	(3,342)	(6,916)	(11,588)
Deconsolidation	(548)	(232)	-	(66)	(242)	(1,088)
Reclassifications	-	17	-	2,772	(2,789)	-
At 31 August 2025	18,503	35,629	-	248	8,119	62,499
At 31 August 2025	29,717	165,085	1,392	113	3,582	199,889
At 1 September 2024	33,155	169,568	780	138	4,722	208,363

8. Tangible assets (continued)

Charity	Long leasehold Property £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation				
At 1 September 2024	3,152	543	8,079	11,774
Additions	-	-	614	614
Disposals	(1,086)	(509)	(5,804)	(7,399)
At 31 August 2025	2,066	34	2,889	4,989
Accumulated depreciation				
At 1 September 2024	1,249	543	6,945	8,737
Charge for the year	43	-	814	857
Disposals	(403)	(509)	(5,781)	(6,693)
At 31 August 2025	889	34	1,978	2,901
Net book value				
At 31 August 2025	1,177	-	911	2,088
At 1 September 2024	1,903	-	1,134	3,037

Land and buildings transferred to Shaw Education Trust (SET) as part of the Academies Programme are reflected within freehold or long leasehold fixed assets at the point of transfer.

The land and buildings transferred as part of the Academies Programme are subject to the provisions of the individual academy funding agreements and the master funding agreement.

These provisions may include preventing the entity from selling the land and buildings. Upon termination of a funding agreement, whether as a result of the Secretary of State for Education or SET serving notice, the assets relating to that agreement will return to the Secretary of State.

The value of the land and buildings to which these academy agreements apply is: £186,738k (2024: £193,905k).

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

The value of the transferred assets has been recognised in the Statement of Financial Activities as net assets taken on with mergers and transfers.

Tangible fixed assets of Forth Sector with a net book value of £1.8m (2024: £1.9m) are pledged as security against capital grant funding totalling £1.0m (2024: £1.0m) and against loans totalling £0.1m (2024: £0.2m).

9. Investments in subsidiary undertakings

Charity interests in group undertakings

	2025 £'000
At 1 September 2024	25,555
Additions	5,000
At 31 August 2025	30,555
Amortisation	
At 1 September 2024	(7,987)
Impairment	-
At 31 August 2025	(7,987)
Net book value	
At 31 August 2025	22,568
At 1 September 2024	17,568

The Charity made a further investment in Ixion Holdings (Contracts) Limited in the year, recapitalising its investment with an injection of 5,000,000 shares.

The Charity had the following wholly owned subsidiaries as at 31 August 2025.

Name of subsidiary	Company No.	Control	Status
Shaw Education Trust	9067175 (Exempt charity)	Controlling member rights	Active
Prospects Group 2011 Limited	7708678	100% Ordinary shares	Active
Ixion Holdings (Contracts) Limited	6886337	100% Ordinary shares	Active
Forth Sector	SC124791 (Charity reg: SC016414)	Sole member	Active
Good Work Partners Limited	15420664	100% Ordinary shares	Active
Shaw Trust International Partnerships Limited	5859747	100% Ordinary shares	Dormant
Disabled Living Foundation	1837993 (Charity reg: 290069)	Sole member	Dormant
Careers Development Group	1647371	Sole member	Dormant

9. Investments in subsidiary undertakings (continued)

Other subsidiary undertakings of the Group as at 31 August 2025:

Name of subsidiary	Company No.	Control	Status
Prospects Services	03042176	100% Ordinary shares	Active
Homes2Inspire Limited	10592680	100% Ordinary shares	Active
Forth Sector Development Limited	SC372526	100% Ordinary shares	Active
Homes2Inspire Services Limited	15420675	100% Ordinary shares	Active
Prospects Education Services Limited	09598618	100% Ordinary shares	Active
Ixion Social Enterprise Limited	05028081	Sole member	Active
Ixion CG Limited	03091483	100% Ordinary shares	Active
Prospects Services Midco Limited	07596398	100% Ordinary shares	Dormant
Prospects Distribution Services Limited	03656764	100% Ordinary shares	Dormant

All subsidiaries, other than those that are dormant, are included in the consolidated financial statements. Newfriars College ceased to be a subsidiary on 31 March 2025 and is included within discontinued activities in the Statement of Financial Activities.

Post year end, applications have been made to Companies House to strike off Ixion Social Enterprise Limited, Ixion CG Limited, Shaw Trust International Partnerships, Careers Development Group and Prospects Distribution Services Limited.

The registered address for all of the above subsidiaries (with the exception of The Shaw Education Trust and Forth Sector) is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The registered address for The Shaw Education Trust is Kidsgrove Secondary School, Gloucester Road, Kidsgrove, Stoke-on-Trent ST7 4DL.

The registered address for Forth Sector and Forth Sector Development Ltd is Duddingston Yards, Duddingston Park South, Edinburgh, Lothian, EH15 3NT.

Shaw Trust share of:	Total assets	Total liabilities	Gross incoming resources	Net surplus / (deficit) of income over expenditure
2025	£'000	£'000	£'000	£'000
Forth Sector	2,007	(3,021)	477	7
Ixion Holdings (Contracts) Limited	5,616	(1,520)	4,470	(1,460)
Prospects Services	22,875	(2,747)	26,725	1,534
Homes2Inspire Limited	17,889	(15,687)	41,215	215
Homes2Inspire Services Limited	5,256	(5,224)	6,588	(69)
Shaw Education Trust	223,149	(16,092)	137,020	33
Total	276,792	(44,291)	216,495	260

Shaw Trust share of:	Total assets	Total liabilities	Gross incoming resources	Net surplus / (deficit) of income over expenditure
2024	£'000	£'000	£'000	£'000
Forth Sector	2,078	(3,099)	742	(427)
Ixion Holdings (Contracts) Limited	3,166	(2,609)	11,200	(1,550)
Prospects Services	24,744	(6,150)	30,789	1,029
Homes2Inspire Limited	17,595	(15,608)	38,685	2,866
Shaw Education Trust	226,746	(16,949)	150,782	21,391
Total	274,329	(44,415)	232,198	23,309

Only the material subsidiaries' results have been disclosed.

Prospects Services and Homes2Inspire Limited are part of the Prospects Group.

10. Investments in financial securities

As a part of the Charity's investment policy, a portion of funds available for investment is 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 were held for the medium-term and as a result, and in accordance with accounting guidance, these investments were classified as fixed assets.

The movement on the value of the investments during the year is as follows:

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 September 2024	8,419	4,949	5,317	4,949
Additions at cost	-	3,000	-	-
Dividends received	71	52	71	52
Interest received	42	63	41	63
Management charges paid	(23)	(20)	(23)	(20)
Net gain on revaluation	201	375	311	273
At 31 August 2025	8,710	8,419	5,717	5,317

10. Investments in financial securities (continued)

Value of investments	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Investments listed on a UK recognised stock exchange, or valued by reference to one	861	756	861	756
Investments listed on a non-UK recognised stock exchange, or valued by reference to one	3,154	2,200	3,154	2,200
UK Government and Corporate Bonds	1,002	799	1,002	799
Other investments	3,568	3,510	575	408
Cash and settlements pending	125	1,154	125	1,154
At 31 August 2025	8,710	8,419	5,717	5,317

Short term investments	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Unlisted investments in fixed interest bank accounts	7,760	7,340	109	107

11. 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 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 The Shaw Trust Limited. The financial results of Palmer Gardens are shown below.

As at 31 August 2025, Palmer Gardens has a Revenue Fund of £Nil (2024: £Nil) and a Capital Fund of £442,000 (2024: £435,000).

11. Palmer Gardens (continued)

The income and expenditure account for the Revenue Fund is set out below:

Revenue Fund	2025	2024
	£'000	£'000
Turnover	752	720
Cost of sales	(346)	(334)
Gross Profit	406	386
Selling and distribution	(391)	(348)
Administration	(90)	(92)
Finance	(10)	(9)
Operating deficit	(85)	(63)
Support costs	(103)	(28)
Depreciation	(17)	15
Net deficit	(205)	(76)
Palmer Gardens Revenue Fund brought forward	-	-
Transfer from capital fund	17	(15)
Donation from Shaw Trust to Palmer Gardens	188	91
Balance of restricted revenue reserve (see note 19)	-	-

The assets and liabilities for the Capital Fund are set out below:

Capital Fund	2025	2024
	£'000	£'000
Fixed assets		
Palmer Gardens	442	454
Analysis of net assets:		
Current assets – stock	117	115
Current liabilities - creditors Shaw Trust	(117)	(115)
Net current assets	-	-
Total assets less current liabilities	442	454
Funds		
Restricted capital funds	442	454
Total (see note 19)	442	454

12. Stocks

Finished goods	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Plants, shrubs, nursery, and books	116	193	116	192
Shop stock	18	9	18	9
Total	134	202	134	201

13. Debtors – amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	18,164	16,323	3,270	4,784
Amounts due from group undertakings	-	-	-	894
Deferred tax asset	84	41	-	-
Other debtors	3,768	2,237	131	193
Prepayments and accrued income	26,002	18,757	12,997	7,682
Total	48,018	37,358	16,398	13,553

14. Debtors – amounts falling due after more than one year

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Deferred tax asset	178	302	-	-
Total debtors greater than one year	178	302	-	-

15. Deferred taxation

	2025 £'000	2024 £'000
Accelerated capital allowances	198	199
Short term timing differences – trading	64	144
	262	343
Analysed as:		
Amount due within one year	84	41
Amount due after more than one year	178	302
	262	343
Movement in year		
Opening balance	343	393
Changes in deferred tax	(81)	(50)
Closing balance	262	343

The amount of the net reversal of deferred tax expected to occur next year relating to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on intangible fixed assets is £Nil.

The Group has unrecognised deferred tax assets of £358k (2024: £280k).

16. Creditors - amounts falling due within one year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade creditors	2,729	3,044	1,315	964
Taxation and social security	6,322	6,154	2,211	2,576
Other creditors	4,425	6,361	1,634	1,762
Other loans	172	224	-	-
Amounts due to group undertakings	-	-	2,887	-
Accruals	10,826	10,382	3,364	3,099
Deferred income	15,250	13,640	9,988	9,611
Total	39,724	39,805	21,399	18,012

16. Creditors - amounts falling due within one year (continued)

Analysis of movement in deferred income

	Group £'000	Charity £'000
At 1 September 2024	13,640	9,611
Deferred in year	14,709	9,629
Released as income in year	(13,099)	(9,252)
At 31 August 2025	15,250	9,988

Deferred income relates to income from several service contracts where invoicing in advance has been agreed so as to provide funding prior to the periods in which the services are delivered and performance obligations satisfied.

16b. Creditors - amounts falling due after one year

	Group		Charity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts falling due after one year:				
Other loans	142	365	-	-
Other creditors	85	-	-	-
Total	227	365	-	-

Other loans are wholly repayable within five years. Interest is incurred at various rates including an interest-free loan, 1.23% and 2.21% concessionary loans and 5% fixed rate loans.

17. Provision for liabilities and charges

Group	Dilapidations	Other Provisions	Total
	£'000	£'000	£'000
At 1 September 2024	2,353	2,873	5,226
Transfers in (shops)	241	-	241
Created during the Year	413	3,150	3,563
Utilised during the year	(222)	(991)	(1,213)
At 31 August 2025	2,785	5,032	7,817

Charity	Dilapidations	Other Provisions	Total
	£'000	£'000	£'000
At 1 September 2024	1,283	1,076	2,359
Transfers in (shops)	241	-	241
Created during the Year	162	2,487	2,649
Utilised during the year	(208)	(565)	(773)
At 31 August 2025	1,478	2,998	4,476

The dilapidations provision relates to the costs that the Charity will possibly incur in reinstating its leased properties to original condition, accrued over the length of the lease. We have estimated the cost at a historic average cost and used the calculation to estimate the future cost. This rate will be reassessed on an annual basis to keep it up to date. Future costs are uncertain, hence the provision.

The other provisions are provided for Shaw Trust employability contracts taking into account contractual obligation and rates from the most recent inspections. Some contracts are being inspected now, and others will be subject to inspection very soon. The Charity is finalising the details with relevant commissioners.

18. Unrestricted funds

Group	Movement in Funds				At 31 August 2025
	At 1 September 2024	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Designated funds	4,414	-	-	(1,826)	2,588
General funds	28,832	143,084	(140,531)	1,927	33,312
Total unrestricted funds	33,246	143,084	(140,531)	101	35,900

Charity	Movement in Funds				At 31 August 2025
	At 1 September 2024	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Designated funds	3,169	-	-	(1,809)	1,360
General funds	22,729	68,447	(65,423)	1,883	27,636
Total unrestricted funds	25,898	68,447	(65,423)	74	28,996

The designated fund represents the Trust's fixed assets which are not subject to restriction or linked to the revolving credit facility and commitments set aside for the Shaw Trust Foundation's activities.

2024 comparatives	Movement in Funds				At 31 August 2024
	At 1 September 2023	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Group					
Designated funds	2,616	-	-	1,798	4,414
General funds	23,759	159,033	(151,985)	(1,975)	28,832
Total unrestricted funds	26,375	159,033	(151,985)	(177)	33,246

2024 comparatives	Movement in Funds				At 31 August 2024
	At 1 September 2023	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Charity					
Designated funds	2,411	-	-	758	3,169
General funds	33,331	75,899	(85,578)	(923)	22,729
Total unrestricted funds	35,742	75,899	(85,578)	(165)	25,898

19. Restricted funds

Group and Charity	At 1 September 2024	Incoming	(Outgoing)	Transfers	At 31 August 2025
	£'000	£'000	£'000	£'000	£'000
DIG for Dinner	38	-	-	(38)	-
Doncaster Borough Council (guarantee)	250	-	-	(250)	-
Palmer Gardens Fund (Capital)	454	-	(17)	5	442
Palmer Gardens Fund (Revenue)	-	752	(940)	188	-
Employment Action Centre (Capital)	649	-	(649)	-	-
Disability Action Centre (Capital)	766	-	(25)	-	741
Shaw Trust Clamp Hill Foundation – Somerset Partnership	5	-	(5)	-	-
Foundation – Northamptonshire Children's Trust	-	212	(33)	-	179
Foundation – West London Alliance	-	56	-	-	56
Charities Aid Foundation	-	40	-	-	40
West London Works	-	-	(21)	21	-
Thrive 2.0	-	2,556	(2,556)	-	-
Other	-	2,453	(2,453)	-	-
Other	3	-	(3)	-	-
Total Charity	2,165	6,069	(6,702)	(74)	1,458
Shaw Education Trust	207,023	137,020	(136,986)	-	207,057
Newfriars College	2,774	4,345	(7,119)	-	-
Forth Sector Group	(667)	556	(524)	-	(635)
Charities Aid Foundation (Ixion)	-	-	1	(1)	-
Somerset Partnership (Homes2Inspire)	26	-	-	(26)	-
Total Group	211,321	147,990	(151,330)	(101)	207,880

19. Restricted funds (continued)

Group and Charity	At 1 September 2023	Incoming	(Outgoing)	Transfers	At 31 August 2024
	£'000	£'000	£'000	£'000	£'000
DIG for Dinner	38	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	250
Palmer Gardens Fund (Capital)	435	-	15	4	454
Palmer Gardens Fund (Revenue)	-	720	(811)	91	-
Employment Action Centre (Capital)	669	-	(20)	-	649
Disability Action Centre (Capital)	790	-	(24)	-	766
Shaw Trust Clamp Hill	5	-	-	-	5
Disabled Living Foundation	-	108	(108)	-	-
Charities Aid Foundation	-	18	(88)	70	-
Find Your Future	-	216	(216)	-	-
Spark Change	-	373	(373)	-	-
West London Works	-	2,494	(2,494)	-	-
Thrive 2.0	-	1,984	(1,984)	-	-
Other	3	-	-	-	3
Total Charity	2,190	5,913	(6,103)	165	2,165
Shaw Education Trust	188,406	150,782	(129,391)	-	209,797
Forth Sector Group	(235)	875	(1,307)	-	(667)
Charities Aid Foundation (Ixion)	-	-	(11)	11	-
National Lottery Community Fund (Ixion)	-	-	(1)	1	-
Somerset Partnership (Homes2Inspire)	26	-	-	-	26
Total Group	190,387	157,570	(136,813)	177	211,321

The DIG for Dinner project established 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 provided 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 was also received from Rothley Trust and Hadrian Trust.

Doncaster Borough Council guarantee relates to an amount held in relation to a pension scheme. This pension scheme has been exited, and this guarantee is no longer required.

19. Restricted funds (continued)

Palmer Gardens is a vocational training centre, and the restricted capital fund relates to the construction of the original training centre and later expansion of the facilities. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

The Employment Action Centre (EAC) provided, within a multi-functional resource centre, a holistic approach to the employment needs of people living in Middlesbrough who are disabled and disadvantaged. This centre was disposed of in the year.

The Disability Action Centre (DAC) 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. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

Shaw Trust Clamp Hill received donations to contribute towards client activities.

Three Foundation funds have been established in the year linked to the operational contracts where an element of the contract funding received must be used on specific projects in conjunction with the contract funder.

West London Works and Thrive 2.0 are employment contracts with specific contract terms and conditions requiring them to be treated as restricted funds, including restrictions on the use of the funding, approval of any changes to the projects and ability to withhold spend.

Charities Aid Foundation - This was a grant awarded in March 2021 from the Covid-19 Support Fund (initially a three-year contract but funds were spent by September 2024). With a particular focus on care, construction, and business sectors it was to fund learning and development post-Covid to support people back into employment. Movement during the year relates to the costs of operational activity and a transfer from unrestricted funds made to remove the resulting operational deficit.

The total funds of the charity subsidiary, Forth Sector, are treated as restricted in the consolidated accounts due to their charitable objectives being narrower in scope. Forth Sector is now making a surplus annually and the deficit funds are expected to be made good over time.

The funds received by The Shaw Education Trust from the Department of Education can only be used to run the organisation and the academies that form part of The Shaw Education Trust.

Newfriars College has been separated from the SET Group and deconsolidated after control of the entity ceased as at 31 March 2025.

20. Analysis of net assets between funds

	Designated	Unrestricted	Restricted	Total funds 2025
Group	£'000	£'000	£'000	£'000
Fund balances are represented by:				
Intangible fixed assets	-	52	35	87
Tangible fixed assets	2,133	5,000	192,756	199,889
Investments in financial securities	-	5,717	2,993	8,710
Net current assets	455	30,445	12,808	43,708
Long-term liabilities	-	(85)	(142)	(227)
Provisions for liabilities and charges	-	(7,817)	-	(7,817)
Pension liability	-	-	(570)	(570)
Total net assets at 31 August 2025	2,588	33,312	207,880	243,780

	Designated	Unrestricted	Restricted	Total funds 2025
Charity	£'000	£'000	£'000	£'000
Fund balances are represented by:				
Intangible fixed assets	-	49	-	49
Tangible fixed assets	905	-	1,184	2,089
Investment in subsidiaries	-	22,568	-	22,568
Investments in financial securities	-	5,717	-	5,717
Net current assets	455	3,777	274	4,506
Provisions for liabilities and charges	-	(4,476)	-	(4,476)
Total net assets at 31 August 2025	1,360	27,635	1,458	30,453

2024 Comparison

	Designated	Unrestricted	Restricted	Total funds 2024
Group	£'000	£'000	£'000	£'000
Fund balances are represented by:				
Intangible fixed assets	-	99	49	148
Tangible fixed assets	2,414	5,000	200,949	208,363
Investments in financial securities	-	5,317	3,102	8,419
Net current assets	2,000	23,642	11,392	37,034
Long-term liabilities	-	-	(365)	(365)
Provisions for liabilities and charges	-	(5,226)	-	(5,226)
Pension liability	-	-	(3,806)	(3,806)
Total net assets at 31 August 2024	4,414	28,832	211,321	244,567

20. Analysis of net assets between funds (continued)

	Designated	Unrestricted	Restricted	Total funds 2024
Charity	£'000	£'000	£'000	£'000
Fund balances are represented by:				
Intangible fixed assets	-	94	-	94
Tangible fixed assets	1,169	-	1,868	3,037
Investment in subsidiaries	-	17,568	-	17,568
Investments in financial securities	-	5,317	-	5,317
Net current assets	2,000	2,109	297	4,406
Provisions for liabilities and charges	-	(2,359)	-	(2,359)
Total net assets at 31 August 2024	3,169	22,729	2,165	28,063

21. Taxation

The Charity has no liability to corporation tax as it satisfies the criteria for its income and gains to be exempt from corporation tax. Members of the Group without charitable status are charged corporation tax on their income and gains.

Deferred tax assets recognised by Group companies are shown in note 15.

Tax charges for the year are:	2025	2024
	£'000	£'000
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	36	28
Adjustment in respect of prior periods	-	-
Total deferred tax	36	28
Tax on income and expenditure	36	28
Tax on other recognised gains and losses	45	(9)
Total tax charge recognised in the SOFA	81	19

21. Taxation (continued)

The tax assessed for the year is lower (2024: lower) than the standard rate of corporation tax of 25% (2024: 25%). The differences are explained as follows:

	2025	2024
	£'000	£'000
Net income before taxation	2,206	27,001
Net income before tax multiplied by the UK Corporation Tax rate of 25%	551	6,750
Effects of:		
Charitable income and expenditure not subject to corporation tax	(663)	(4,468)
Expenses not deductible for tax purposes	115	75
Income not taxable	-	(1,808)
Qualifying charitable donations	(30)	(24)
Movement in unprovided deferred tax	63	(448)
Other timing differences	-	(49)
Tax on income and expenditure	36	28
Timing differences arising on pensions remeasurement gains and losses	45	(9)
Total tax charge recognised in the SOFA	81	19

22. Financial commitments

At 31 August 2025 the Group and Charity had future minimum lease payments under non-cancellable operating leases expiring as follows:

Group	Property		Other	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Within one year	2,934	2,941	409	443
Between one and five years	5,145	4,547	216	352
After five years	6,297	853	-	-
Total	14,376	8,341	625	794

Charity	Property		Other	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Within one year	1,177	1,083	32	35
Between one and five years	760	635	15	21
After five years	-	-	-	-
Total	1,937	1,718	47	56

Other operating leases relate to motor vehicles and computer equipment.

23. Capital commitments

As at 31 August 2025 the Group had capital commitments of £Nil (2024: £331k).

24. Pension commitments

At 31 August 2025 the Charity and other members of the Group participated in defined benefit pension schemes including the Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme England and Wales (TPS). The Group exited a Gloucestershire LGPS on 30 September 2024 and is in the process of exiting the Prudential Platinum Pension Schemes. Liability for the Newfriars College LGPS transferred out of the Group on 31 March 2025.

The Group has accounted for its contributions to the TPS as if it were a defined contribution scheme. The Group's academic and related employees of the Shaw Education Trust belong to the TPS, which is a statutory, contributory, defined benefit scheme. The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website:

(<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Group has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The employer's pension costs paid to TPS in the year amounted to £11,342k (2024: £9,660k).

24. Pension commitments (continued)

The defined benefit pension schemes for which the Group is able to identify its share of the fair value of the assets and liabilities were:

	Total share of scheme assets	Present value of scheme liabilities	Asset ceiling	2025 Net pension deficit	2024 Net pension deficit
	£'000	£'000	£'000	£'000	£'000
Shaw Trust: Prudential Platinum (being exited)	-	-	-	-	-
Total Charity	-	-	-	-	-
Shaw Education Trust: LGPS	99,994	(73,075)	(27,489)	(570)	(3,806)
Prospects Services: Prudential Platinum (being exited) and LGPS	2,808	(1,346)	(1,462)	-	-
Total Group	102,802	(74,421)	(28,951)	(570)	(3,806)

The total consolidated cost recognised in the SOFA relating to the above defined benefit plans was:

	Group 2025 £'000	Group 2024 £'000
Expenditure on charitable activities:		
Operating costs	4,952	5,317
Settlements	50	-
Net interest income	(354)	(369)
Total recognised in resources expended	4,648	4,948
Other recognised gains and losses:		
Disposal of operations (Newfriars College)	(549)	-
Remeasurement gains	(468)	(591)
Total recognised in the SOFA	3,631	4,357

In addition to the above, estimated fund exit credits totaling £50k (2024: £Nil) have also been recognised in the SOFA.

Operating costs include current and past service costs and administration expenses.

24. Pension commitments (continued)

Remeasurement gains and losses include actuarial gains and losses, return on plan assets (excluding interest), and change in asset ceiling (derecognised surplus).

The Shaw Trust Ltd: Platinum Pension Scheme

At 31 August 2025 Shaw Trust no longer actively participated in any defined benefit pension schemes. The Prudential Platinum defined benefit pension scheme is in the process of being formally exited. A full actuarial valuation of the Scheme was carried out as at 31 March 2021 and has been updated as below by a qualified independent actuary.

The principal actuarial assumptions used were:

	2025	2024
Expected rate of salary increases	N/A	N/A
Expected rate of increase of pensions in payments	2.90%	3.20%
Rate of inflation	2.90%	3.00%
Discount rate	6.00%	5.00%
The mortality assumptions used were as follows:		
Longevity at age 65 for current pensioners:		
- Men	85.3	85.8
- Women	88.2	88.3
Longevity at 65 for future pensioners:		
- Men	87.1	87.1
- Women	89.6	89.8

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total
	£'000	£'000	£'000	£'000
At 1 September 2024	856	(742)	(114)	-
Benefits paid	(33)	33	-	-
Interest income / (expense)	42	(36)	-	6
Change in asset ceiling	-	-	65	65
Remeasurement gains / losses				
- Actuarial gain	-	123	-	123
- Return on plan assets excluding interest income	(144)	-	-	(144)
Settlements – Plan exit	(721)	622	49	(50)
At 31 August 2025	-	-	-	-

24. Pension commitments (continued)

The total actual loss on plan assets (including interest income) for the year was £102k loss (2024: £64k return).

The total cost recognised in the SOFA relating to the Charity's defined benefit plans was:

	2025 £'000	2024 £'000
Recognised in total resources expended	44	85
Other recognised gains and losses	(44)	(56)
Total recognised in the SOFA	-	29

In addition to the above, an estimated fund exit credit of £50k (2024: £Nil) has also been recognised in the SOFA.

The Shaw Education Trust: LGPS

The Group's non-teaching employees of The Shaw Education Trust belong to the multi-employer Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The Group participated in pension funds for Staffordshire, Greater Manchester, West Midlands, Cheshire, Derbyshire, and Newfriars College. Newfriars College ceased to be a subsidiary during the year. The latest actuarial valuation of the LGPS was as at 31 March 2022 and has been updated to 31 August 2025 by a qualified independent actuary.

24. Pension commitments (continued)

The principal actuarial assumptions used were:

	2025	2024
Expected rate of salary increases	3.20 - 3.70%	3.15 - 3.65%
Expected rate of increase of pensions in payments	2.70%	2.65%
Rate of inflation	2.70%	2.64 - 2.65%
Discount rate	6.05 - 6.10%	5.00%
The mortality assumptions used were as follows:		
Longevity at age 65 for current pensioners:		
- Men	85.1 - 86.1	84.7 - 85.9
- Women	88.2 - 89.1	88.2 - 89.0
Longevity at 65 for future pensioners:		
- Men	83.9 - 86.8	83.7 - 86.5
- Women	89.6 - 90.3	89.6 - 90.3

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total
	£'000	£'000	£'000	£'000
At 1 September 2024	91,216	(87,527)	(7,495)	(3,806)
Transfer out – Newfriars College	(4,139)	4,688	-	549
Current service cost	-	(4,686)	-	(4,686)
Interest income / (expense)	4,527	(4,261)	-	266
Employer contributions	6,863	-	-	6,863
Employee contributions	1,682	(1,682)	-	-
Benefits paid	(1,412)	1,412	-	-
Change in asset ceiling	-	-	(19,994)	(19,994)
Remeasurement gains / losses				
- Actuarial gain	-	18,981	-	18,981
- Return on plan assets excluding interest income	1,257	-	-	1,257
At 31 August 2025	99,994	(73,075)	(27,489)	(570)

The major categories of plan assets as a percentage of total plan assets were:

	2025	2024
Equities	61%	63%
Corporate bonds	27%	26%
Property	8%	8%
Cash and other liquid assets	4%	4%

24. Pension commitments (continued)

The total actual return on plan assets (including interest income) for the year was £5,784k (2024: £8,636k).

The total cost recognised in the SOFA relating to the Shaw Education Trust's defined benefit plans was:

	2025 £'000	2024 £'000
Recognised in total resources expended	4,420	4,789
Other recognised gains and losses	(793)	(570)
Total recognised in the SOFA	3,627	4,219

Prospects Services: Platinum Scheme and LGPS

At 31 August 2025 a Group subsidiary, Prospects Services, held defined benefit pension funds with the Local Government Pension Scheme (LGPS) for Northamptonshire and West Midlands. The LGPS is a funded multi-employer defined benefit pension scheme, with the assets held in separate trustee administered funds. A Gloucestershire LGPS was exited on 30 September 2024 and a Prudential Platinum defined benefit pension scheme is in the process of being formally exited.

The latest actuarial valuations of the schemes have been updated to 31 August 2025 by qualified independent actuaries.

The principal actuarial assumptions used were:

	2025	2024
Expected rate of salary increases	3.20 - 3.70%	3.15 - 3.65%
Expected rate of increase of pensions in payments	2.70 - 2.90%	2.65 - 3.00%
Rate of inflation	2.70 - 2.90%	2.65 - 3.00%
Discount rate	6.00 - 6.05%	5.00%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	85.3 - 86.3	85.5 - 87.0
- Women	88.2 - 90.1	87.8 - 90.0

Longevity at 65 for future pensioners:

- Men	86.6 - 87.1	86.3 - 87.1
- Women	89.6 - 90.1	90.0 - 90.5

24. Pension commitments (continued)

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total
	£'000	£'000	£'000	£'000
At 1 September 2024	32,612	(22,591)	(10,021)	-
Administration expenses	(236)	-	-	(236)
Benefits paid	(106)	106	-	-
Employer contributions	4	-	-	4
Employee contributions	12	(12)	-	-
Current service cost	-	(30)	-	(30)
Interest income / (expense)	446	(364)	-	82
Change in asset ceiling	-	-	(214)	(214)
Remeasurement gains / losses:				
- Actuarial gain	-	1,337	-	1,337
- Other assumptions	-	7	-	7
- Return on plan assets excluding interest income	(950)	-	-	(950)
Settlements – Plan exit	(28,974)	20,201	8,773	-
At 31 August 2025	2,808	(1,346)	(1,462)	-

The major categories of plan assets as a percentage of total plan assets were:

	2025	2024
Equities	53%	50%
Corporate bonds	30%	18%
Property	14%	11%
Insured annuities	0%	18%
Cash	3%	3%

The total actual loss on plan assets (including interest income) for the year was £504k loss (2024: £2,611k return).

The total cost recognised in the SOFA relating to the Prospects Services defined benefit plans was:

	2025	2024
	£'000	£'000
Recognised in total resources expended	184	74
Other recognised gains and losses	(180)	35
Total recognised in the SOFA	4	109

25. Business combinations

Academy conversions: The Shaw Education Trust (SET)

SET was incorporated as a wholly owned subsidiary on 2 June 2014 as a multi academy trust to affect the sponsorship of three special schools/academies in Staffordshire. SET has grown to operate over thirty academies and a Specialist Independent College across several areas of the UK.

During the year, no schools were acquired by SET (2024: three acquired).

The following table sets out the total fair values of the identifiable assets and liabilities transferred.

	2025 £'000	2024 £'000
Tangible fixed assets	-	20,747
Cash at bank	-	1,606
Current Assets	-	65
Liabilities < one year	-	(477)
Pension liability	-	(24)
Net assets acquired	-	21,917
Acquisition Cost	-	-
Goodwill arising from acquisition	-	-

The net assets acquired in the prior year were recorded as a donation received in the Group Statement of Financial Activities.

Related party transactions amongst Group entities for the year included staff and central management recharges, Gift Aid profits, cash transfers, loans and balances written off and purchases of goods and services. The transactions in year of each entity with other Group entities are disclosed below.

Intra-Group Transactions – year ended 31 August 2025	Central and staff recharges	Purchase of services	Corporate Gift Aid	Share capital	Net advances and repayments	Balance write offs	Investment impairment
	2025	2025	2025	2025	2025	2025	2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Forth Sector	(156)	-	96	-	34	-	-
Forth Sector Development Ltd	(3)	-	(96)	-	342	-	-
Good Work Partners Ltd	(38)	-	-	-	9	78	-
Homes2Inspire Ltd	(2,846)	3,553	-	-	405	-	-
Homes2Inspire Services Ltd	(1,809)	(3,553)	-	-	1,053	(100)	-
Ixion CG Ltd	-	-	-	-	-	(26)	-
Ixion Social Enterprise Ltd	-	-	-	-	-	(751)	-
Ixion Holdings (Contracts) Ltd	(2,259)	16	-	5,000	950	782	-
Prospects Education Services Ltd	-	-	-	-	(21)	21	-
Prospects Group (2011) Ltd	-	-	-	-	(57)	100	-
Prospects Services	(9,680)	(13)	-	-	12,752	(1)	-
The Shaw Trust Ltd	16,791	13	-	(5,000)	(15,483)	(103)	-
The Shaw Education Trust	-	(16)	-	-	16	-	-
Total	-	-	-	-	-	-	-

26. Related party transactions (continued)

Intra-Group Transactions – year ended 31 August 2024	Central and staff recharges	Purchase of services	Corporate Gift Aid	Share capital	Net advances and repayments	Balance write offs	Investment impairment
	2024	2024	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Forth Sector	(140)	-	-	-	(358)	12	-
Forth Sector Development Ltd	(2)	-	(102)	-	24	-	-
Good Work Partners Ltd	(125)	-	-	200	(125)	-	-
Homes2Inspire Ltd	(2,639)	(2)	-	-	4,102	5	-
Homes2Inspire Services Ltd	-	-	-	100	(25)	-	-
Ixion Holdings (Contracts) Ltd	(3,682)	46	-	2,000	982	122	-
Optimus Education Ltd	(179)	7	-	-	210	(44)	-
Prospects Education Services Ltd	-	-	-	-	(2)	-	-
Prospects Group (2011) Ltd	-	-	-	(100)	(2)	-	-
Prospects Services	(10,080)	(1)	-	-	5,058	430	-
The Shaw Trust Ltd	16,847	(28)	102	(2,200)	(9,699)	(690)	(7,987)
Shaw Trust Services Ltd	-	6	-	-	(165)	165	-
The Shaw Education Trust	45	(28)	-	-	-	-	-
Newfriars College	(45)	-	-	-	-	-	-
Total	-	-	-	-	-	-	(7,987)

Net advances and repayments includes the net of working capital cash transfers, and VAT, payroll, and supplier payments on behalf of other entities in the Group.

26. Related party transactions (continued)

The net amount outstanding with other entities within the Group at the year end are:

Intra-Group Balances	2025	2024
	£'000	£'000
Forth Sector	(2,872)	(2,845)
Forth Sector Development Ltd	384	142
Good Work Partners Ltd	(1)	(51)
Homes2Inspire Ltd	(11,693)	(12,805)
Homes2Inspire Services Ltd	(4,334)	75
Ixion CG Ltd	-	26
Ixion Social Enterprise Ltd	-	751
Ixion Holdings (Contracts) Ltd	4,501	13
Prospects Education Services Ltd	-	(8)
Prospects Group (2011) Ltd	(57)	(6,759)
Prospects Services	13,926	10,869
The Shaw Trust Ltd	(2,887)	7,559
The Shaw Trust Ltd - receivables impaired	3,033	3,033
The Shaw Education Trust	-	522
Newfriars College	-	(522)
Total	-	-

26. Related party transactions (continued)

The Charity requires all Trustees and the Executive Management Team to complete a Declaration of Interest. The table below shows all the related parties that have been disclosed and the value of both income and expenditure that the Charity has incurred with these bodies during the period ended 31 August 2025. These transactions were as a result of normal business activity. The entities below have key management personnel in common with the Trustees and Executive Management Team of the Group.

Related Party	Value of sales 2025 £	Value of expenditure 2025 £	Outstanding balance at 31 August 2025 £	Value of expenditure 2024 £	Outstanding balance at 31 August 2024 £
¹ Business Services Association	-	24,322	-	11,582	-
¹ ERSA (UK) Limited	-	19,692	10,380	28,475	12,000
¹ Social Enterprise Coalition CIC	-	3,250	-	5,435	-
² Care Management Associates Ltd	-	56,588	25,174	43,697	-
³ Horizons Therapeutic Education Trust	61,099	-	17,160	-	-
⁴ Equals Charity	-	-	-	966	-
⁴ RM Education Ltd	-	18,375	22,999	11,476	-
⁴ Ambition Institute	-	23,693	-	-	-
⁵ The National Association of Special Educational Needs (nasen)	-	487	-	-	-

¹ The related parties have a director who is a member of the Charity's key management personnel. Transactions are purchases of memberships, sponsorships, and exhibitions.

² The related party is under control of a member of the Charity's key management personnel. Transactions are purchases of Director's services for a subsidiary.

³ The related party is under significant influence of a Trustee of the Charity. Transactions are sales of governance and finance services.

⁴ The related parties have a director or member of the senior management team who is a Trustee of SET. Transactions are purchases of education related services.

⁵ The related party has a member of the senior management team who is a Trustee of the Charity. Transactions are purchases of education related services.

27. Financial instruments

	Note	Group 2025 £'000	2024 £'000	Charity 2025 £'000	2024 £'000
Financial Assets					
Trade debtors	13	18,164	16,323	3,270	4,784
Intercompany		-	-	-	893
Other debtors	13	3,768	2,237	131	193
Investment in financial securities	10	16,361	15,652	5,717	5,317
Total Financial Assets		38,293	34,212	9,118	11,187
Financial Liabilities					
Trade creditors	16	2,729	3,044	1,315	964
Amounts due to group undertakings	16	-	-	2,887	-
Other creditors	16	4,425	6,361	1,634	1,762
Loans	16/16b	314	589	-	-
Accruals	16	10,826	10,382	3,364	3,099
Total Financial Liabilities		18,294	20,376	9,200	5,825

28. Post balance sheet events

On 1 September 2025, SET moved out of the Group when Shaw Trust relinquished being the controlling Member. SET funds are all within restricted funds in the Group financial statements and post year end the restricted funds will therefore reduce by £207.1m. During the year ended 31 August 2025 the total income and expenditure of SET was £137.0m and £137.1m respectively.

On 27 February 2026, the DAC was sold to a third party. The DAC capital fund forms part of the restricted funds and the sale will be recognised in the financial statements for the year ended 31 August 2026.

THE SHAW TRUST LIMITED

England & Wales - Charity number 287785

Accounts

The Shaw Trust Limited
Annual report and financial statements
For the year to 31 August 2024

Company No. 01744121
Charity No. in England & Wales 287785
Charity No. in Scotland SC039856

Company information

The Shaw Trust Limited

Registered in the United Kingdom

Company number

01744121

Charity number: England and Wales

287785

Charity number: Scotland

SC039856

Registered office

Black Country House
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Oldbury
B69 2DG

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C S Nicholson
K C Ntumba
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Index

Chair's Statement	3
Strategic Report	4
Directors' Report	21
Independent Auditor's Report	29
Consolidated Statement of Financial Activities	34
Group and Company Balance Sheets	36
Group Statement of Cash Flows	38
Notes to the Financial Statements	40

Chair's Statement

We are pleased with the progress that Shaw Trust has made over the last year, against a background of uncertainty in the economic, social and commissioning landscape, we have delivered high quality programmes and continued to hone our services to be true to our mission, to help individuals facing barriers to work and social inclusion to achieve their full potential, and to multiply our social impact by delivering innovative system-change partnerships and programmes.

This year our services will have supported over 300,000 people and we've seen the benefits of even greater integration within existing community services to provide holistic support to individuals.

We're especially proud of our Individual Placement and Support (IPS) services. Shaw Trust is a recognised IPS Centre of Excellence, and our provision continues to meet national benchmarks for quality. This reflects both the capability of our teams and the transformational impact of our programmes on both work and wider wellbeing outcomes.

In a competitive and evolving commissioning environment, we've increased momentum, building strategic partnerships, retaining contracts, and working successfully with new commissioners. Financially, we exceeded our surplus target, giving us the capacity to invest, build long-term resilience and reward our people.

Further progress has also been made with the Shaw Trust Foundation, our engine of innovation and social value creation. It has shaped our reinvestment model as part of Homes and Horizons, our strategic partnership with Somerset Council, and delivered the eighth annual Disability Power100 campaign. The Foundation is central to realising our ambition to be a sustainable and financially robust driver of systems change.

As we look ahead, our priorities remain: to deliver to mission, grow our impact and influence, and provide high quality services that meet the needs of local communities. Our strategy focuses on driving systematic change where it's needed most for employability and employment.

I'm grateful to our outstanding Executive Leadership Team and Trustees for their leadership. Of course, none of this would be possible without the dedication of our colleagues, volunteers and partners and on behalf of the Board, thank you all for the commitment and care you bring to your work.

I would also like to thank those we support and those who commission our services. It is your proactive engagement with us that helps us understand how we can improve the difference we make every day and strategically.



Olly Benzecry
Chair of the Board of Trustees
14 May 2025

Strategic Report

The directors present their strategic report on the company for the year ended 31 August 2024.

1. Company Overview, Principal Activities and Objectives

Our Mission

Shaw Trust aims to help individuals facing barriers to work and social inclusion to achieve their full potential, multiplying our impact by delivering innovative system-change partnerships and programmes.

Our Strategy

To deliver our mission, the Trust will grow and leverage areas where we can generate the greatest social benefit while being a sustainable and financially robust driver of change. In particular:

We are impact and not profit motivated.

- We will focus on integrating whole-of-care services around the needs of the individual, promoting holistic service design and support where possible. At local, regional and national level, we will continually seek to connect our commissioned work and support to employers in order to increase our impact for participants and maximise value for money.
- We will work with commissioners to be their partner of choice, innovating and co-designing programmes that build on their existing provisions and increase local efficiency, creating sustainable outcomes for their communities.
- We will partner with other organisations, particularly place-based VCSEs and SMEs, to pursue the best possible outcomes and solutions for local places.
- We will strive for meaningful system change and drive innovations for society in the care and services we provide, using our technical knowledge, delivery methods and data.
- We will grow our impact while ensuring a balanced portfolio to provide robustness and resilience across the Group. We will avoid over-dependency on any single commissioner or contract.

The Market and Objectives and Performance for the Year

Shaw Trust provides a range of services through our impact areas of:

- Children's Homes: integrating a caring home, health and education environment around the individual while in care and ease the transition into adulthood and employment.
- Children and Young People's Services: removing barriers to employment, education and training faced by young people.
- Community Health and Wellbeing: ensuring skills, training and education drive

individual through-life employment progression.

- Employment: supporting individuals into inclusive employment and meeting the needs of employers.
- Education to Employment Pathways: ensuring skills, training, and education drive individual through-life employment progression.
- Education: the delivery of academies and specialist schools supporting our children in care and our multi-academy trust Shaw Education Trust.

Children's Homes

Shaw Trust through Homes2Inspire currently operate:

- Residential care in 45 registered children's homes accommodating up to 142 children.
- Foster care in 21 foster families, branded Fostering2Inspire.
- Supported accommodation comprising of 38 self-contained flats in two locations.
- Wellbeing suites through a health care service co-designed with Gloucestershire County Council. It accommodates children and young people with complex mental health needs.
- A therapeutic education service. This unique provision has been co-designed with Somerset NHS Foundation Trust and Somerset Council. It provides a full education curriculum delivered within a trauma informed model.

It has been a successful year for the team. The systemic challenges in residential childcare have been acknowledged in the government's response to the 2022 Care Review and aligns with Homes2Inspire's strategic objectives.

Homes2Inspire continues to achieve significant growth through partnership, without any reduction in the quality of services. Our children's homes are inspected at least once a year by Ofsted. Ninety four percent are rated Good or Outstanding, which is significantly above the national average. Fostering2Inspire maintained a Good rating at the last inspection in May 2023. The Care Quality Commission (CQC) also undertook an inspection of our wellbeing suite in 2023, awarding the service a Good rating.

Children and Young People's Services

Our Children and Young People's Services (CYPS) are designed to remove barriers to employment, education and training faced by young people such as mental health issues, low qualifications, caring responsibilities, being care experienced, early years trauma, SEND or having experience of the criminal justice system. In the last year this service delivered 136,845 interventions to include 74,000 with NEET and complex young people. Our delivery is underpinned by the principles of raising aspirations, being trauma informed, resilience based, outcomes focused, and young person led.

Achievements in year include:

- 97% of young people rating our services as very good or excellent.
- 90% of our targeted NEET contracts featuring in the top 40% of highest performing local authorities.
- Our supported internship provision delivered in partnership with Transport for London being shortlisted for an ERSA award.
- Our Spark Change programme design (a project for NEET and complex 16–24-year-olds) had created £1.8m of social impact following external evaluation.
- Award of numerous contracts and extensions.

Community Health and Wellbeing

Shaw Trust's Community Health and Wellbeing division (CHWB) provides support to help individuals manage their mental and physical health conditions through the biopsychosocial model of support. Through our innovative interventions, we empower individuals to manage their conditions, helping them secure and maintain meaningful employment.

We also support individuals with health conditions to take meaningful steps towards employment. We do this through work placements, supported internships, advice and guidance on independent living aids and through volunteering. We provide this via our five social enterprise sites, our Accessibility service and our Living Made Easy Service.

We deliver Individual Placement and Support (IPS) services, Employment Advisers in Talking Therapies services, Community Wellbeing services, learning disability day opportunities and Living Made Easy licenses through multiple contracts held with over 70 commissioners.

The division also has a team of clinical practitioners who support individuals with their health conditions, including assessment and delivery of interventions, such as counselling to enable them to manage those conditions.

In the year:

- 2,216 individuals secured employment through our Individual Placement and Support (IPS), Live Well Kent and Medway and Employment Advisers in Talking Therapies (EATT) services.
- 74% of individuals entering work sustained that new employment.
- 93% of people accessing our Community Wellbeing services maintain or improved their personal wellbeing scores.
- 1,081 individuals were supported to retain/remain in their employment through our IPS and EATT contracts.
- Our Kent and Medway IPS services was awarded the Exemplary IPS Grow Quality Kitemark.
- We won the Silver Ipswich and East Suffolk Alliance award for overall

excellence.

- We supported over 1,000 learners by delivering our Health and Wellbeing courses in Trauma Informed Care, Mental Health First Aid and Trusted Assessor training.
- We saw over 110,000 visitors to our Ask Sara platform on our LME website, with over 22,000 Ask Sara reports completed.
- Saw ongoing demand and significant growth, with 25,353 people supported in year, an increase of 8,376 (49%) from the previous year. New services included but are not limited to:
 - A new Individual Placement and Support in Primary Care (IPSPC) contract funded by the Department for Work and Pensions (DWP) in North Central London (Enfield and Haringey).
 - A new IPS in Drug and Alcohol Treatment service contract in Wiltshire funded by the Office for Health Improvement and Disparities (OHID).
 - Two new Employment Advisers in Talking Therapies contracts joint funded by the DWP and Department for Health and Social Care in West London and North Central London.
 - A new contract in West London funded by the United Kingdom Shared Prosperity Fund (UKSPF), delivering support to Special Educational Needs and Disabilities (SEND) individuals through Adult Social Care and Further Education colleges.
 - Two new contracts in Kent and Medway through the Kent and Medway NHS Partnership Trust transformation programme (Mental Health Matters).
 - Numerous extensions and expansion for existing contracts.

Employment

Our Employment provision consists of multiple contracted services focused on supporting adults to secure sustainable good work. The support offered within these contracts includes diagnostic assessment of needs; careers advice; skills development; support to address barriers such as housing or debt; job matching and in-work support. We also deliver integrated health and wellbeing support to overcome barriers preventing people entering or sustaining employment.

Shaw Trust is the largest provider of the Department for Work and Pensions (DWP) Work and Health Programme (WHP) holding a 30% market share. WHP is an employment support programme aimed at unemployed people with health conditions or disabilities to enter sustainable employment. WHP offers up to 15 months of support to gain employment and a further period of continued support once a participant has entered a job.

We also operate WHP Pioneer, which launched in September 2023. This extension of WHP was seen as the latest phase of Universal Support and lends itself to a 'place and train' approach championed in Individual Placement Support (IPS) contracts. Our focus was to learn from new ways of working in WHP Pioneer, grow our community networks further to access and engage as many economically inactive people as possible.

We also delivery the Intensive Personalised Employment Support (IPES) programme, which offers targeted support to unemployed people with disabilities and complex needs; Restart, a national DWP commissioned contract designed to provide individualised tailored support for individuals experiencing challenges or barriers in entering employment, who are 18 years plus and have been out of work and claiming universal credit or Job Seekers Allowance for nine months plus with no maximum length to unemployment; or the Refugee Employability Programme (REP) on behalf of Reed in Partnership in West London, a programme launched in August 2023 and delivers cultural integration, ESOL lessons for non-English speakers and employability support and is commissioned by the Home Office.

During the course of the year:

- Across the programmes Shaw Trust supported over 40,000 individuals for which nearly 10,000 work and 6,000 achieved sustained employment. As additional time passes, outcomes will continue to increase i.e., a participant on programme in the last month of the year will not have had sufficient time pass to be counted as sustained employment.
- Shaw Trust implemented through Pioneer a significant self-referral model, with 23% of all participants coming via Shaw Trust or our supply chain e.g. new connections with housing providers, local community health teams and specialised support services.
- Shaw Trust was chosen as Highcross shopping centre's in Leicester City Centre charity of the year for 2024.
- WLA provided funding to establish the Open Minds pilot project to support the inclusion of those with SEND to participate in the North West London NHS volunteering programme. The pilot project was run in two hospitals with the aim for wider roll-out.

Education to Employment Pathways

Shaw Trust operate a number of pathways from education to employment:

- **Learning and Skills:** service delivery included apprenticeships, 16-19 study programmes and Advanced Learner Loans and skills support for the employed and unemployed. Revenue streams in the year were from government departments including The Education Skills Funding Agency (ESFA), local authority funding, and commercial funding.

Revenue in the year decreased from the prior year due to some government funded contracts coming to an end.

Regional growth plans are in place for us to drive and grow delivery in priority sectors and key regions established via commissioners and employers through LSIPs (Local skills improvement plans). Collaboration continues with local authorities across key regions to identify opportunities for devolved funding.

- **National Careers Services:** Shaw Trust (through Prospects Services) is the prime provider of the National Careers Service in London and the West Midlands, and a subcontractor in South Yorkshire supporting over 100,000 customers last year. NCS, commissioned by the Department for Education

(DfE), provides high quality, up to date, professional Careers Information, Advice and Guidance (CIAG) face-to-face or via digital platforms such as Microsoft Teams, telephone, email and webchat. The service is open to anyone in England aged 19 or above (or 18 and classed as NEET) but does have a number of key priority groups.

- **Justice:** our work in the Justice sector is committed to empowering the individuals we support to make positive contributions to society and break the cycle of reoffending. This area spans education, skills, employment, and wellbeing, within institutions and beyond the gate, all critical components of effective rehabilitation.

During last year, Shaw Trust successfully managed seven of the 18 CFO3 contracts for His Majesty's Prison and Probation Service (HMPPS), which concluded this year. Co-funded by the European Social Fund, this programme was designed to enhance social inclusion among offenders and ex-offenders, particularly those considered most challenging to support within the justice system. We provided assistance to individuals preparing for life beyond incarceration, including helping them disengage from crime, access training, and secure employment. Through our CFO3 contracts, we supported over 1,930 new participants leading to over 2,488 accreditations and facilitated employment opportunities for more than 490 individuals.

In addition to the CFO3 programme, we operated three CFO Activity Hub contracts, providing seven offender-focused Hubs. These Hubs offer a vital space for individuals to gain structured support and engage with role models and peers who are in a similar post-release phase. During the year, we supported over 1,183 new clients, delivering 938 Human/Citizenship interventions, 1,294 Community and Social interventions, and 58 Interventions and Services to promote sustained reintegration.

Our existing Dynamic Purchasing System (DPS) Information, Advice, and Guidance (IAG) contracts in London, West Midlands, Whatton, and Stafford have also been extended to March 2025, aligning with future commissioning plans. In this period, we delivered in excess of 8000 interventions, supporting those in custody, to shape their future journey.

Additionally, our HMYOI Feltham Education contract delivers on-site education, training, career guidance, and resettlement support for young male offenders aged 15-18. This year, we worked with over 370 learners at Feltham, resulting in more than 549 accredited achievements, including 29 GCSEs - the highest total in the Youth Estate. Working with the establishment, we also introduced enrichment weeks, which provide a break from core curriculum while fostering essential personal development. These activities included sports, family engagement days, games, and support from Mary's Charity on gang violence and knife crime. Employers, charities, and support groups volunteered their time to provide valuable guidance to learners, all of which was positively received. Additionally, we hosted our first parents' evening to strengthen family involvement in the education journey at Feltham; 100% of surveyed parents and guardians expressed a desire for these evenings to continue.

Education

Shaw Education Trust (SET) is a dynamic multi-academy trust committed to ensuring that every child, regardless of background or ability, has the opportunity to succeed. The trust has expanded significantly, now overseeing 32 academies across various phases, from primary schools to secondary institutions, including a sixth form college. A key focus of the trust is its robust academic performance, with over 90% of its inspected schools rated as Good or Outstanding.

We currently serve 11,882 pupils aged 2-25 years across regions including Staffordshire, Stoke-on-Trent, Birmingham, Wolverhampton, Bury, Wigan, Halton, and Derby. The Trust also operates a School-Centered Initial Teacher Training (SCITT) programme.

SETs diverse portfolio includes 13 specialist provisions, such as Newfriars, an Independent Specialist College for young adults aged 16-25, along with nine primary academies and nine secondary academies.

With approximately 2,750 staff, SET is committed to enhancing opportunities for students at every education stage, from Foundation to Key Stage 5, in both special and mainstream settings. The goal remains clear: to help every pupil realise their full potential and achieve their life ambitions.

SETs business plan outlines a clear strategy for growth, aiming to transition from a mid-sized multi-academy trust to a leading education provider across multiple regions. SET is actively exploring new opportunities to add value, focusing on partnerships with schools that share our vision and values. We are particularly keen on working with schools that align with our mission to expand our reach, foster innovation and creativity, and create lasting change for the most disadvantaged and vulnerable young people.

In line with our growth, we continue to drive school improvement through a multi-faceted and evolving approach. A key long-term priority is to address the learning gap, ensuring that all students, regardless of background, have an equal opportunity to succeed.

Other Activities

As part of its ongoing review of the corporate structure, the Trust completed on the following transactions during the year:

- Shaw Trust Services Limited was sold to an independent third party at the start of the year.
- The leadership team of Optimus Education Limited successfully completed a Management Buy Out at the end of April.
- St Jude's Laundry, previously part of the Forth Sector group, transitioned to a local Scottish philanthropist, Alan Pedley and his family business at the end of June.

We wish all these organisations well under their new leadership teams.

Future plans

Children's Homes

- Maintain our exceptional, above market average quality, including potential Ofsted inspection of our supported accommodation services under new regulations from April 2024.
- Continued growth across the range of integrated services, including registration of our second independent fostering agency in Somerset.
- We will continue to innovate through strategic partnerships to address market failure in the children's residential sector. Through innovation and partnership, we will continue to provide the right services, in the right place, for the right price.
- We will continue to address sector-wide recruitment challenges by providing a comprehensive training course, leading to a professional qualification with further opportunities for professional development and promotion in a growing business.

Children and Young People's Services

- Train 12 Divisional leaders in Social Impact Measurement to equip them to better establish the impact of our programmes.
- The new Labour Government has included costed policies for youth in its manifesto to include the Youth Guarantee, additional careers guidance in schools and Young Futures Programme. We plan to focus on digital IAG and tracking, resilience and wellbeing coaching and mentoring, supported Internships, NEET and targeted support, as well as statutory careers guidance in education in our service offering.
- In readiness for the potential set up of school and community based mental health hubs, we have and will continue to collaborate with the Shaw Trust Community Health and Wellbeing division to design a three-tier mentoring product (peer mentoring, professional mentoring and referral to clinical support).

Community Health and Wellbeing

CHWB is a key growth area as we see increasingly complex needs and barriers for individuals entering the workforce. For FY24/25 we aim to support over 28,000 participants. We also plan to grow our delivery in IPS and Community Wellbeing services by securing new contracts, both deepening our presence in areas such as Kent, London and Birmingham but also entering new regions nationally.

Employment

- As current contracts enter the run-off phases (support of current referrals rather than onboarding of new referrals), we will continue to maximise outcomes and opportunities for individuals.
- Following devolution and the work of new Connect to Work and trailblazer contracts, we aim to win a significant proportion of the market, growing our

offering year-on-year so we can continue to expand our impact and the benefit for the participants.

- We intend to trial new community and partnership led models to both referrals and driving sustained employment outcomes.

Our Values

Our values are:

- **We care about people.** We ensure a safe environment, ensuring that we promote the safeguarding of our beneficiaries, this includes for example safer recruitment, safeguarding procedures, whistleblowing, training etc. Safety issues are considered in everything we do. It is essential that Health and Safety is a priority for each and every employee.
- **We make a difference.** We demonstrate the utmost care and respect for those people whose welfare and safety are entrusted to us, while providing high quality services that achieve positive and sustainable results for our children and young people.
- **We are inclusive.** We take care to employ the best people, develop their skills, knowledge and experience, provide opportunities and inspire them to contribute to our success.
- **We are collaborative.** We work with staff, beneficiaries and stakeholders to identify emerging needs, trends and the best way to innovate and improve our services.
- **We are honest.** We seek to be trusted to do the right thing and have a training and risk management environment that follows regulatory and market best practice to uphold this trust.

2. Financial Performance

Net Income and Expenditure

	Year to 31 August 2024 £'m	Year to 31 August 2023 £'m Restated
Incoming resources	315.8	301.9
Net income/(expenditure) before other recognised gains and losses	27.0	(14.5)
Depreciation and amortisation	9.1	9.2
Pension scheme settlements	-	12.2
Donations and asset transfers in SET	(21.9)	(6.7)
Impairment	-	12.9
Adjusted net income before other recognised gains and losses	14.2	13.1

Incoming resources

The incoming resources for the Group have increased by £13.9m year-on-year, to £315.8m. This has been driven by SET increasing its revenue by £30.6m through additional academies with associated donations of property, offset by a reduction in unrestricted income (from £172.6m to £156.2m). This is due to contracts ending in the period and the disposal of two trading subsidiaries during the year, Shaw Trust Services Limited and Optimus Education Limited.

Charitable expenditure

During the year our charitable expenditure totaled £286.6m, a reduction from £314.2m in the prior year. This is mainly as a result of the reduction in the level of activity within unrestricted contracts but also reflects our focus on efficiencies and automation, both in frontline and central services, so as to improve margins and maximise the resilience of the organisation against external changes.

Net movement in funds

Total Group funds have increased by £27.8m (2023: £8.3m). This includes settlement of pension schemes of £nil (2023: (£12.2m)).

Movement in Funds	Unrestricted	Restricted	Total
	£m	£m	£m
The Shaw Trust Group operations	6.9	20.3	27.2
Net Movement in Funds (before pensions impact)	6.9	20.3	27.2
Actuarial gains and Net finance return on defined benefit pension scheme	-	0.6	0.6
Net Movement in Funds	6.9	20.9	27.8

Balance Sheet

At the end of the financial year overall consolidated funds stood at £244.6m compared to £216.8m (restated) in the prior year.

Total current assets were £76.8m as at 31 August 2024, an increase from £73.4m in the prior year but driven by standard movements in the working capital position, whilst short-term creditors increased marginally from £39.7m to £39.8m. The Group's overall cash position increased by £11.5m in the year to £31.6m reflecting the result for the year and capital spend.

Overall, working capital remained positive and in line with our key KPIs.

An increase in tangible fixed assets of £18.0m was driven by additional schools acquired or donated in SET along with building works and computer equipment purchases, offset by increasing depreciation charges. These building works and computer equipment purchases form the majority of the £7.0m capital expenditure in the cash flow.

Reserves policy

The reserves policy is based on the level of Free Reserves, being the total unrestricted funds less any designated funds, revaluation reserves and pension scheme surpluses or deficits. Due to the long-term nature of many of the contracts and associated assets and liabilities, the Trustees concluded that the measure should focus on reserves able to be used freely for the charity's purpose.

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 in the event of a significant financial downturn and to take advantage of opportunities that are in line with our charitable mission. Reserves are underpinned by liquid cash balances, providing working capital funding for day-to-day operating costs, supporting the delivery of the Charity's objectives in an efficient and cost-effective way.

The reserves policy is reviewed 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.

As of 31 August 2024, the Trust had Free Reserves of £29.0m (31 August 2023: £20.4m) as follows:

	At 31 Aug 2024 £m	At 31 Aug 2023 (restated) £m
Total Reserves	244.6	216.8
Less: Restricted funds	(211.3)	(190.4)
Less: Intangible assets	(0.1)	(0.5)
Less: Tangible assets (not restricted or designated)	(5.0)	(8.8)
Less: Designated funds	(4.4)	(2.6)
Add: Long term liabilities and provisions	5.2	5.9
Free Reserves	29.0	20.4

The increase in Free Reserves is predominantly a reflection of the strong operating performance and demand for Shaw Trust's services.

The current target is to build up the reserves to a level able to sustain a range of two - four months of costs (being approx. £29-58m) whilst still being able to support and invest in the activities of the Shaw Trust Foundation (the visible and accountable rallying point for the charitable purpose and activity in our organisation).

In addition to the suggested level of Free Reserves, the Trust's policy stipulates a minimum level of cash holding requirement to meet the following scenarios, including:

- a delay in collection of receipts,
- exceptional payments of costs; and,
- a significant financial impact or loss of business.

Detailed review of the risk and stress testing has been undertaken to assess the risk of a significant contract loss and the mitigation steps available to management. The Trustees have considered the level of cash reserves required and consider it appropriate given the current resources and activities of the Trust.

Investment powers, policy and performance

Our investment managers are selected on the basis of reputation and adherence to environment, social and governance issues. The investments are governed by investment policies which are reviewed by Trustees and the portfolio is designed to balance the objective of maximising investment returns against the risk and liquidity of the investments. Investment performance is monitored and reviewed against a number of benchmarks set by the Finance Committee.

The Trust's long-term policy for its 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, while obtaining the best yield that can be generated given the Trust's risk appetite.

Pension Schemes

The principal pension scheme available to employees of The Shaw Trust Limited is a defined contribution scheme, administered by Standard Life. Contributions to the plan during the year totaled £2.7m (2023: £2.6m).

The Trust also participates in several active final salary pension schemes through its multi academy trust subsidiary. The two principal pension schemes are the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and a number of Local Government Pension Schemes (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes and therefore accounted for as a defined benefit scheme.

In addition, the Group retains a funding obligation to several smaller final salary schemes, all of which are closed to new entrants. These are detailed in note 24 - Pension Commitments.

The final salary schemes remain subject to a formal triennial funding valuation, with the most recent completed being as at 31 March 2023. This showed a funding surplus of £6.4m, and in the majority of schemes future contributions were nil or had reduced.

Separate annual valuations of the schemes are carried out in accordance with 'FRS 102: Employee Benefits' in which different funding assumptions are applied. The FRS102 valuation of the Trust's pension schemes at 31 August 2024 showed an overall funding deficit of £3.8m (2023: £6.2m).

In accordance with FRS 102, the surplus on individual schemes is not recognised as an asset, on the basis that future economic benefits are not deemed available to the Group.

The Trust monitors the size of the pension deficit and feels that there is sufficient income and cash flow in future years to service the requirement of these schemes. In addition, a significant review of pension exposure and risk is ongoing and continued during the year.

Post year end, the Trust exercised its agreement to exit the Gloucestershire Pension Fund following the end of the contract. This final salary scheme had been closed to new and existing members following a detailed review and consultation with members during 2020 and at the time a long-term repayment plan agreed with the provider. This transaction had no detriment to benefits for scheme members and significantly reduced the balance sheet risk and exposure to valuation fluctuations arising from future changes of actuarial assumptions.

3. Principal Risks and Uncertainties

Our approach to risk management

Risk is an accepted and necessary part of carrying on our business and we rely upon our risk management processes to appropriately balance risks against rewards. The Board has overall responsibility for risk management and internal control and the executive directors ensure that risk management plans are effectively communicated throughout the organisation.

The Board of Trustees review the Risk Appetite Statement on a minimum of an annual basis, and the risks and control effectiveness on a rolling quarterly cycle. The objectives of this review are:

- To provide a clear articulation of the Trust's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level.
- To create a foundation for effective communication of risk among internal and external stakeholders.
- To increase understanding of the Trust's material risk exposures and raise risk awareness across the organisation.
- To positively impact the defined risk culture of the Trust.
- To support the Board of Trustees and the senior management in planning, formulating and executing strategic business decisions to achieve the long-term targets of the Trust.
- To provide means for the Board of Trustees and senior management to engage in discussions on risk-taking, risk management, and business strategy, and their interlinkages.
- To provide the tools for the Board of Trustees and senior management to continuously monitor and align the Trust's actual risk profile with the risk appetite.
- 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 Team and Audit and Risk 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 register 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.
- The establishment and maintenance of the 'three lines of defence' model of internal control:
 - Line one: 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 two: risk management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, an internal team provides assurance in respect of the quality-of-service provision and compliance with legislation, contractual requirements, and relevant standards. Shaw Trust's Line two reports into senior management and the Trustee Board, through the Audit and Risk Committee; and
 - Line three: Internal Audit which is performed by an outsourced provider. Reporting primarily to the Audit and Risk Committee, the internal auditors provide assurance over the effectiveness of corporate governance and the overall control environment including the Line two defences. All reports identify areas of strength and good practice along with areas for improvement. In the case of the latter, the Audit and Risk Committee monitors a time-based log of improvement actions, agreed by the management and the auditors, to ensure that they are implemented.

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

- Build and maintain a strong balance sheet so as to instill confidence of stakeholders and to sustain the future development of the business.
- Build and maintain a strategic reserve to enable the Trust to operate and continue its core activities.
- Invest surplus funds where applicable in order to return a yield consistent with the Group's risk appetite, and ensuring sufficient liquidity to meet obligations as they fall due.

Liquidity risk is managed by carefully forecasting and monitoring the short- term and long-term cash flows and ensuring the Trust has sufficient reserves and liquid investments to cover foreseeable requirements.

Credit risk on amounts owed to the Trust by its customers is low, being mostly Government departments and local authorities. Credit risk also arises from cash deposits with banks, and only independently rated parties with a minimum rating of

‘A’ are accepted.

Interest rate cash flow control risks are mitigated as the Trust is able to place surplus funds on short-term deposits.

The Group has to date financed the majority of its operations through its reserves and has not required significant external funding. Loan balances at 31 August 2024 of £0.6m (2023: £1.0m) included the external funding held in Forth Sector.

While 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 and the statutory nature of the majority of services provided (i.e., in the event of local authority insolvency statutory services will continue to be funded).

Principal Risks

The assessment of risks is linked to the Group strategy and the following have been identified as key risks. The Group is taking appropriate steps to monitor them:

Risk description	Potential impact	Mitigation
A safeguarding failure in respect of beneficiaries	We regularly work with vulnerable client groups and a safeguarding failure could result in potential loss of business or have an adverse effect on financial performance.	We maintain comprehensive safeguarding policies and procedures, including whistleblowing safeguards. We ensure that all staff are subject to robust pre-employment vetting, including Disclosure and Barring Service checks. All staff receive the appropriate safeguarding training.
Change in political and economic environment	Significant reductions in public sector funding and changes in government policies could impact on renewal or terms of existing contracts. Any cuts in local authority funding could have an adverse effect on financial performance.	We seek to develop innovative service delivery models and solutions within available funding parameters, maintain good relationships across central and local government, and communicate our success stories through case studies and proactive public relations. Our services are also statutory services so less vulnerable to the impact of local authority spending pressures.
Failure to win new contracts or renew contracts on re-tender	Failure to win new bids or renew existing contracts could restrict growth opportunities and have an adverse effect on financial performance.	We focus on high quality service delivery under our existing contracts. We demonstrate value for money and maintain a strong central bidding team in a high demand sector.
Contract under-performance or poor quality at	Poor contractual performance or a poor inspection report from Ofsted, Care Quality Commission, or another inspection body could result in the potential loss of	We employ strong senior managers who are responsible for contracts' operational and financial performance. A strong quality assurance and audit team carry out regular assessments of quality and oversee

Risk description	Potential impact	Mitigation
inspection	business, have an adverse effect on financial performance and lead to reputational damage in bidding for future work.	improvement strategies. This ensures that performance issues are identified and addressed promptly.
Inability to attract, retain and develop the right calibre of staff	The inability to recruit sufficient staff to meet operational need has the potential to hinder service delivery. Poor staff retention could also affect our ability to deliver high quality services. Inability to deliver service could result in loss of contracts or have an adverse effect on financial performance.	We seek to ensure pay and conditions remain attractive and competitive in the sector. We also undertake an organisational development programme to ensure that staff attain and maintain the skills to develop and perform. We have invested in new recruitment specialists to ensure that we can meet operational staffing requirements.
Major information security breach	As a provider of public services, we have to handle sensitive and confidential data. An information security breach, whether by accident or malicious attack, could result in the potential loss of contracts, have an adverse effect on financial performance and lead to reputational damage in bidding for future work.	We ensure that all our staff receive information security training and run staff awareness campaigns to promote data security. We employ experienced personnel specialising in information assurance and security, run penetration tests and operate in accordance with the ISO27001 certification which is subject to regular external assessment.
Loss of critical IT systems	Business continuity is put at risk as operations fail to function, meaning an inability to deliver services and additional costs are incurred reinstating operability.	Our IT systems are managed by an experienced central team within Shaw Trust. This ensures that we have reliable and effective IT infrastructure.
Failure to effectively manage our brand and reputation	Adverse publicity could damage confidence in the Group's ability to deliver services, constrain growth plans and have an adverse effect on financial performance.	We seek to build and maintain strong relationships with our customers and other stakeholders. Our risk management processes identify potential reputational impacts allowing effective management and oversight.

4. Section 172(1) Statement

General confirmation of Trustees and Directors' duties:

The Trust's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval.

S172(1) (A) “The likely consequences of any decision in the long term”

The directors completely understand the importance of Charity and the long-term impact of its decision on beneficiaries and communities. The Board has developed proper strategies and process to follow for any decision which can have long term impacts.

S172(1) (B) “The interests of the company’s employees”

The directors recognise that The Shaw Trust Limited employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining, and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) “The need to foster the company’s business relationships with suppliers, customers and others”

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments, and commissioners. The Shaw Trust Limited seeks the promotion and application of certain general principles in such relationships. The Trust supports the government strategy to support SMEs via doing business with them and paying promptly. The Trust recognises the importance of its supply chain partners to deliver its targets and achieve strategic goals. Certain rules and procedures have been developed to maintain the good relationship with them.

Moreover, the directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

S172(1) (D) “The impact of the company’s operations on the community and the environment”

The Board receives information on these topics to both provide relevant information for specific Board decisions e.g., working from home, green energy, and carbon footprint policies.

S172(1) (E) “The desirability of the company maintaining a reputation for high standards of business conduct”

The Board periodically reviews and approves clear frameworks to ensure that its high standards are maintained both within its businesses and the business relationships we maintain. This complements the way the Board is informed and monitors compliance with relevant governance standards.

This report was approved by the Board of Directors and signed on its behalf by:



Olly Benzecry
Chairman
14 May 2025

Directors' Report

The directors present their report and the audited financial statements of the company for the year ended 31 August 2024. This report contains the statutory information disclosed in addition to that set out in the Strategic Report.

Review of the business

The financial results of the Group are detailed in the income statement on page 34. The financial position of the Group remains strong with total reserves of £244.6m. Further information on the business performance is detailed on pages 4 to 16 of the Strategic Report.

Legal Structure and Governance

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

The Trustees in office during the year, and at the date of signing these financial statements, are set out on page 23. The Trustee Board has overall responsibility for the governance of the Trust which it discharges through three main duties:

- Ensuring there is a strategy in place; the main strategic goal is to help as many people as possible to adjust to and navigate the complex employability challenges that lie ahead. To achieve this main strategy, Trustees have agreed on different objectives which include organisational growth, maintaining a balanced portfolio of services and programmes that are locally based and nationally scalable, financial and operational stability, compliance and stakeholder's relationships.
- Monitoring the implementation of the strategy against agreed plans, ensuring adequate resource is available.
- Ensuring the Trust complies with all necessary statutory and regulatory obligations.

As part of this, the Trustees ensure that there is a robust system of internal control and risk management, as well as an appropriate reporting and oversight structure to ensure that the senior executives to whom the Trustees have delegated the daily management of the Trust are performing to the standards expected.

The Board meets quarterly and, while the matters discussed at those meetings will vary, the general themes of discussions are strategy, charitable purpose and impact, review of performance, developments in the Trust's external operating environment and major internal change programmes.

The following committees of the Board of Trustees discharged specific aspects of their responsibilities:

- The Audit and Risk 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 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 the senior executives. The Trust uses external consultants and comparison tools available to set the salary level for its key management. Salary and benchmarks are reviewed regularly to make sure the Trust can attract and retain the best talent.
- The Finance Committee is responsible for the Trust's financial performance on behalf of the Board to ensure short and long-term viability and ensure finances are aligned with Shaw Trust's Strategic Directive.
- The Commercial and Performance Committee is responsible for advising the Board in relation to business investment and opportunities for growth (both organic and inorganic) in accordance with the Trust's strategy, and to oversee the operational performance of The Shaw Trust.

The Trustees have delegated the daily management of the Trust to the Group Chief Executive and the Executive Team. The current Chief Executive, Chris Luck CB MBE DL, was appointed in May 2020, and joined the Trust after a distinguished career in the armed forces.

The Trust manages its activities through five operational divisions and service delivery within each is managed by dedicated business unit teams.

Operational staff are supported by Finance, People and Performance, Business Development, Information Services and Communications 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 period. 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 The 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 the Trust's latest reports and financial statements; a copy of the Code of Practice adopted by the Trustees; details of the Trust's Executive Team and their respective roles, Terms of Reference and reporting lines; details of Board meetings; and the Board papers made available for meetings. As well as induction, Trustees are able to undertake training in specific areas of the Trust's operations through visits and presentations.

The Trust takes into consideration the principles contained within the Charity Governance Code when reviewing and updating its governance function.

Committee Membership and Executive Management

Trustees

Gregory Allen ♦ (appointed 6 March 2024) (resigned 26 February 2025)
Paul Baldwin * ~
Olly Benzecry (appointed 22 February 2023), Chairman from 11 May 2023
Diane Côté * ~ (resigned 7 November 2024)
Audrey Coutinho * ^
Deborah Dorman ♦
Annamarie Hassall MBE (resigned 24 February 2025)
Ian Hughes (appointed 24 March 2025)
Paul McGee * (resigned 20 September 2023)
Carl Nicholson (appointed 6 March 2024) ^
Cedric Ntumba (appointed 24 March 2025)
Dr Mike Nussbaum ^ ♦
Lara Oyesanya ^ ♦
Kalm Paul-Christian ^ (resigned 26 February 2025)
Stephen Pegge ~
Steve Shaw * ♦
James Stewart OBE ~ ♦
Christine Swabey (appointed 6 March 2024) *

* Member of the Audit and Risk Committee

^ Member of the Commercial and Performance Committee

~ Member of the Finance Committee

♦ Member of the HR Committee

Executive Management Team

Group Chief Executive Officer
Chris Luck CB MBE DL

Chief Executive Officer – The Shaw Education Trust
Jo Morgan (resigned 28 March 2025), Kerry Inscker Acting (from 29 March 2025)

Chief Financial Officer
Stephen King (resigned 2 October 2023), James Robertson (from 3 October 2023)

Chief Commercial Officer
Richard Clifton

Chief Operating Officer
Scott Miller (until 31 August 2024), Shelley Southon (from 1 September 2024)

Chief Strategy and Risk Officer
Scott Miller (from 1 September 2024)

Chief People Officer
Mark Earl

Chief Impact Officer
Julie Leonard (from 16 September 2024)

Company Secretary
Carol McKinley

Disabled employees

The Trust is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, religion, sex, race, colour, disability, sexuality or marital status. The Trust gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. To this end, the Trust was delighted to be awarded Disability Confident Leader Status in 2018.

Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Trust.

If members of staff become disabled, the Trust continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The Trust 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 Trust is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Trust plays a major role in maintaining and growing its position.

The Trust 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 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 Trust also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Fundraising compliance statement

The Charities (Protection and Social Investment) Act 2016 requires charities such as ours to include a statement of our fundraising. We believe that, under current regulations and best practice, we comply with the Fundraising Regulator's Code of Fundraising Practice and adhere to Charity Commission guidance for the organisation as a whole.

The Trust does not proactively fundraise. Fundraising income is received largely through legacy donations as well as some personal donations. Some of the legacy income is facilitated through a third party. We did not receive any fundraising complaints during the reporting year. Over this period, Shaw Trust received some corporate sponsorship to support the Disability Power 100 awards, and this was reported through the relevant contracts. Post year end, the Foundation is establishing a fundraising strategy and will be publishing fundraising policies during the 2024/25 financial year.

Statement on going concern

The Trust prepares a detailed annual budget and three-year business plan that indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

Management continues to closely monitor significant risks, and modelling of sensitivities have indicated the Trust has sufficient liquid resources to meet its obligations as they fall due.

The Trust has produced a comprehensive risk assessment framework and monitors and reports on this on a quarterly basis. It continues to drive for performance, carefully manages costs and looks for further opportunities to develop. It seeks to mitigate any ongoing risk by ensuring that it continues to be lean and fit for purpose, responds to the changing environments and markets in which it operates.

The Trustees have reviewed the charity's forecasts, sensitivity analysis and projections and its reserves, and the systems of financial control and risk management. As a result of this review, the Trustees have a reasonable expectation that the charity can manage these risks and has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Streamlined Energy and Carbon Reporting

Shaw Trust maintains scopes one (1), two (2) and three (3) emissions, which includes natural gas. Shaw Trust also maintains transport emissions inclusive of company owned/operated vehicles and employee owned/operated vehicles (whereby mileage is claimed as a business expenses). Electricity is procured from a renewable source and is therefore zero emissions.

The Shaw Trust previously devised a strategy to reduce overall carbon footprint significantly including:

- Encouraging employees to purchase renewable technology vehicles i.e., hybrids.
- Purchasing energy efficient equipment where appropriate in our offices.
- Replacing HVAC systems with energy-efficient equipment where possible.
- Adopting behavioural change measures where possible.

The Shaw Trust have a longstanding commitment to tackling climate change. Calculated carbon footprint for the current financial year is 6,476 tCO₂e, whilst energy consumption was 35,160 MWh.

Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. Reporting of calculated emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2024.

The reporting period is the financial year 2023/24, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2023/2024 Emissions

Scope 1 (natural gas) Tonnes CO₂ equivalent (tCO₂e) 4,839.

Scope 1 (company vehicles) Tonnes CO₂ equivalent (tCO₂e) 386.

Scope 2 (electricity) Tonnes CO₂ equivalent (tCO₂e) 1,144.

Scope 3 (transport) Tonnes CO₂ equivalent (tCO₂e) 83.

Scope 3 (electricity transmission and distribution) Tonnes CO₂ equivalent (tCO₂e) 24.

Total 6,476 tCO₂e

Scopes one, two and three carbon intensity metric = 1.3 tCO₂e based on our average number of employees (5,124) during the financial year.

Our emissions have increased since our last report by 1.5%.

Efficiency Measures Taken

- 1) New properties only considered where EPC rating of C or above applies.
- 2) Lighting replaced with LEDs as and when applicable across portfolio.
- 3) Installation of PIR sensors.

Objectives for 2024/25

- 1) Lighting: Continue to evolve and install low energy lighting across the portfolio.
- 2) Continual review of existing office equipment and company policies.
- 3) Review the next steps of the Energy Savings Opportunity Scheme (ESOS) Action Plan.

The Trust will report on progress within our next set of financial accounts.

Statement of Trustees' responsibilities in respect of the financial statements

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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- State whether applicable UK Accounting Standards, comprising FRS 102, 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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.

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.

Disclosure of information to auditors

In so far as the Trustees are aware:

- a) There is no relevant audit information of which the charitable company's auditor is unaware; and
- b) The Trustees have taken all the steps that they ought to have taken as a Trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Independent auditors

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.



Olly Benzecry
Chairman
14 May 2025

Independent Auditor's Report to the Members and the Trustees of The Shaw Trust Limited

Opinion

We have audited the financial statements of The Shaw Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2024 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2024 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 27 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members including significant component audit teams. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), health and safety legislation, taxation legislation and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant and contract income and the override of controls by management including through bias in use of estimates and judgements particularly impairment of assets and the pension liabilities. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing the recognition of income and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, OSCR, Companies House and ESFA, and reading minutes of meetings of those charged with governance. Our audit procedures to respond to revenue recognition risks included testing a sample of revenue across the year agreeing to supporting documentation to ensure that it has been recognised in the correct period.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the

financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non- detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non- compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London EC4M 7JW

Date: 16th May 2025

The Shaw Trust Limited Group consolidated statement of financial activities

For the year ended 31 August 2024

	Note	Continuing operations		Discontinued operations		Total funds 2024 £'000
		£'000		£'000		Total
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	
Income and endowments from:						
Donations and capital grants	1a	351	5,203	-	-	5,554
Charitable activities		152,523	129,376	2,034	354	284,287
Other trading activities	1b	2,175	720	-	-	2,895
Income on investments, interest and dividends		730	-	-	-	730
Other income		371	-	-	-	371
Net assets taken on with mergers and transfers	25	-	21,917	-	-	21,917
Group incoming resources	1	156,150	157,216	2,034	354	315,754
Expenditure on:						
Raising funds	2	(2,493)	-	-	-	(2,493)
Charitable activities	2	(147,423)	(136,709)	(2,050)	(453)	(286,635)
Total resources expended		(149,916)	(136,709)	(2,050)	(453)	(289,128)
Net income / (expenditure) before gains on investments	4	6,234	20,507	(16)	(99)	26,626
Gains on fixed asset investments	10	375	-	-	-	375
Transfers between funds		1,639	(201)	(1,816)	378	-
Net income / (expenditure) before taxation		8,248	20,306	(1,832)	279	27,001
Taxation	21	(4)	-	(15)	-	(19)
Group net income / (expenditure) before other recognised gains and losses		8,244	20,306	(1,847)	279	26,982
Gain / (loss) on disposal of subsidiaries and discontinued activities		-	-	453	(221)	232
Actuarial gains on defined benefit pension schemes	24	21	570	-	-	591
Net movement in funds (restated)		8,265	20,876	(1,394)	58	27,805
Fund balances brought forward	18	24,981	190,445	1,394	(58)	216,762
Fund balances carried forward		33,246	211,321	-	-	244,567

The Shaw Trust Limited Group consolidated statement of financial activities

For the year ended 31 August 2023

	Note	Continuing operations		Discontinued operations		Total funds 2023
		£'000		£'000		£'000
		Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds	Restated Total
Income and endowments from:						
Donations and capital grants	1a	75	5,432	-	-	5,507
Charitable activities		165,270	116,063	4,247	538	286,118
Other trading activities	1b	2,598	692	-	-	3,290
Income on investments, interest and dividends		84	-	-	-	84
Other income		182	-	-	-	182
Net assets taken on with mergers and transfers	25	-	6,679	-	-	6,679
Incoming resources including share of joint ventures		168,209	128,866	4,247	538	301,860
Less share of gross incoming resources of joint ventures		-	-	-	-	-
Group incoming resources	1	168,209	128,866	4,247	538	301,860
Expenditure on:						
Raising funds	2	(2,198)	-	-	-	(2,198)
Charitable activities	2	(171,685)	(139,080)	(2,853)	(596)	(314,214)
Total resources expended		(173,883)	(139,080)	(2,853)	(596)	(316,412)
Net (expenditure) / income before gains on investments		(5,674)	(10,214)	1,394	(58)	(14,552)
Gains on fixed asset investments	10	59	-	-	-	59
Transfers between funds		(112)	112	-	-	-
Net (expenditure) / income before taxation		(5,727)	(10,102)	1,394	(58)	(14,493)
Taxation	21	(79)	-	-	-	(79)
Group net expenditure		(5,806)	(10,102)	1,394	(58)	(14,572)
Share of net outgoing resources of joint ventures	9	-	-	-	-	-
Net income before other recognised gains and losses		(5,806)	(10,102)	1,394	(58)	(14,572)
Actuarial gains on defined benefit pension schemes	24	13,641	9,279	-	-	22,920
Net movement in funds		7,835	(823)	1,394	(58)	8,348
Fund balances brought forward	18	17,146	191,268	-	-	208,414
Fund balances carried forward		24,981	190,445	1,394	(58)	216,762

Group and Company Balance Sheets

Company No. 01744121

For the year ended 31 August 2024

		Group		Company	
	Note	2024	2023	2024	2023
			Restated		
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	7	148	475	94	197
Tangible assets	8	208,363	190,388	3,037	3,859
Investments in subsidiaries	9	-	-	17,568	23,355
Investments in financial securities	10	8,419	4,949	5,317	4,949
Total fixed assets		216,930	195,812	26,016	32,360
Current assets					
Stocks	12	202	290	201	290
Debtors: Due within one year	13	37,358	42,149	13,553	19,049
Debtors: Due over one year	14	302	335	-	-
Short-term investments	10	7,340	10,475	107	-
Cash at bank and in hand		31,637	20,105	8,557	4,861
Total current assets		76,839	73,354	22,418	24,200
Creditors - amounts falling due within one year	16	(39,805)	(39,689)	(18,012)	(15,989)
Net current assets		37,034	33,665	4,406	8,211
Total assets less current liabilities		253,964	229,477	30,422	40,571
Creditors - amounts falling due after one year	16b	(365)	(589)	-	-
Provision for liabilities and charges	17	(5,226)	(5,899)	(2,359)	(2,639)
Net assets before pension liability		248,373	222,989	28,063	37,932
Pension liability	24	(3,806)	(6,227)	-	-
Net assets after pension liability		244,567	216,762	28,063	37,932
Funds					
Designated funds	18	4,414	2,616	3,173	2,411
General funds	18	28,832	23,759	22,725	33,331
Total unrestricted funds		33,246	26,375	25,898	35,742
Pension liability		(3,806)	(6,227)	-	-
Restricted funds		215,127	196,614	2,165	2,190
Total restricted funds	19	211,321	190,387	2,165	2,190
Total Funds	20	244,567	216,762	28,063	37,932

The Group statement of cashflows, basis of preparation, principal accounting policies and the

notes to the financial accounts below are an integral part of these financial statements.

The Parent Company has taken the exemption from preparing a separate statement of financial activities as permitted under section 408 of Companies Act 2006. Net outgoing/incoming resources for the year amounted to £9,869k outgoing (2023: £8,725k incoming).

The financial statements were approved by the Board of Directors on 14 May 2025 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Olly', with a stylized flourish underneath.

Olly Benzecry
Chairman

Group statement of cash flows

For the year ended 31 August 2024

	Note	Year ended 31 August 2024 £'000	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000	Year ended 31 August 2023 £'000
Net cash inflow / (outflow) from operating activities	A		17,831		(13,608)
Taxation			-		-
Net cash generated / (expended) from operating activities			17,831		(13,608)
Cash flow from investing activities					
Capital expenditure and financial investment					
Purchase of tangible assets	8	(6,957)		(6,225)	
Purchase of intangible assets	7	(62)		(158)	
Net purchase of investments		135		(10,475)	
Cash from investments		(95)		(67)	
Cash from disposal of fixed assets		423		-	
Investment income received		730		84	
Net cash outflow from capital expenditure and financial investment			(5,826)		(16,841)
Total Net cash generated / (expended) from investing activities			12,005		(30,449)
Cash flow from financing activities					
Interest and charges paid		(22)		(53)	
Repayment of loans		(451)		(246)	
Net cash used in financing activities			(473)		(299)
Net increase / (decrease) in cash and cash equivalents			11,532		(30,748)
Cash and cash equivalents at the beginning of the period at 1 September 2023			20,105		50,853
Cash and cash equivalents at 31 August 2024			31,637		20,105

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

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 Restated £'000
Net incoming / (outgoing) resources before other recognised gains	26,982	(14,572)
Donation of net assets arising on acquisition	(20,747)	(6,679)
Pensions - adjustment to net incoming resources	(1,829)	14,228
Investment income received	(730)	(84)
Bank charges and interest paid	22	53
Depreciation and fixed asset write offs	8,955	7,804
Amortisation of goodwill	185	1,439
Impairment of tangible assets	-	12,900
Net loss on disposal of tangible fixed assets	351	1,269
Net loss on disposal of intangible fixed assets	204	-
Tangible assets transfers	-	197
Net gain on disposal of investments	(143)	(59)
Decrease in stock	88	107
Decrease in debtors	4,824	2,273
Increase / (decrease) in creditors	789	(10,208)
Decrease in deferred income	(447)	(21,855)
Decrease in provisions for liabilities and charges	(673)	(421)
Net cash inflow / (outflow) from operating activities	17,831	(13,608)

b) Analysis of changes in net debt

	1 September 2023 £'000	Cash Flow £'000	31 August 2024 £'000
Cash at bank and in hand	20,105	11,532	31,637
Total cash and cash equivalents	20,105	11,532	31,637
Loans due within one year	(450)	227	(223)
Loans due after more than one year	(589)	224	(365)
Total	19,066	11,983	31,049

Notes to the Financial Statements

Basis of preparation

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.

General information

The Shaw Trust Limited (the “Company”) is domiciled in England and Wales with registration number 01744121. The address of its registered office is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The principal activity of the Company during the period is to co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

Basis of consolidation

The consolidated financial statements include the activities of the Company and its subsidiary undertakings (note 9) made up to 31 August 2024. Intra-Group transactions and profits are eliminated on consolidation. The results, assets and liabilities of the subsidiary undertakings are combined with those of the Company in the results of the Group on a line-by-line basis.

FRS 102 Exemptions

FRS 102 allows a qualifying entity, certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company’s Trustees.

The Company has taken advantage of the following exemptions:

- a) From preparing a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated group statement of cash flows, included in these financial statements, includes the company cash flows; and
- b) From preparing a company Statement of Financial Activities (SOFA), on the basis that it is a qualifying entity and the consolidated SOFA, included in these financial statements, includes the company SOFA.

Functional currency

The Group financial statements are presented in pound sterling and rounded to thousands. The company’s functional and presentation currency is the pound sterling.

Notes to the Financial Statements

Principal accounting policies

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

Incoming Resources

All incoming resources are recognised in the Statement of Financial Activities when there is an entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Contract income

Where the outcome of a transaction involving the rendering of services via contracts can be estimated reliably, the revenue is recognised by reference to the stage of completion at the end of the reporting period. This is reviewed and, when necessary, revised based on the estimates of revenue and costs as the contract progresses.

Stage of completion is determined using the method that measures most reliably the work performed and assumes use of the straight-line basis unless there is evidence that some other method better represents the stage of completion.

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 deferred and carried forward to the following year, or where income is received in advance of the services being delivered.

Donations and other income

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

Other income is recognised when there is entitlement to the funds, any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

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 point of sale for both donated and purchased goods.

Donated services from volunteers

Donated services from our volunteers are not included within the financial statements.

The services of volunteers are critical to the Trust, particularly in relation to the operation of our retail shops.

These ventures would not be able to continue without the support and time given by our network of volunteers.

Donated goods for resale

The charity receives donated goods for resale in its network of charity shops. Income is recognised at point of sale as the Trustees consider it to be impractical to recognise such gifts on receipt due to the large number of small value items received.

Grants/fees

All revenue grants receivable from the 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 at the reporting date as a result of a past event.
- It is more likely than not that a transfer of economic benefit, often cash, will be required in settlement; and
- When the amount of the obligation can be measured or estimated reliably.

Costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities:

- a) Costs of raising funds are costs incurred in seeking voluntary contributions, operating charity shops and investment management costs; and
- b) Charitable activity expenditure relates to the costs of running and supporting the Trust's various charitable activities for furthering its charitable aims for the benefit of its beneficiaries.

Apportionment of costs

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

Operating leases

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

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 are stated at cost less depreciation.

Land and buildings transferred as part of the Academies Programme to Shaw Education Trust are reflected within freehold or long leasehold fixed assets at the point of transfer. They are recorded at valuation at the point of transfer and are depreciated from that date.

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

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 land - not depreciated.
- Freehold buildings 2% (or over the lifetime of the contract if more appropriate).
- Long leasehold buildings 2% (or length of lease if shorter than 50 years).
- Fixtures and fittings 20% (or more if first break clause of lease is within five years).
- Equipment and vehicles 20%.
- Computer equipment 25%; and
- Plant and machinery in Forth Sector 6.75%.

Assets costing less than £3,000 are not capitalised.

Intangible fixed assets – goodwill and computer software

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible Assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses.

Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

During 2017/18 The Shaw Trust Limited acquired Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited and the intangible fixed assets include goodwill arising on the purchase.

In determining the period of amortisation, management considered the length of the current contracts, the performance of the business and the likelihood of securing additional future business and concluded that five years was a reasonable time over which to amortise the goodwill arising on these acquisitions.

All goodwill has been fully amortised.

Computer software 25% (or over the lifetime of the contract if more appropriate).

Assets costing less than £3,000 are not capitalised.

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.

Investments in financial securities

Fixed asset investments are investments held in listed companies, government and corporate bonds and other investments. These investments are stated at mid-price 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.

Investments are carried at 'fair value' and therefore stated at market value as at the balance sheet date. Changes in fair value are recognised in the income and expenditure section of the Statement of Financial Activities.

Investments in subsidiaries jointly controlled entities and associates

These investments are held at cost less impairment.

Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments comprise cash held on term deposits with qualifying financial institutions.

Basic financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of Financial Instruments.

Financial Assets: Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities: Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Designated funds are those which have been set aside at the discretion of the Trustees for a specific purpose. These funds relate to specific fixed assets or contracts and commitments set aside for the Shaw Trust Foundation's activities.

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.

Provisions

Provisions are recognised when the Trust has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

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 The Shaw Trust Limited defined contribution pension scheme, the Trust operates a number of defined benefit pension arrangements, which are detailed in note 24 to the Financial Statements.

The actuarial valuations are obtained annually and are updated at each balance sheet date.

The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The costs to the Trust of funding the schemes are accounted for in accordance with FRS 102. 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 102.

Related party transactions

All related party transactions are disclosed in note 26.

Tax and deferred tax

The charity is a registered charity and is exempt from taxation on its income and gains to the extent that they are applied to its charitable purposes.

Current tax arising in non-charitable subsidiaries is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and law that have been enacted or substantively enacted by the reporting date that are expected to ally to the reversal of the timing difference.

Deferred tax liabilities are presented in creditors and deferred tax assets within debtors.

Statement on going concern

The charity continues to adopt the going concern basis in preparing its financial statements.

The Trust prepares a detailed annual budget and three-year business plan which indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees.

Having reviewed the charity's and Group's forecasts and its current reserves, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future.

Key accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carry amounts of assets and liabilities within the next financial year are below.

- (i) Income recognition based on contract terms and estimates of completion.
- (ii) Impairment of investments in subsidiaries (note 9).
- (iii) Recoverability of intercompany debt.
- (iv) Provisions (note 17)

Provision is made for dilapidations, asset retirement obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, timing of the cash flows and discount rates used to establish net present value of the obligations require management judgement.

- (v) Defined benefit pension scheme (note 24)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuation and the corporate bond discount rate. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Key accounting judgements

Assessing whether the Group controls SET requires judgement. SET is a wholly owned subsidiary of The Shaw Trust Limited, who is also the sponsor company. Through the SET Articles of Association, The Shaw Trust Limited can appoint members and Trustees to the Shaw Education Trust Board, thereby giving control to the decision making and authority for the work of the academy trust. The Group considers that these powers demonstrate that the Group controls SET.

Notes to the financial statements

1. Total incoming resources/material funders

The total income of the Trust comprises:

	Unrestricted funds	Restricted funds	Year ended 31 August 2024	Unrestricted Funds Restated	Restricted funds	Year ended 31 August 2023 Restated
	£'000	£'000	£'000	£'000	£'000	£'000
Donations and capital grants (note 1a)	351	5,203	5,554	75	5,432	5,507
Other Trading Activities (note 1b)	2,175	720	2,895	2,598	692	3,290
Income on investments, interests and dividends	730	-	730	84	-	84
Other Income	371	-	371	182	-	182
Donation of net assets arising on mergers	-	21,917	21,917	-	6,679	6,679
Incoming resources from generated funds	3,627	27,840	31,467	2,939	12,803	15,742
Contract delivery, social enterprises and other charitable activities	154,557	129,730	284,287	167,017	116,601	283,618
Income from business Interruption insurance	-	-	-	2,500	-	2,500
Total	158,184	157,570	315,754	172,456	129,404	301,860

The Trustees consider material funders to be those contributing over 10% of income.

The principal funder is The Department of Work and Pensions (DWP) from which a total of £41.8m (2023: £52.6m) was earned.

The fair value of net assets acquired from business combinations are treated as a donation (see note 25).

1a. Donations and capital grants

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
SCA Grant (restricted)	3,976	3,896
Capital grants (restricted)	1,227	1,010
Other donations (restricted)	-	526
Other donations (unrestricted)	351	75
Total income – donations and grants	5,555	5,507

1b. Other Trading Activities

	Year ended 31 August 2024	Year ended 31 August 2023 (restated)
	£'000	£'000
Income from charitable activities	2,895	3,290
Total income – other trading activities	2,895	3,290

2. Analysis of total resources expended

	Year ended 31 August 2024	Year ended 31 August 2023
	£'000	£'000
Raw Materials and Consumables	27,559	37,893
Staff Costs – salaries, NI and pensions	191,644	189,459
Staff Costs – temporary staff, travel and pension charges	7,194	11,415
Other Operating Costs	53,569	54,948
Depreciation	8,955	7,804
Amortisation and Impairment of Goodwill	185	1,439
Pension scheme settlements	-	13,401
Finance Charges	22	53
Total	289,128	316,412

2. Analysis of total resources expended (continued)

	2024 Activities undertaken directly £'000	2024 Support costs not directly allocated £'000	2024 Total £'000	2023 Activities undertaken directly £'000	2023 Support costs not directly allocated £'000	2023 Total £'000
Raising Funds						
Charity shops	2,473	-	2,473	2,178	-	2,178
Investment management fees	20	-	20	20	-	20
Total cost of Raising Funds	2,493	-	2,493	2,198	-	2,198
Charitable Activities						
Contract delivery, social enterprises and other charitable Activities (unrestricted)	147,827	1,646	149,473	172,020	2,518	174,538
Contract delivery, social enterprises and other charitable Activities (restricted)	137,162	-	137,162	139,676	-	139,676
Total Cost of Charitable Activities	284,989	1,646	286,635	311,696	2,518	314,214
Total Resources Expended	287,482	1,646	289,128	313,894	2,518	316,412

Support and governance costs not directly allocated comprise the following:

Support costs	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000
Management	529	1,086
Corporate Governance	351	356
Finance	253	396
Information Technology	360	425
Human Resources	153	249
Communications and Marketing	-	6
Support costs not directly allocated	1,646	2,518

3. Finance costs

	2024 £'000	2023 £'000
Interest on loans	22	36
Net interest (income) / expense on defined benefit pension schemes (note 24)	(369)	270
Total	(347)	306

These charges have been reported in the Statement of Financial Activities under Charitable Activities.

4. Net incoming resources

	2024 £'000	2023 £'000
The net incoming resources are stated after charging:		
Amortisation charge for the year on intangible owned assets	185	1,439
Depreciation charge for the year on tangible owned assets	8,955	7,804
Auditors' remuneration: audit services		
- Parent Company and consolidated financial services	98	89
- Audit of the company's subsidiaries	161	159
Auditors' remuneration: other services		
- services relating to taxation	1	20
- all other services	21	19
Operating leases:		
- others	653	560
- property	4,873	4,624
Net loss on disposal of fixed assets	351	156

The comparative for operating leases has been restated to include all Group amounts recorded in that year.

5. Employees

The average monthly number of persons employed during the year was:

	Group	Group	Company	Company
	2024	2023	2024	2023
	No.	No.	No.	No.
Charitable purposes	5,065	5,198	1,743	1,872
Retail	59	70	59	70
Total	5,124	5,268	1,802	1,942

Employee costs for the above persons during the year were:

	Group	Group	Company	Company
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Wages and salaries	158,129	157,540	47,367	51,546
Social security costs	15,698	14,646	4,613	4,702
Contribution to defined contribution pension schemes	12,500	11,837	1,413	1,357
Operating costs of defined benefit pension schemes (note 24)	5,317	5,436	93	52
Total	191,644	189,459	53,486	57,657

Included in the above figures is a Group figure of £826k (2023: £570k) for redundancies, of which £155k (2023: £171k) was accrued or provided as at the year end.

The number of employees who received employee benefits (excluding employer pension costs) totaling more than £60,000 fell within the following bandings:

	Group 2024 No.	Group 2023 No.
£60,001 - £70,000	112	74
£70,001 - £80,000	48	34
£80,001 - £90,000	26	20
£90,001 - £100,000	19	19
£100,001 - £110,000	15	11
£110,001 - £120,000	6	6
£120,001 - £130,000	1	2
£130,000 - £140,000	4	3
£140,001 - £150,000	4	1
£150,001 - £160,000	1	1
£180,001 - £190,000	-	1
£220,001 - £230,000	-	1
£230,001 - £240,000	1	-
£250,001 - £260,000	-	1
£280,001 - £290,000	1	-

6. Trustees' and senior executives' remuneration

- a) During 2024 and 2023, no Trustee received any emoluments from the Trust. Incidental travelling costs of £1,301 (2023: £2,310) were reimbursed or paid on behalf of six (2023: four) Trustees by the Trust.
- b) The 'Directorships' outlined on page 23 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 £10,651 (2023: £10,651) 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.
- d) The Key Management Personnel of the Group comprise the Trustees and the Executive Team as listed on page 23 of these financial statements. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Group was £1,831,814 (2023: £2,334,348) for the year.

7. Intangible Assets

Group	Goodwill	Computer software	Total
	£'000	£'000	£'000
Cost			
At 1 September 2023	53,517	9,072	62,589
Additions	-	62	62
Disposals	-	(1,304)	(1,304)
Derecognition of fully amortised goodwill	(53,517)	-	(53,517)
At 31 August 2024	-	7,830	7,830
Accumulated Amortisation			
At 1 September 2023	(53,517)	(8,597)	(62,114)
Charge for the year	-	(185)	(185)
Disposals	-	1,100	1,100
Derecognition of fully amortised goodwill	53,517	-	53,517
At 31 August 2024	-	(7,682)	(7,682)
Net book value			
At 31 August 2024	-	148	148
At 1 September 2023	-	475	475

The goodwill on subsidiary acquisitions during 2017 and earlier has been derecognised due to having completed its five-year useful economic life and having a nil net book value.

Company	Computer software £'000
Cost	
At 1 September 2023 and 31 August 2024	7,403
Accumulated Amortisation	
At 1 September 2023	(7,206)
Charge for the year	(103)
At 31 August 2024	(7,309)
Net book value	
At 31 August 2024	94
At 1 September 2023	197

8. Tangible Assets

Group	Freehold land and buildings £'000	Long leasehold Property £'000	Assets under construction £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation						
At 1 September 2023	51,790	175,689	990	1,417	18,010	247,896
Acquisitions of academies	-	5,857	-	17	166	6,040
Additions	-	3,499	806	133	2,519	6,957
Transfers	-	3,966	-	-	-	3,966
Donations	-	10,741	-	-	-	10,741
Disposals	(667)	(50)	-	(624)	(381)	(1,722)
Reclassifications	-	821	(1,016)	-	195	-
At 31 August 2024	51,123	200,523	780	943	20,509	273,878
Accumulated depreciation						
At 1 September 2023	(17,894)	(24,985)	-	(1,103)	(13,526)	(57,508)
Charge for the year	(319)	(5,994)	-	(106)	(2,536)	(8,955)
Disposals	245	24	-	404	275	948
Reclassifications	-	-	-	-	-	-
At 31 August 2024	(17,968)	(30,955)	-	(805)	(15,787)	(65,515)
At 31 August 2024	33,155	169,568	780	138	4,722	208,363
At 1 September 2023	33,896	150,704	990	314	4,484	190,388
Company	Freehold land and buildings £'000	Long leasehold Property £'000	Assets under construction £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation						
At 1 September 2023	-	3,152	-	543	8,203	11,898
Additions	-	-	-	-	223	223
Disposals	-	-	-	-	(347)	(347)
Transfers	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
At 31 August 2024	-	3,152	-	543	8,079	11,774
Accumulated depreciation						
At 1 September 2023	-	(1,219)	-	(543)	(6,277)	(8,039)
Charge for the year	-	(30)	-	-	(933)	(963)
Disposals	-	-	-	-	265	265
Transfers	-	-	-	-	-	-
At 31 August 2024	-	(1,249)	-	(543)	(6,945)	(8,737)
Net book value						
At 31 August 2024	-	1,903	-	-	1,134	3,037
At 1 September 2023	-	1,933	-	-	1,926	3,859

Land and buildings transferred to Shaw Education Trust (SET) as part of the Academies Programme are reflected within freehold or long leasehold fixed assets at the point of transfer.

The land and buildings transferred as part of the Academies Programme are subject to the provisions of the individual academy funding agreements and the master funding agreement.

These provisions may include preventing the company from selling the land and buildings. Upon termination of a funding agreement, whether as a result of the Secretary of State for Education or SET serving notice, the assets relating to that agreement will return to the Secretary of State.

The value of the land and buildings to which these academy agreements apply is:

£193,905k (2023: £175,200k).

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

The value of the transferred assets has been recognised in the Statement of Financial Activities as net assets taken on with mergers and transfers.

The tangible assets held by Forth Sector are pledged as security against the borrowings of the Company (see note 16).

9. Investments in Subsidiary Undertakings

Company interests in group undertakings

	2024
	£'000
At 1 September 2023	23,355
Additions	2,200
At 31 August 2024	25,555
Amortisation	
At 1 September 2023	-
Impairment	(7,987)
At 31 August 2024	(7,987)
Net book value	
At 31 August 2024	17,568
At 1 September 2023	23,355

The Trust made a further investment in Ixion Holdings (Contracts) Limited in the year, recapitalising its investment with an injection of 2,000,000 shares. At the year end, this investment was impaired.

Good Work Partners Limited was incorporated on 17 January 2024. The Trust made an investment of £200,000.

The Trust has the following wholly owned subsidiaries.

Name of subsidiary	Company No.	Control	Status
Shaw Education Trust	9067175 (Exempt charity)	Controlling member rights	Active
Prospects Group 2011 Limited	7708678	100% Ordinary shares	Active
Ixion Holdings (Contracts) Limited	6886337	100% Ordinary shares	Active
Forth Sector	SC124791 (Charity reg: SC016414)	Sole member	Active
Good Work Partners Limited	15420664	100% Ordinary shares	Active
Shaw Trust International Partnerships Limited	5859747	100% Ordinary shares	Dormant
Disabled Living Foundation	1837993 (Charity reg: 290069)	Sole member	Dormant
Careers Development Group	1647371	Sole member	Dormant

Other subsidiary undertakings of the Group:

Name of subsidiary	Company No.	Control	Status
Prospects Services	03042176	100% Ordinary shares	Active
Homes 2 Inspire Limited	10592680	100% Ordinary shares	Active
Forth Sector Development Limited	SC372526	100% Ordinary shares	Active
Homes2Inspire Services Limited	15420675	100% Ordinary shares	Active
Prospects Education Services Limited	09598618	100% Ordinary shares	Active
Ixion Social Enterprise Limited	05028081	Sole member	Active
Ixion CG Limited	03091483	100% Ordinary shares	Active
Newfriars College	11426256 (Exempt charity)	Sole member	Active
Prospects Services Midco Limited	07596398	100% Ordinary shares	Dormant
Prospects Distribution Services Limited	03656764	100% Ordinary shares	Dormant

All subsidiaries, other than those that are dormant, are included in the consolidated financial statements.

The registered address for all of the above subsidiaries (with the exception of The Shaw Education Trust, Newfriars College, Forth Sector and Homes2Inspire Ltd) is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The registered address for The Shaw Education Trust and Newfriars College is: Kidsgrove Secondary School, Gloucester Road, Kidsgrove, Stoke-on-Trent ST7 4DL.

The registered address for Forth Sector and Forth Sector Development Ltd is: Duddingston Yards, Duddingston Park South, Edinburgh, Lothian, EH15 3NT.

The registered address for Homes2Inspire Ltd is: Lumonics House, Valiant Office Suites, Valley Drive, Swift Valley Industrial Estate, Rugby, England, CV21 1TQ.

The Shaw Trust share of:	Total assets	Total liabilities	Gross incoming resources	Net surplus / (deficit) of income over expenditure
2024	£'000	£'000	£'000	£'000
Forth Sector	2,078	(3,099)	742	(427)
Ixion Holdings (Contracts) Limited	3,166	(2,609)	11,200	(1,550)
Prospects Services	24,744	(6,150)	30,789	1,029
Homes2Inspire Limited	17,595	(15,608)	38,685	2,866
Shaw Education Trust	226,746	(16,949)	150,782	21,391
Total	274,329	(44,415)	232,198	23,310
2023	£'000	£'000	£'000	£'000
Forth Sector	2,437	(3,030)	1,166	(7)
Ixion Holdings (Contracts) Limited (restated)	4,183	(4,075)	14,750	(1,782)
Prospects Services	24,483	(6,918)	30,611	(5,423)
Homes2Inspire Limited	15,673	(16,553)	30,021	5,247
Shaw Education Trust	206,538	(18,132)	120,171	(651)
Total	253,314	(48,708)	196,719	(2,616)

Only the material subsidiaries' results have been disclosed. Prospects Services and Homes2Inspire Limited are part of the Prospects Group.

10. Investments in financial securities

As a part of the Trust's investment policy, a portion of funds available for investment is 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 were held for the medium-term and as a result, and in accordance with accounting guidance, these investments were classified as fixed assets.

The movement on the value of the investments during the year is as follows:

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
At 1 September 2023	4,949	4,826	4,949	4,826
Additions at cost	3,000	-	-	-
Dividends received	52	67	52	67
Interest received	63	20	63	20
Management charges paid	(20)	(20)	(20)	(20)
Net gain on revaluation	375	59	273	59
At 31 August 2024	8,419	4,949	5,317	4,949

Value of investments	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Investments listed on a UK recognised stock exchange, or valued by reference to one	756	925	756	925
Investments listed on a non-UK recognised stock exchange, or valued by reference to one	2,200	2,507	2,200	2,507
UK Government and Corporate Bonds	799	750	799	750
Other investments	3,510	565	408	565
Cash and settlements pending	1,154	202	1,154	202
At 31 August 2024	8,419	4,949	5,317	4,949

Short term investments

	2024	2023
	£'000	£'000
Unlisted investments in fixed interest bank accounts	7,340	10,475
	7,340	10,475

11. 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 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 The Shaw Trust Limited. The financial results of Palmer Gardens are shown below.

As at 31 August 2024, Palmer Gardens has a Revenue Fund of £Nil (2023: £Nil) and a Capital Fund of £454,000 (2023: £435,000). The income and expenditure account for the Revenue Fund is set out below:

Revenue Fund	2024	2023
	£'000	£'000
Turnover	720	718
Cost of sales	(334)	(363)
Gross Profit	386	355
Selling and distribution	(348)	(346)
Administration	(92)	(79)
Finance	(9)	(11)
Operating deficit	(63)	(81)
Support costs	(28)	(28)
Depreciation	15	(14)
Net deficit	(76)	(123)
Palmer Gardens Revenue Fund brought forward	-	-
Transfer from capital fund	(15)	14
Donation from The Shaw Trust Limited to Palmer Gardens	91	109
Balance of restricted revenue reserve (see note 19)	-	-

The assets and liabilities for the Capital Fund are set out below:

Capital Fund	2024	2023
	£'000	£'000
Fixed assets		
Palmer Gardens	454	435
Analysis of net assets:		
Current assets – stock	115	111
Current liabilities - creditors The Shaw Trust Limited	(115)	(111)
Net current assets	-	-
Total assets less current liabilities	454	435
Funds		
Restricted capital funds	454	435
Total (see note 19)	454	435

12. Stocks

	Group		Company	
Finished goods	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Plants, shrubs, nursery and books	193	286	193	286
Shop stock	9	4	9	4
Total	202	290	202	290

13. Debtors – amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	16,323	19,937	4,784	8,801
Amounts due from group undertakings	-	-	894	2,841
Deferred tax asset	41	58	-	-
Other debtors	2,237	1,212	193	183
Prepayments and accrued income	18,757	20,942	7,682	7,224
Total	37,358	42,149	13,553	19,049

14. Debtors – amounts falling due after more than one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Deferred tax asset	302	335	-	-
Total debtors greater than one year	302	335	-	-

15. Deferred Taxation

	2024 £'000	2023 £'000
Accelerated capital allowances	199	256
Short term timing differences – trading	144	137
	343	393
Analysed as:		
Amount due within one year	41	58
Amount due after more than one year	302	335
	343	393
Movement in year		
Opening balance	393	472
Changes in deferred tax	(50)	(79)
Closing balance	343	393

The amount of the net reversal of deferred tax expected to occur next year relating to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on intangible fixed assets is £nil.

The Group has unrecognised deferred tax assets of £280k (2023: £1,857k).

16. Creditors - amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	3,044	4,360	964	1,078
Taxation and social security	6,154	6,581	2,576	2,569
Other creditors	6,361	5,646	1,762	1,322
Other loans	224	450	-	-
Accruals	10,382	8,565	3,099	2,597
Deferred income	13,640	14,087	9,611	8,423
Total	39,805	39,689	18,012	15,989

The comparatives for accruals and deferred income have been amended to correctly reflect a reclassification between the categories. There is no impact on total creditors.

Analysis of movement in deferred income

	Group £'000	Company £'000
At 1 September 2023	14,087	8,423
Deferred in year	13,423	9,395
Released as income in year	(13,870)	(8,207)
At 31 August 2024	13,640	9,611

Deferred income relates to income from several service contracts where invoicing in advance has been agreed so as to provide funding prior to the periods in which the services are delivered and performance obligations satisfied.

16b. Creditors - amounts falling due after one year

	Group		Company	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Other loans	365	589	-	-
Total	365	589	-	-

Other loans are wholly repayable within five years. Interest is incurred at various rates including an interest-free loan, 1.23% and 2.21% concessionary loans and 5% fixed rate loans.

17. Provision for liabilities and charges

Group	Dilapidations	Other Provisions	Total
	£'000	£'000	£'000
At 1 September 2023 (restated)	1,994	3,905	5,899
Created during the Year	665	745	1,410
Utilised during the year	(306)	(1,777)	(2,083)
At 31 August 2024	2,353	2,873	5,226

Company	Dilapidations	Other Provisions	Total
	£'000	£'000	£'000
At 1 September 2023	1,057	1,582	2,639
Created during the Year	437	248	685
Utilised during the year	(211)	(754)	(965)
At 31 August 2024	1,283	1,076	2,359

The dilapidations provision relates to the costs that the Trust will possibly incur in reinstating its leased properties to original condition, accrued over the length of the lease. We have estimated the cost at a historic average cost and used the calculation to estimate the future cost. This rate will be reassessed on an annual basis to keep it up to date. Future costs are uncertain, hence the provision.

The other provisions are provided for Shaw Trust employability contracts taking into account contractual obligation and rates from the most recent inspections. Some contracts are being inspected now, and others will be subject to inspection very soon. The Trust is finalising the details with relevant commissioners.

18. Unrestricted funds

Group	Movement in Funds				At 31 August 2024
	At 1 September 2023	Incoming	(Outgoing)	Transfer	
	Restated £'000	£'000	£'000	£'000	
Designated funds	2,616	-	-	1,798	4,414
General funds	23,759	159,033	(151,985)	(1,975)	28,832
Total unrestricted funds	26,375	159,033	(151,985)	(177)	33,246

Company	Movement in Funds				At 31 August 2024
	At 1 September 2023	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	
Designated funds	2,411	-	-	758	3,169
General funds	33,331	75,899	(85,578)	(923)	22,729
Total unrestricted funds	35,742	75,899	(85,578)	(165)	25,898

The designated fund represents the Trust's fixed assets which are not subject to restriction or linked to the revolving credit facility and commitments set aside for the Shaw Trust Foundation's activities.

2023 comparatives	Movement in Funds				At 31 August 2023 Restated £'000
	At 1 September 2022	Incoming	(Outgoing)	Transfer	
	Restated £'000	£'000	£'000	£'000	
Group					
Designated funds	2,666	1,133	(1,183)	-	2,616
Revaluation reserve	1,113	-	(1,113)	-	-
General funds	13,367	171,323	(160,819)	(112)	23,759
Total unrestricted funds	17,146	172,456	(163,115)	(112)	26,375

2023 comparatives	Movement in Funds				At 31 August 2023
	At 1 September 2022	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	
Company					
Designated funds	2,461	1,133	(1,183)	-	2,411
General funds	24,297	92,553	(84,546)	1,027	33,331
Total unrestricted funds	26,758	93,686	(85,729)	1,027	35,742

Prior year adjustment

The restatement for the prior year relates to the movement of a provision balance into the prior years to which it relates in one of the subsidiary entities.

	31 August 2024 £000	31 August 2023 £000
Opening balance on unrestricted funds as previously stated	27,493	18,119
Restatement impact on provision balances	(1,118)	(973)
Opening balance on unrestricted funds as restated	26,375	17,146
Net incoming resources for the year as previously stated	6,871	9,374
Restatement impact on net incoming resources for the year	-	(145)
Net incoming resources for the year as restated	6,871	9,229
Closing balance on unrestricted funds as restated	33,246	26,375

19. Restricted funds

Group and Company	At 1 September 2023	Incoming	(Outgoing)	Transfers	At 31 August 2024
	£'000	£'000	£'000	£'000	£'000
DIG for Dinner	38	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	250
Palmer Gardens Fund (Capital)	435	-	15	4	454
Palmer Gardens Fund (Revenue)	-	720	(811)	91	-
Employment Action Centre (Capital)	669	-	(20)	-	649
Disability Action Centre (Capital)	790	-	(24)	-	766
Shaw Trust Clamp Hill	5	-	-	-	5
DLF	-	108	(108)	-	-
Charities Aid Foundation	-	18	(88)	70	-
Find Your Future	-	216	(216)	-	-
Spark Change	-	373	(373)	-	-
West London Works	-	2,494	(2,494)	-	-
Thrive 2.0	-	1,984	(1,984)	-	-
Other	3	-	-	-	3
Total company	2,190	5,913	(6,103)	165	2,165
Shaw Education Trust	188,406	150,782	(129,391)	-	209,797
Forth Sector Group	(235)	875	(1,307)	-	(667)
Charities Aid Foundation (Ixion)	-	-	(11)	11	-
National Lottery Community Fund (Ixion)	-	-	(1)	1	-
Somerset Partnership (Homes2Inspire)	26	-	-	-	26
Total Group	190,387	157,570	(136,813)	177	211,321

Group and Company	At 1 September 2022	Incoming	(Outgoing)	Transfers	At 31 August 2023
2023 Comparison	£'000	£'000	£'000	£'000	£'000
DIG for Dinner	38	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	250
Palmer Gardens Fund (Capital)	449	-	(14)	-	435
Palmer Gardens Fund (Revenue)	-	718	(827)	109	-
Employment Action Centre (Capital)	690	-	(21)	-	669
Disability Action Centre (Capital)	814	-	(24)	-	790
Shaw Trust Clamp Hill	5	-	-	-	5
Aim4Work (Building Better Opportunities) North and East London	-	616	(582)	(34)	-
- Delivery	-	-	-	-	-
Aim4Work (Building Better Opportunities) South London - Delivery	-	440	(452)	12	-
DLF	201	-	(201)	-	-
Charities Aid Foundation	-	2,480	(2,480)	-	-
Find Your Future	-	761	(761)	-	-
Spark Change	-	1,282	(1,282)	-	-
West London Works	-	830	(830)	-	-
Other	3	-	-	-	3
Total company	2,450	7,127	(7,474)	87	2,190
Shaw Education Trust	189,033	120,171	(120,822)	24	188,406
Forth Sector Group	(215)	1,206	(1,226)	-	(235)
Charities Aid Foundation (Ixion)	-	-	1	(1)	-
National Lottery Community Fund (Ixion)	-	874	(874)	-	-
Spark Change (Prospects Services)	-	-	(2)	2	-
Somerset Partnership (Homes2Inspire)	-	26	-	-	26
Total Group	191,268	129,404	(130,397)	112	190,387

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.

Doncaster Borough Council guarantee relates to an amount held in relation to a pension scheme.

Palmer Gardens is a vocational training centre, and the restricted capital fund relates to the construction of the original training centre and later expansion of the facilities. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

The Employment Action Centre (EAC) 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. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

The Disability Action Centre (DAC) 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. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset. Revenue is not affected so the balance was written off in the year.

Shaw Trust Clamp Hill received donations to contribute towards client activities.

Aim4Work is funded by the European Social Fund and The National Lottery Community Fund under the Building Better Opportunities programme and forms part of their commitment to invest in local projects to tackle the root causes of poverty, promote social inclusion and drive jobs and growth.

Disabled Living Foundation (DLF) restricted reserves relate to a donation received to support DLF activities. It has been used to support activities during the year.

Find your Future – This was the European Social Fund Grant awarded to Shaw Trust for two years, which started in November 2021 and completed in December 2024. The Project mainly supported the Operational Programme for England as adopted by the European Commission setting out its contribution to the Union Strategy to improve employment opportunities, strengthen social inclusion, fight poverty, promote education, skills and life-long learning and develop active, comprehensive, and sustainable policies and thereby contribute to economic, social and territorial cohesion.

West London Works - Individual Placement and Support (IPS) is an employment support approach originally developed for people experiencing long-term mental health needs. The approach is now increasingly implemented in a range of settings including supporting people with mild to moderate mental health needs, people with physical health issues and people with substance misuse issues. The IPS model has colleagues from Shaw Trust embedded into NHS services providing a wraparound approach. This supports people in and regularly sees an overall improvement in wellbeing. Aiming to support 2400 people to achieve their goals and improve their

wellbeing over two years.

Spark Change was a European Social Fund Match Funded contract (matched by five London Boroughs) to improve employment opportunities, strengthen social inclusion, fight poverty, promote education, skills and life-long learning and develop active, comprehensive and sustainable inclusion policies and thereby contribute to economic, social and territorial cohesion.

Charities Aid Foundation - This was a grant awarded in March 2021 from the Covid-19 Support Fund (initially a three-year contract but funds were spent by September 2024). With a particular focus on care, construction and business sectors it was to fund learning and development post-Covid to support people back into employment. Income and expenditure during the year relates to the final month of operational activity and a transfer from unrestricted funds made to remove the resulting operational deficit.

The funds received by The Shaw Education Trust from the Department of Education can only be used to run the organisation and the academies that form part of The Shaw Education Trust.

20. Analysis of net assets between funds

	Designated	Unrestricted	Restricted	Total funds 2024
Group	£'000	£'000	£'000	£'000
Fund balances are represented by:				
Intangible fixed assets	-	99	49	148
Tangible fixed assets	2,414	5,000	200,949	208,363
Investments in financial securities	-	5,317	3,102	8,419
Net current assets	2,000	23,642	11,392	37,034
Long-term liabilities	-		(365)	(365)
Provisions for liabilities and charges	-	(5,226)	-	(5,226)
Pension liability	-	-	(3,806)	(3,806)
Total net assets at 31 August 2024	4,414	28,832	211,321	244,567

	Designated	Unrestricted	Restricted	Total funds 2024
Company	£'000	£'000	£'000	£'000
Fund balances are represented by:				
Intangible fixed assets	-	94	-	94
Tangible fixed assets	1,169	-	1,868	3,037
Investment in subsidiaries	-	17,568	-	17,568
Investments in financial securities	-	5,317	-	5,317
Net current assets	2,000	2,109	297	4,406
Long-term liabilities	-	-	-	-
Provisions for liabilities and charges	-	(2,359)	-	(2,359)
Total net assets at 31 August 2024	3,169	22,729	2,165	28,063

2023 Comparison	Designated	Unrestricted Restated	Restricted	Total funds 2023
Group	£'000	£'000	£'000	£'000
Fund balances as at 31 August 2023 are represented by:				
Intangible fixed assets	-	471	4	475
Tangible fixed assets	-	8,828	181,560	190,388
Investments in financial securities	-	4,949	-	4,949
Net current assets	2,616	15,410	15,639	33,665
Long-term liabilities	-	-	(589)	(589)
Provisions for liabilities and charges	-	(5,899)	-	(5,899)
Pension liability	-	-	(6,227)	(6,227)
Total net assets as at 31 August 2023	2,616	23,759	190,387	216,762

	Designated	Unrestricted	Restricted	Total funds 2023
Company	£'000	£'000	£'000	£'000
Fund balances as at 31 August 2023 are represented by:				
Intangible fixed assets	-	197	-	197
Tangible fixed assets	-	1,965	1,894	3,859
Investment in subsidiaries	-	23,355	-	23,355
Investments in financial securities	-	4,949	-	4,949
Net current assets	2,411	5,504	296	8,211
Long-term liabilities	-	-	-	-
Provisions for liabilities and charges	-	(2,639)	-	(2,639)
Total net assets at 31 August 2023	2,411	33,331	2,190	37,932

21. Taxation

The Trust has no liability to corporation tax as it satisfies the criteria for its income and gains to be exempt from corporation tax. Members of the Group without charitable status are charged corporation tax on their income and gains.

Deferred tax assets recognised by Group companies are shown in note 15. Tax charges for the year are:

	2024	2023
	£'000	£'000
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	28	(2,599)
Adjustment in respect of prior periods	-	(6)
Total deferred tax	28	(2,605)
Tax on income and expenditure	28	(2,605)
Tax on other recognised gains and losses	(9)	2,684
Total tax charge recognised in the SOFA	19	79

	2024	2023 Restated
	£'000	£'000
Net income / (expenditure) before taxation	27,001	(14,493)
Net income / (expenditure) before tax multiplied by the UK Corporation Tax rate of 25% (2023:21.52%)	6,750	(3,120)
Effects of:		
Charitable income and expenditure not subject to corporation tax	(4,468)	508
Expenses not deductible for tax purposes	75	3,269
Income not taxable	(1,808)	(1,249)
Qualifying charitable donations	(24)	(22)
Movement in unprovided deferred tax	(448)	3,785
Adjustments in respect of prior periods (deferred tax)	-	(6)
Other timing differences	(49)	(5,770)
Tax on income and expenditure	28	(2,605)
Timing differences arising on pensions remeasurement gains and losses	(9)	2,684
Total tax charge recognised in the SOFA	19	79

22. Financial commitments

At 31 August 2024 the Group and Company had future minimum lease payments under non-cancellable operating leases expiring as follows:

Group	Property		Other	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	2,941	4,260	443	303
Between one and five years	4,547	5,247	352	350
After five years	853	830	-	-
Total	8,341	10,337	794	653

Company	Property		Other	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Within one year	1,083	1,546	35	33
Between one and five years	635	514	21	16
After five years	-	20	-	-
Total	1,718	2,080	56	49

Other operating leases relate to motor vehicles and computer equipment.

23. Capital commitments

As at 31 August 2024 the Group had capital commitments of £331k (2023: £2,319k).

24. Pension commitments

During the year the Company and other members of the Group participated in defined benefit pension schemes including Prudential Platinum Pension Schemes, the Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme England and Wales (TPS).

The Group has accounted for its contributions to the TPS as if it were a defined contribution scheme. The Group's academic and related employees of the Shaw Education Trust belong to the TPS, which is a statutory, contributory, defined benefit scheme. The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website:

(<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>)

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Group is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the Group has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The employer's pension costs paid to TPS in the year amounted to £9,660k (2023 - £7,935k).

The defined benefit pension schemes for which the Group is able to identify its share of the fair value of the assets and liabilities were:

	Total share of scheme assets	Present value of scheme liabilities	Asset ceiling	2024 Net pension deficit	2023 Net pension deficit
	£'000	£'000	£'000	£'000	£'000
Shaw Trust: Platinum Pension Scheme	856	(742)	(114)	-	-
Total Company	856	(742)	(114)	-	-
Shaw Education Trust: LGPS - Staffordshire, Greater Manchester, West Midlands, Cheshire, Derbyshire, and Newfriars College Pension Funds.	91,216	(87,527)	(7,495)	(3,806)	(6,227)
Prospects Services: Platinum Pension Scheme and LGPS - Gloucestershire, Northamptonshire, and West Midlands Pension Funds.	32,612	(22,591)	(10,021)	-	-
Total Group	124,684	(110,860)	(17,630)	(3,806)	(6,227)

The total consolidated cost recognised in the SOFA relating to the above defined benefit plans was:

	Group 2024 £'000	Group 2023 £'000
Expenditure on charitable activities:		
Operating costs	5,317	5,436
Settlements	-	13,401
Net interest (income) / expense	(369)	270
Total recognised in resources expended	4,948	19,107
Other recognised gains and losses:		
Remeasurement gains	(591)	(22,920)
Total recognised in the SOFA	(3,806)	(6,227)

Operating costs include current and past service costs and administration expenses.

Remeasurement gains and losses include actuarial gains and losses, return on plan assets (excluding interest) and change in asset ceiling (derecognised surplus).

The Shaw Trust Ltd: Platinum Pension Scheme

The Shaw 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. A full actuarial valuation of the Scheme was carried out as at 31 March 2021 and has been updated to 31 August 2024 by a qualified independent actuary.

The principal actuarial assumptions used were:

	2024	2023
Expected rate of salary increases	N/A	N/A
Expected rate of increase of pensions in payments	3.20%	3.20%
Rate of inflation	3.00%	3.20%
Discount rate	5.00%	5.40%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	85.8	85.9
- Women	88.3	88.7

Longevity at 65 for future pensioners:

- Men	87.1	87.2
- Women	89.8	89.9

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total
	£'000	£'000	£'000	£'000
At 1 September 2023	873	(685)	(188)	-
Administration expenses	(93)	-	-	(93)
Benefits paid	(17)	17	-	-
Employer contributions	29	-	-	29
Interest income / (expense)	45	(37)	-	8
Change in asset ceiling	-	-	74	74
Remeasurement gains / losses				
- Actuarial gain / (loss)	-	(37)	-	(37)
- Return on plan assets excluding interest income	19	-	-	19
At 31 August 2024	856	(742)	(114)	-

The major categories of plan assets as a percentage of total plan assets were:

	2024	2023
Corporates	0%	53%
Index linked	0%	47%
Cash	13%	0%
Insured annuities	87%	0%

The total actual return on plan assets (including interest income) for the year was £64k (2023: negative £146k).

The total cost recognised in the SOFA relating to the Company's defined benefit plans was:

	2024	2023
	£'000	£'000
Recognised in total resources expended	85	1,184
Other recognised gains and losses	(56)	(1,148)
Total recognised in the SOFA	29	36

The comparative year includes costs relating to the LGPS South Yorkshire Pension Fund which was exited in August 2023.

The Shaw Education Trust: LGPS

The Group's non-teaching employees of The Shaw Education Trust belong to the multi-employer Local Government Pension Scheme (LGPS). The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee administered funds. The Group participated in pension funds for Staffordshire, Greater Manchester, West Midlands, Cheshire, Derbyshire, and Newfriars College. The latest actuarial valuation of the LGPS was as at 31 March 2022 and has been updated to 31 August 2024 by a qualified independent actuary.

The principal actuarial assumptions used were:

	2024	2023
Expected rate of salary increases	3.15 - 3.65%	3.45 - 4.00%
Expected rate of increase of pensions in payments	2.65%	2.95 - 3.00%
Rate of inflation	2.64 - 2.65%	2.95 - 3.00%
Discount rate	5.00%	5.20%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	84.7 - 85.9	84.8 - 86.0
- Women	88.2 - 89.0	88.2 - 89.1

Longevity at 65 for future pensioners:

- Men	83.7 - 86.5	83.8 - 86.6
- Women	89.6 - 90.3	89.6 - 90.3

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total
	£'000	£'000	£'000	£'000
At 1 September 2023	71,675	(74,613)	(3,289)	(6,227)
Acquired on conversion	3,669	(3,640)	-	29
Transfers in	144	(196)	-	(52)
Current service cost	-	(4,521)	-	(4,521)
Interest income / (expense)	3,942	(4,045)	-	(103)
Employer contributions	6,663	-	-	6,663
Employee contributions	1,518	(1,518)	-	-
Benefits paid	(1,089)	1,089	-	-
Past service costs	-	(165)	-	(165)
Change in asset ceiling	-	-	(4,206)	(4,206)
Remeasurement gains / losses				
- Actuarial gain	-	82	-	82
- Return on plan assets excluding interest income	4,694	-	-	4,694
At 31 August 2024	91,216	(87,527)	(7,495)	(3,806)

The major categories of plan assets as a percentage of total plan assets were:

	2024	2023
Equities	63%	67%
Corporate bonds	26%	21%
Property	8%	8%
Cash and other liquid assets	4%	3%

The total actual return on plan assets (including interest income) for the year was £8,636k (2023: £55k).

The total cost recognised in the SOFA relating to the Shaw Education Trust's defined benefit plans was:

	2024	2023
	£'000	£'000
Recognised in total resources expended	4,789	5,449
Other recognised gains and losses	(570)	(9,279)
Total recognised in the SOFA	4,219	(3,830)

Prospects Services: Platinum Scheme and LGPS

During the year a Group subsidiary, Prospects Services, participated in defined benefit pension schemes with Prudential Platinum and the Local Government Pension Scheme (LGPS). The Platinum Scheme has been certified by the Government Actuary's Department as broadly comparable to the Principal Civil Service Pension Scheme. The LGPS is a funded multi-employer defined benefit pension scheme, with the assets held in separate Trustee administered funds. Pension funds were held for Gloucestershire, Northamptonshire and West Midlands. The latest actuarial valuations of the Platinum Scheme and LGPS have been updated to 31 August 2024 by qualified independent actuaries. Post year end the Gloucestershire and Platinum funds were exited.

The principal actuarial assumptions used were:

	2024	2023
Expected rate of salary increases	3.15 - 3.65%	3.45 - 4.00%
Expected rate of increase of pensions in payments	2.65 - 3.00%	2.95 - 3.20%
Rate of inflation	2.65 - 3.00%	2.95 - 3.20%
Discount rate	5.00%	5.20 - 5.40%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	85.5 - 87.0	85.6 - 87.1
- Women	87.8 - 90.0	87.8 - 90.1

Longevity at 65 for future pensioners:

- Men	86.3 - 87.1	86.5 - 87.2
- Women	90.0 - 90.5	90.1 - 90.6

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total
	£'000	£'000	£'000	£'000
At 1 September 2023	30,218	(21,135)	(9,083)	-
Administration expenses	(149)	-	-	(149)
Benefits paid	(298)	298	-	-
Employer contributions	109	-	-	109
Employee contributions	121	(121)	-	-
Current service cost	-	(389)	-	(389)
Interest income / (expense)	1,578	(1,114)	-	464
Change in asset ceiling	-	-	(938)	(938)
Remeasurement gains / losses:				
- Actuarial gain	-	295	-	295
- Other assumptions	-	(425)	-	(425)
- Return on plan assets excluding interest income	1,033	-	-	1,033
At 31 August 2024	32,612	(22,591)	(10,021)	-

The major categories of plan assets as a percentage of total plan assets were:

	2024	2023
Equities	50%	60%
Corporate bonds	18%	26%
Property	10%	12%
Insured annuities	18%	0%
Cash	3%	2%

The total actual return on plan assets (including interest income) for the year was £2,611k (2023: £1,167k).

The total cost recognised in the SOFA relating to the Prospects Services defined benefit plans was:

	2024	2023
	£'000	£'000
Recognised in total resources expended	74	12,474
Other recognised gains and losses	35	(12,438)
Total recognised in the SOFA	109	36

The comparative year includes costs relating to the London Pension Fund Authority (LPFA) scheme which was exited in October 2022.

25. Business combinations

Academy conversions: The Shaw Education Trust (SET)

SET was incorporated as a wholly owned subsidiary on 2 June 2014 as a multi academy trust to affect the sponsorship of three special schools/academies in Staffordshire. SET has grown to operate over thirty academies and a Specialist Independent College across several areas of the UK.

During the year three schools were acquired by SET (2023: one):

- Brookhaven School - transferred 1 January 2024.
- Russet School - transferred 1 July 2024.
- Hallwood Park School - transferred 1 July 2024.

No cash consideration has been paid on acquisition, and so no goodwill adjustments are required (2023: £Nil). The assets and liabilities transferred were valued at their fair value and recognised in the Group balance sheet. A fair value adjustment was recorded to increase the book value of assets by £1,057k (2023: £Nil).

The following table sets out the total fair values of the identifiable assets and liabilities transferred.

	2024	2023
	£'000	£'000
Tangible fixed assets	20,747	7,007
Cash at bank	1,606	-
Current Assets	65	-
Liabilities < one year	(477)	-
Pension liability	(24)	(328)
Net assets acquired	21,917	6,679
Acquisition Cost	-	-
Goodwill arising from acquisition	-	-

The tangible fixed assets acquired include £20,747k of property (2023: £7,007k). The net assets acquired have been recorded as a donation received in the Group Statement of Financial Activities.

Related party transactions amongst Group entities for the year included staff and central management recharges, Gift Aid profits, cash transfers, loans and balances written off and purchases of goods and services. The transactions in year of each entity with other Group entities are disclosed below.

Intra-Group Transactions – year ended 31 Aug 2024	Central and staff recharges	Purchase of services	Corporate Gift Aid	Share capital	Net advances and repayments	Balance write offs	Investment impairment
	2024	2024	2024	2024	2024	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Forth Sector	(140)	-	-	-	(358)	12	-
Forth Sector Development Ltd	(2)	-	(102)	-	24	-	-
Good Work Partners Ltd	(125)	-	-	200	(125)	-	-
Homes2Inspire Ltd	(2,639)	(2)	-	-	4,102	5	-
Homes2Inspire Services Ltd	-	-	-	100	(25)	-	-
Ixion Holdings (Contracts) Ltd	(3,682)	46	-	2,000	982	122	-
Optimus Education Ltd	(179)	7	-	-	210	(44)	-
Prospects Education Services Ltd	-	-	-	-	(2)	-	-
Prospects Group (2011) Ltd	-	-	-	(100)	(2)	-	-
Prospects Services	(10,080)	(1)	-	-	5,058	430	-
The Shaw Trust Ltd	16,847	(27)	102	(2,200)	(9,699)	(690)	(7,987)
Shaw Trust Services Ltd	-	6	-	-	(165)	165	-
The Shaw Education Trust	45	(28)	-	-	-	-	-
Newfriars College	(45)	-	-	-	-	-	-
Total	-	-	-	-	-	-	(7,987)

Intra-Group Transactions – year ended 31 Aug 2023	Central and staff recharges 2023 £'000	Purchase of services 2023 £'000	Corporate Gift Aid 2023 £'000	Share capital 2023 £'000	Net advances and repayments 2023 £'000	Balance write offs 2023 £'000	Receivables impairment 2023 £'000
Forth Sector	(178)	-	113	-	626	(0)	-
Forth Sector Development Ltd	(9)	-	(113)	-	236	-	-
Homes2Inspire Ltd	(2,606)	-	-	-	(1,500)	5,622	-
Ixion CG Ltd	-	-	-	-	26	-	-
Ixion Social Enterprise Ltd	-	-	-	-	128	-	-
Ixion Holdings (Contracts) Ltd	(4,682)	7	-	2,000	3,196	2	-
Optimus Education Ltd	(555)	4	-	-	281	1,302	-
Prospects Education Services Ltd	-	-	-	-	(3)	1,884	-
Prospects Group (2011) Ltd	-	-	-	-	(3)	(1,869)	-
Prospects Services	(8,034)	-	-	-	18,899	(4,883)	-
The Shaw Trust Ltd	16,212	12	-	(2,000)	(22,131)	(2,243)	(3,033)
Shaw Trust Services Ltd	(148)	28	-	-	246	185	-
The Shaw Education Trust	44	(51)	-	-	-	-	-
Newfriars College	(44)	-	-	-	-	-	-
Total	-	-	-	-	-	-	(3,033)

Net advances and repayments includes the net of working capital cash transfers, and VAT, payroll and supplier payments on behalf of other entities in the Group.

During the year The Shaw Education Trust transferred land and buildings to fellow subsidiary, Newfriars College, under the terms of a lease agreement. No rental charge is incurred by Newfriars College. The fair value of the property was considered to be the carrying value of the property at the point of transfer of £2,557,000.

The net amount outstanding with other entities within the Group at the year end are:

Intra-Group Balances	2024	2023
	£'000	£'000
Forth Sector	(2,845)	(2,359)
Forth Sector Development Ltd	142	222
Good Work Partners Ltd	(51)	-
Homes2Inspire Ltd	(12,805)	(14,270)
Homes2Inspire Services Ltd	75	-
Ixion CG Ltd	26	26
Ixion Social Enterprise Ltd	751	751
Ixion Holdings (Contracts) Ltd	13	545
Optimus Education Ltd	-	12
Prospects Education Services Ltd	(8)	(6)
Prospects Group (2011) Ltd	(6,759)	(6,657)
Prospects Services	10,868	15,461
The Shaw Trust Ltd	7,559	3,241
The Shaw Trust Ltd - receivables impaired	3,033	3,033
The Shaw Education Trust	522	357
Newfriars College	(522)	(357)
Total	-	-

The Trust requires all Trustees and the Executive Team to complete a Declaration of Interest. The table below shows all the related parties that have been disclosed and the value of both income and expenditure that the Trust has incurred with these bodies during the period ended 31 August 2024. These transactions were as a result of normal business activity. The entities below have key management personnel in common with the Trustees and Executive Team of the Group.

Related Party	Value of expenditure 2024 £	Outstanding balance at 31 August 2024 £	Value of expenditure 2023 £	Outstanding balance at 31 August 2023 £
Business Services Association	11,582	-	13,111	-
ERSA (UK) Limited	28,475	-	7,000	-
Social Enterprise Coalition CIC	5,435	-	2,800	-
Equals Charity	966	-	913	-
RM Education Ltd	11,476	-	59,245	-
Care Management Associates Ltd	43,697	-	-	-

27. Financial Instruments

	Note	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Financial Assets					
Trade debtors	13	16,323	19,937	4,784	5,768
Intercompany		-	-	893	5,874
Other debtors	13	2,237	1,212	193	183
Investment in financial securities	10	15,652	15,424	5,317	4,949
Total Financial Assets		34,212	36,573	11,187	16,774
Financial Liabilities					
Trade creditors	16	3,044	4,360	964	1,078
Other creditors	16	6,362	5,646	1,762	1,322
Loans	16/16b	588	1,039	-	-
Accruals	16	10,382	6,506	3,099	2,597
Total Financial Liabilities		20,376	17,551	5,825	4,997

THE SHAW TRUST LIMITED

England & Wales - Charity number 287785

Accounts

THE SHAW TRUST LIMITED

Annual report and financial statements

For the year ended 31 August 2023

Registered Company Number 01744121
Registered Charity Number in England & Wales 287785
Registered Charity Number in Scotland SC039856
A Company Limited by Guarantee

CONTENTS

Strategic Report	1
Independent Auditor's Report	26
Consolidated statement of financial activities	29
Group and Company Balance Sheets	30
Group statement of cash flows	32
Notes to the financial statements	44

Strategic report

Our Mission

To help individuals facing barriers to work and social inclusion to achieve their full potential.

To multiply our social impact by delivering innovative system-change partnerships and programmes.

Strategy

To deliver our mission, the Trust will grow and leverage areas where we can generate the greatest social benefit while being a sustainable and financially robust driver of change. In particular:

- We are impact and not profit motivated. We will offer effective services at a fair price.
- We will focus on integrating whole-of-care services around the needs of the individual, promoting holistic service design and support where possible. The outcome of this will be a seamless portfolio of services and programmes that are locally based and nationally scalable.
- We will work with stakeholders to be their partner of choice while also partnering with other organisations to pursue the best possible outcomes and solutions nationwide.
- We will strive for meaningful system change and drive innovations for society in the care and services we provide.
- We will maintain and grow our scale and impact while ensuring a balanced portfolio to provide robustness and resilience across the Group. In particular, we will avoid over-dependency on any single commissioner or contract.

Shaw Trust has made strong progress against its 10-year Strategic Intent, supporting individuals facing barriers to work and social inclusion so that they can achieve their full potential. Shaw Trust achieves this through the following areas:

- Children's care homes, fostering and youth services.
- Education academies, education to employment pathways and employment services.
- Community Health and Wellbeing.
- The Foundation.

In Children's Homes maintaining a high quality, safe and impactful service is our key priority and therefore we are proud to continue to significantly outperform the market with 92% of homes rated Outstanding or Good against the average of 79%. This year also marked the successful mobilisation of our groundbreaking work with Somerset Council, with the new partnership receiving the prestigious Municipal Journal Award. This, in combination with innovations in other co-designed children's services, marks a significant milestone in our strategy of leading the market to establish high quality, affordable and accessible services across the country. We aim for many more of these long-term partnerships to be launched over the coming years.

Our innovation to drive system-change is also reflected in our Employment Services. As JETS came to an end and other programmes start to enter wind-down, our strategy has focused on evidencing our value and leading in the next round of programmes. We have

achieved this with the launch of WHP Pioneer, which seeks new ways for individuals to access meaningful employment. We have also achieved growth of our Education offering with the opening of new and specialised schools, and the evolution of hybrid learning post-Covid in our Education to Employment Pathways.

Community Health and Wellbeing remains a key growth area as increasing demand and complex requirements place strain on local and national services. Over the year Shaw Trust has renewed and been awarded many new contracts due to being able to offer tailored clinical care while also drawing on our breadth of experience across the Group, allowing us to enhance the services and experiences of our clients. We are extremely pleased with the effectiveness of our programmes, with 94% on Live Well Kent and Medway reporting maintained or improved wellbeing. We will target next year the roll-out of similar, high impact programmes and deepen our social impact reporting.

Overall, in the face of increasing pressures on personal and government finances following a decade of austerity and the impact of Covid-19, the demand for high quality services at an affordable price continues to drive demand for the charity's services.

Shaw Trust will continue to invest in capacity while, where appropriate, divesting non-core assets to maintain strategic focus and build-up strategic reserves. The sale of Shaw Trust Services in September 2023 and Optimus Education in April 2024 being a examples of this.

Operational Review

Children's Homes and Fostering Services

Our residential care services for children and young people is delivered by Homes2Inspire Limited. The Homes2Inspire delivery model is based on co-designing services with local authorities to meet local need.

Homes2Inspire provides three core services:

1. Residential care in 45 registered children's homes, accommodating up to 142 children.
2. Foster care in 21 foster families.
3. Supported accommodation comprising of 38 self-contained flats in two locations.

In addition, working with local authority partners we have co-designed two unique services:

1. Well-being suites. This health care service has been co-designed with Gloucestershire County Council. It accommodates children and young people with complex mental health needs.
2. A therapeutic education service. This unique provision has been co-designed with Somerset NHS Foundation Trust and Somerset Council. It provides a full education curriculum delivered within a trauma informed model.

Our fostering service is branded as Fostering2Inspire, and our Somerset strategic partnership is branded as Homes and Horizons.

Homes2Inspire continues to pursue a strategy of growth through partnership. Over the last year, we have opened four children's homes, a fostering service, and a therapeutic education service.

Homes2Inspire has achieved this growth without any reduction in the quality of our services. Our children's homes are inspected at least once a year by Ofsted. 92% are rated Good or Outstanding. This is significantly above the national average and a key target to evidence our dedication to care.

Our fostering agency is inspected every three years by Ofsted. We were pleased to maintain a Good rating at our May 2023 inspection. During 2024, our Somerset based foster care team will register with Ofsted as our second independent fostering agency.

Our supported accommodation services have both registered with Ofsted under new Supported Accommodation regulations. Ofsted will begin its inspection of these services from April 2024.

The Care Quality Commission (CQC) undertook an inspection of our well-being suites in February 2023, awarding the service a Good rating.

The coming year will continue to present opportunities and challenges. To achieve growth while maintaining high standards of care, we will focus on our recruitment strategies and management development programmes. Although our staff vacancy levels are lower than sector averages, we will continue to develop strategies to improve staff recruitment and retention.

We will continue to innovate through strategic partnerships so that we can address systemic issues in the children's residential sector. It is our intention to increasingly shift the market to this model. Through innovation and partnership, we will continue to provide the right services, in the right place, for the right price.

Children's Services

Children and Young People Services (CYPS) is fundamental to The Shaw Trust mission. It has considerable reach e.g., in 2022/23, it delivered over 200,000 interventions to 100,000 young people of whom 74% were complex and vulnerable, supporting them with transition from education to employment.

CYPS services are designed to remove the barriers to employment faced by young people e.g., mental health, low qualifications, disrupted education/family life, caring responsibilities, care experienced, early years trauma, SEND or known to criminal justice.

Our delivery is underpinned by the principles of trauma informed, resilience based, outcomes focused, and young person led.

Our delivery across London, Norfolk, West Midlands, Gloucestershire, Stoke-on-Trent, and Wakefield enables local authorities, schools, and colleges to achieve their statutory responsibilities related to 16- and 17-year-olds participating in learning. 90% of our delivery is within the highest performing 20% of local authorities in England.

We hold a growing portfolio of Supported internship contracts, with two new areas, London Boroughs of Wandsworth, and Bexley mobilised at the end of 2022/23. There are 108 young people on the programme in York, London, Reading and Transport for London, with 70% progressing into sustainable employment. Our programmes are aimed at and designed for young people who are neurodiverse, and our employment placements are focused within hospitality, administration, and the service industries.

We are in our seventeenth year of running a successful Youth Support Team (YST) across Gloucestershire. The contract delivers the local authority's statutory obligations related to NEET, youth justice, youth work, exploitation, missing from social care, substance misuse and health. We are a key partner in the Staying Close initiative, providing resilience and wellbeing coaching to support 80 care leavers leaving care from a children's home to make a better transition into employment and housing in Gloucestershire. In addition, our Fuel Thursday wellbeing programme delivered in partnership with Cheltenham Town FC, supports 150 young people in the most socially deprived ward of Cheltenham to cook a nutritious meal, access sports coaching, share their concerns with youth workers and work towards a qualification in community sports coaching and food hygiene/handling.

As the largest provider of statutory careers guidance, we grew the number of schools purchasing our services by 10% last year and intend to do the same year on year over the next three years.

The UK Government's intention to double the number of Supported internships available has informed our target of doubling our provision from 10 to 20 programmes by 2026. We have achieved 20% of that target with the acquisition of contracts in Wandsworth and Bexley.

We have designed an affordable package, available via the commercial sales route for the poorest performing 30 local authorities to enable local authorities to meet their statutory duties related to 16- and 17-year-olds participating in learning.

In readiness for the potential set up of school and community based mental health hubs, we have collaborated with The Shaw Trust Community Health and

Wellbeing division to design a three-tier mentoring product (peer mentoring, professional mentoring and referral to clinical support) and selling it via inclusion in formal bids and tenders alongside a commercial sales route. It forms the basis of our Gloucestershire Staying Close provision.

Our aim is to continue to deepen the pathways for young people across The Shaw Trust, whether that be through greater supported internship opportunities or access to health and wellbeing support.

Education

Shaw Education Trust

The Shaw Education Trust (SET) operates twenty-nine academies and one Specialist Independent College for 11,634 pupils aged 2-25 years across Staffordshire, Stoke-on-Trent, Birmingham, Wolverhampton, Bury, Wigan, Halton, and Derby. The Trust also operates a SCITT. The total comprises 12 specialist provisions (including an Independent Specialist College, Newfriars, which caters for young adult learners aged 16-25 years old); seven primary academies and nine secondary academies. During the year, the Trust onboarded one special school, Portland. SET will open its Free School (Specialist) in Bury in January 2024, and plans for three additional conversions of schools into the Trust in the 2023/24 financial year.

We work our hardest to improve, accelerate and enable ambitious life goals for all young people. We have around 2,500 staff who help the pupils realise their potential and achieve their ambitions at academies in all key stages, from Foundation to Key Stage 5 in both special and mainstream education.

SETs business plan includes a detailed strategy for further growth from a

mid-sized multi-academy trust to a large and leading provider of education across several geographical footprints. SET seeks to expand to a minimum of 45-50 schools by 2030. It is envisaged that our portfolio of schools would span all phases and all sectors across two major regions, North-West and Midlands. SET keenly explores any potential prospects to which we can add value; who share our vision and values; that align with broadening our existing footprint; enable us to be innovative and creative; and give us the chance to change the life chances of the most disadvantaged/vulnerable young people.

We continue to drive school improvement using a multi-faceted and evolutionary approach with our longer-term priority focusing on reducing the learning disadvantaged gap.

Optimus Education

Optimus Education is an established provider of professional development support and school improvement information for schools, academies, and other educational institutions. We give teachers an opportunity for continuing professional development and offer careers and skills advice and guidance for young people.

Working with more than 5,700 schools, Optimus Education is supporting more than 80,000 school staff in their professional development and reaching more than 1.7 million pupils.

Optimus Education offers a wide range of supportive services and products to schools and educational establishments; these include CPD certificated training courses, whole-school awards, CPD conferences, award ceremonies, and bespoke consultancy personalised to the needs of the school.

Conferences remains one of the largest revenue streams and is fully recovered post the Covid-19 pandemic. The Awards business continues to grow with over 2,000 schools now accredited or working towards an award. There has been increased demand for face-to-face consultancy post-Covid and membership retention rates remain in line with expectations.

The market and performance against targets remain challenging in a post-Covid, budget constrained environment. However, we continue to see organic growth in the key markets as well as through strategic partnerships both in the UK and overseas. Going forward Optimus has been sold as a going concern with a bright future under new leadership.

Education to Employment Pathway

The division continued to deliver a range of skills and training. These included apprenticeships, 16-19 study programmes and Advanced Learner Loans and skills support for the employed and unemployed.

In 2023 we supported 5,200 people of different attainment levels to progress and gain qualifications and employment through Apprenticeships, Higher Apprenticeships, Adult Skills and 16-19 study programmes, with a range of qualifications from entry level up to Level 6 to support those who want to progress within work, or those who want to enter work. Within apprenticeships 94% secured sustainable employment.

Of the 5,200, 73% of those learners progressed into a range of employment, education and Apprenticeship opportunities within the Construction, Leadership and Management, Education and Training, Health and Social Care, and Digital and IT sectors.

Revenue streams in the year were from government departments including: The

Education Skills Funding Agency (EFSA); local authority funding, the Department for Work and Pensions (DWP) along with The National Lottery Community Fund, Charities Aid Funding, and commercial funding.

Revenue in the year decreased from the prior year mainly through some of the government funded contracts coming to an end. The Trust has continued to establish a strong track record and reputation of high-quality delivery within government commissioners, key stakeholders, and employers.

One of the notable points of the year was the achievement of a strong 'Good' Ofsted rating with commendation given on the leader's ability to drive rapid improvement and transformational change. This was an excellent result and in line with our targets. Post Ofsted inspection, the focus during remainder of the year has been to stabilise Learning and Skills (L&S) with contracts coming to an end.

Regional growth plans are in place which allows us to drive and grow delivery in priority sectors and key regions established via commissioners and employers through LSIPs (Local skills improvement plans). Collaboration continues with local authorities across key regions to identify opportunities for devolved funding.

Post pandemic there has been increased demand for hybrid learning with many learners accessing remote delivery. This has resulted in moving away from some physical sites. Learners continue to be supported with their personal development, behaviour and welfare, and their safety and safeguarding of their wellbeing is fully supported as are any additional SEND needs. This includes access to additional resources, mentoring, training, and signposting to specialist services.

Employment

Provision consists of several contracted services focused on supporting unemployed adults to secure sustainable good work. These contracts require the delivery of a range of services for 15 months to overcome complex and challenging barriers to employment. The support offered within these contracts includes diagnostic assessment of needs; careers advice; skills development; support to address barriers such as housing or debt; job matching and in-work support. We also deliver integrated health and wellbeing support to overcome barriers preventing people entering or sustaining employment.

The Shaw Trust delivers its contracts through a mixture of direct service delivery and a diverse supply chain. Supply chain partners either work as an end-to-end provider within a set geographical area or as a specialist interventions provider. The supply chain compliments and expands our own services delivery.

We are the largest provider of the Department for Work and Pensions (DWP) Work and Health Programme (WHP) running two significant contracts across Central England and East of England/Kent. We also run the devolved WHP in West London on behalf of the West London Alliance (WLA). With these contracts we hold a 30% market share of this programme. WHP is an employment support programme aimed at unemployed people with health conditions or disabilities to enter sustainable employment. WHP offers up to 15 months of support to gain employment and a further period of continued support once a participant has entered a job.

In November 2022 WHP was extended for two additional years. This extension provides The Shaw Trust with an opportunity to provide support to an

additional 29,500 individuals with health conditions and disabilities.

The WHP contracts delivered by The Shaw Trust saw 18,223 unemployed participants start on the programme in the year to August 2023. These participants were provided with a tailored support package to move them towards employment. In the same period, we helped 6,703 participants enter paid employment because of this support.

The Shaw Trust also delivers the Intensive Personalised Employment Support (IPES) contracts on behalf of DWP across Central England, East of England/Kent and the whole of London. These contracts offer targeted support to unemployed people with disabilities and complex needs. IPES offers one-to-one support from a dedicated advisor for up to 15 months to secure employment. Once in employment, participants continue to receive dedicated support for a further six months.

The level of individual support offered on this contract is significantly higher than other programmes due to the additional support needs of some participants. During the last financial year, we have supported 1,162 new participants. In the same period, we helped 403 participants enter paid employment because of this support.

The DWP launched WHP Pioneer on 13 September 2023. This extension of WHP is seen as the latest phase of the Department for Work and Pensions Universal Support and lends itself to a 'place and train' approach championed in Individual Placement Support (IPS) contracts. Our focus is to learn from new ways of working in WHP Pioneer, grow our community networks further to access and engage as many economically inactive people as possible. This will see an additional

8,371 participants supported until December 2025 and our participation is in line with our targets and vision to remain a leading provider of employability services across the UK.

Justice

Work in the Justice sector is designed to enable the people we support to positively contribute to society and break the cycle of reoffending. The area cuts across education, skills employment and wellbeing, both within institutions and beyond the gate are all important elements of the rehabilitation process.

The Trust operates seven of the 18 CFO3 contracts for His Majesty's Prison and Probation Service. The programme is co-funded by the European Social Fund and is designed to improve social inclusion amongst offenders and ex-offenders, who are considered the hardest to help in the justice system. We do this by helping them get ready for life after prison, turn their back on crime, train and find a job. Many of those we support have multiple and complex needs.

Through these we have helped over 6,778 new offenders, providing specific support, skills, and training to clients in prisons and the community, resulting in over 3,371 accreditations and more than 644 jobs.

In addition to the CFO3 programme, we also operate three CFO Activity Hub contracts, providing seven dedicated offender facing Hubs, which the commissioner described as 'the perfect translation of their vision for the programme'. The Hubs provide an opportunity for offenders to gain support and interact with role models and with peers, who are at a similar post-release stage, enabling them to develop plans and ultimately be supported into education, training, and employment. Support is provided through a range of

activities based around: Human and Citizenship (developing self-worth); Community and Social (improving skills and resilience) and Interventions and Services (reducing recidivism agenda). During the period, we have supported over 2,036 new offenders; 2,030 Human/Citizenship interventions have been delivered, 3,424 community and social interventions and 440 interventions and services to reduce recidivism. Feedback from participants is incredibly positive, with comments such as:

“The Shaw Trust provides a safe and supportive environment where I can share my struggles without judgement” and “The Shaw Trust gave me the support and belief in myself that I desperately needed, I never thought I’d find a job, let alone feel this confident and connected to others”.

We continue to perform well on our Dynamic Purchasing System (DPS) Information Advice and Guidance (IAG) contracts adding more to our portfolio in the period, including regaining the West Midlands and London groups of prisons. In addition, our HMYOI Feltham Education contract provides education, training, careers advice and resettlement support for males ranging from 15-18 years old, delivered on-site within Feltham Young Offenders Institution. During the year we worked with more than 250 learners at Feltham, who collectively achieved more than 1,000 accredited qualifications with a high proportion of learners on long term sentences achieving GCSEs for the first time. Enrichment activities with a focus on personal development and social skills were delivered throughout the year, a highlight being a 90% participation rate in our range of King Coronation activities.

We currently have a number of contracts in the renewal cycle (CFO Evolution and CIAG) and our aim is to continue to be a leading provider for

HMMPS and of these contracts. Results are expected before the end of the next financial year.

Community Health and Wellbeing

Shaw Trust’s Community Health and Wellbeing division focuses on enabling the better management of mental and physical health conditions using the biopsychosocial model of support. It is a complex division with multiple stakeholders, commissioners, and contractual relationships. The people we support have challenging behavioural issues, complex mental health conditions, long-term health conditions, learning disabilities and co-morbidity illnesses. Our people support them by helping them to:

- Manage their conditions.
- Enable them to gain employment.
- Retain work if their health condition is impacting them keeping their job.
- Return to work when they have been absent due to ill health, through innovative interventions.

Our approach enables improvement in people’s wellbeing and in turn increases their ability to cope with the challenges they face at home, in work and in their communities.

We also support those people with long-term health conditions and disabilities to take meaningful steps towards the world of work. This is done through work placements, Supported internships, supported employment, advice about independent living aids, and volunteering. We do this across our 24 charity retail shops, six social enterprises sites, two garden centres, our Accessibility Service, Living Made Easy service, and St Jude’s Laundry (part of Forth Sector).

We deliver Individual Placement and Support services (IPS), Community Wellbeing services, learning disability day opportunities and Living Made Easy (LME) licenses through 140 different contracts held with 74 different commissioners.

The remaining income is commercial sales generated through:

- Sale of specialist training to employers and local authorities by LME.
- 24 charity retail shops selling donated goods to the general public.
- Accessibility Services selling digital accessibility audits to organisations.
- Sales of plants to the public in our social enterprises and garden centres.
- Laundry sales to organisations via Forth Sector (FS).

In addition, a team of clinical practitioners deliver support to people around their health conditions. This support includes the assessment and delivery of interventions (such as counselling) to enable them to manage those conditions and progress.

The expansion of the division continued in 2022/23 whereby:

- We were awarded:
 - Three new contracts in West London, West Midlands and South Yorkshire which were through the joint Department for Work and Pensions and the Department for Health and Social Care's Individual Placement and Support in Primary Care (IPSPC) initiative.

- The Live Well Kent and Medway service covering West Kent, Medway and Swale following seven years of successful delivery in West Kent, Ashford, Canterbury, and coastal areas.
- The Complex Patient Triage service in Suffolk alongside our successful Connect for Health service.

- We achieved expansions for additional teams in our Kent IPS and Birmingham Work to Recovery IPS services.
- We expanded our Health and Wellbeing practitioner service to support four children's homes in Northampton, part of Homes2Inspire.

During the year and across all the Community Health and Wellbeing services we supported **16,977** people, an increase of 3,112 people (22%) on the previous year.

We celebrated:

- 1,662 people securing employment in the year with the support of our Individual Placement and Support (IPS), Live Well Kent and Medway, Somerset Family solutions and All in Edinburgh services.
- 72% of people entering work sustaining that employment.
- 94% of people in our Community Wellbeing services maintaining or improving their personal wellbeing scores.
- 60 Accessibility Assessments, 15 Subscriptions, 7 Consultancy Packages, 15 Training Courses and more through our Accessibility Services team.

- 101,000 hours of support to 136 individuals across our six social enterprise locations and created four supported job roles for graduates of our Supported internship program.
- The growing of 150,000 plants that we sold in our garden centres and served thousands of members of the public across our different horticultural sites.
- Record sales in our charity retail shops of £4.2m.
- Selling over 500 Christmas trees in our garden centres and supported the local community.
- Our volunteers gave 82,000 hours of their time to support our retail shops, garden centres and social enterprises.
- Gaining accreditation for our Trauma Informed Care training.
- Delivered Trusted Assessor training to 29 local authorities and 13 NHS Trusts.
- 5,506 visitors to our Ask Sara platform on the LME website.
- Participated in the National Charity Supermarket pop-up initiative and was present for a number of weeks at both the Brent Cross Shopping Centre in London and also the Reading Shopping Centre.

After six incredible years, we closed our Aim4Work Service in June 2023. The Aim4Work service was funded by the European Social Fund and the National Lottery Fund under the Building Better

Opportunities programme. Aim4Work covered 17 boroughs across London and throughout the six years supported over 4,000 participants. Thanks to our new West London Works service, we were able to redeploy many of our fantastic Aim4Work staff.

Overall, the area is highly varied and embedded into the local communities. Our aim over the next three years is to increase the number of sites, volunteers and continue to maximise our involvement in the communities we serve.

Foundation

The Shaw Trust Foundation gives the charity a visible and accountable rallying point for the charitable purpose and activity in our organisation. The Foundation will champion positive change for the people and communities we support, and the sectors we operate within.

The Foundation aims to create a better tomorrow for more people across the UK by establishing a grant giving programme to offer access to services and support not otherwise available. It will help us further our impact by maximising opportunities to generate social value with likeminded organisations. The Foundation will advance social justice through social value adding programmes, support initiatives that build community and improve individual lives, and champion those with barriers to progression in life, and will build a community of volunteers and supporters to campaign for and support our charitable mission.

Financial Review

Net Income and Expenditure

The incoming resources for the Group have increased by £6m year-on-year, to £302m. This has been driven by SET increasing its revenue through additional academies, with restricted income growing from £106m to £120m.

For unrestricted activities, despite the cost-of-living crisis and increasing budgetary pressures on local and central government, revenue has remained relatively steady at £173m (2022: £183m restated). This reflects our strategy of a balanced portfolio and diversified approach to risk.

During the year our charitable expenditure totalled £314m, up from £292m in the prior year. This is mainly in SET, which increased by £13m, but also reflects our focus on efficiencies and automation, both in frontline and central services, so as to improve margins and maximise the resilience of the organisation against external shocks; as well as provide reserves for investment and pursuit of emerging opportunities against the 10-year strategy.

Total group funds have increased by £8.5m (2022: £118.6m). Before actuarial gains and losses (including any associated movement on deferred tax) this actually represents a year-on-year increase from £17.5 loss to £14.4m loss including the settlement of pension schemes of £12.2m.

The pensions movement represents a non-operating gain / loss and the impairment relates to Fortis Academy, against which third party funds have already been identified to rebuild the site, at which point a comparable gain and capitalisation will be shown.

Movement in Funds

The Shaw Trust Group operations	£m 6.2
Net Movement in Funds (before pensions impact)	6.2
Deferred tax reversal	(0.1)
Pension scheme settlements	(20.5)
Actuarial gains and Net finance return on defined benefit pension scheme	22.9
Net Movement in Funds	8.5

Balance Sheet

At the end of the financial year overall consolidated funds stood at £217.9m compared to £209.4m in the prior year.

Total current assets were £73.4m as at 31 August 2023, down from £96.0m but driven by a normalisation in the working capital position, with short-term creditors also falling from £71.6m to £39.7m. Overall, working capital remained positive and in line with our key KPIs.

A decrease in tangible fixed assets of £8.9m was driven by an impairment in assets in SET, offset by an additional school acquired by SET and several properties purchased and converted into children's homes in Homes2Inspire during the year.

Within the cash flow, capital expenditure incurred of £6.4m (2022: £10.1m) was primarily in respect of the costs of building work and improvements undertaken at the Shaw Education Trust's academies, largely funded by successful grant applications, and increases in assets for Homes2Inspire.

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 in the event of a significant financial downturn and to take advantage of opportunities that are in line with our charitable mission.

The reserves policy is reviewed 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. The Trustees have considered whether the level of Free Reserves, being the total unrestricted funds less any designated funds, revaluation reserves and pension scheme surpluses or deficits, was appropriate.

The conclusion of the Trustees was that due to the long-term nature of many of the contracts and associated assets and liabilities, the measure should focus on reserves able to be used freely for the charity's purpose.

As of 31 August 2023, the Trust had free reserves of £20.4m (31 August 2022: £10.4m restated) as follows:

	At 31 Aug 2023 £m	At 31 Aug 2022 £m
Total Reserves	217.9	209.4
Less: Restricted funds	(190.4)	(191.3)
Less: Intangible assets	(0.5)	(1.8)
Less: Tangible assets	(8.8)	(8.7)
Less: Designated funds	(2.6)	(2.7)
Add: Long term liabilities and provisions	4.8	5.5
Free Reserves	20.4	10.4

The increase in Free Reserves is predominantly a reflection of the strong operating performance and demand for Shaw Trust's services.

The current target is to build-up the reserves towards £25m over the next 3-years.

In addition to a suggested level of Free Reserves, the Trust's policy stipulates a minimum level of cash holding requirement to meet the following scenarios, including:

- a delay in collection of receipts.
- exceptional payments of costs; and,
- a significant financial impact or loss of business.

Detailed review of the risk and stress testing has been undertaken to assess the risk of a significant contract loss and the mitigation steps available to management. The Trustees have considered the level of cash reserves required and consider it appropriate given the current resources and activities of the Trust.

Investment powers, policy and performance

Our investment managers are selected on the basis of reputation and adherence to environment, social and governance issues. The investments are governed by investment policies which are reviewed by Trustees and the portfolio is designed to balance the objective of maximising investment returns against the risk and liquidity of the investments. Investment performance is monitored and reviewed against a number of set benchmarks by the Finance Committee.

The Trust's long-term policy for its 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, while obtaining the best yield that can be generated given the Trust's risk appetite.

Pension Schemes

The principal pension scheme available to employees of Shaw Trust is a defined contribution scheme, administered by Standard Life. Contributions to the plan during the year totalled £1.36m (2022: £1.53m).

The Trust also participates in several active final salary pension schemes through its Multi Academy Trust subsidiary. The two principal pension schemes are the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and a number of Local Government Pension Schemes (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

In addition, the Group retains a funding obligation to several smaller final salary schemes, all of which are closed to new entrants. These are detailed in note 24 - Pension Commitments.

The final salary schemes remain subject to a formal triennial funding valuation, with the most recent completed being as at 31 March 2022. This showed a funding surplus of £6.4m, and in the majority of schemes future contributions were nil or had reduced.

Separate annual valuations of the schemes are carried out in accordance with 'FRS 102: Employee Benefits' in which different funding assumptions are applied. The FRS102 valuation of the Trust's pension schemes at 31 August 2023 showed an overall funding deficit of £6.2m, (2021/2022: £14.6m). The decrease reflects significant movements in actuarial assumptions, particularly discount rates since the prior year-end.

In accordance with FRS102, the surplus on individual schemes is not recognised as an asset, on the basis that future economic benefits are not deemed available to the Group.

The Trust monitors the size of the pension deficit and feels that there is sufficient income and cash flow in future years to service the requirement of these schemes. In addition, a significant review of pension exposure and risk is ongoing and continued during the year.

During the year The Trust exercised its agreement to exit the London Pensions Fund Authority scheme at the point it became fully funded. This significant final salary scheme had been closed to new and existing members following a detailed review and consultation with members during 2020 and at the time a long-term repayment plan agreed with the provider. This transaction had no detriment to benefits for scheme members and significantly reduced the balance sheet risk and exposure to valuation fluctuations arising from future changes of actuarial assumptions.

Streamlined Energy and Carbon Reporting

Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, The Shaw Trust Limited (SHA) continues to be engaged in a process aimed at reducing our energy and greenhouse gas emissions.

The Shaw Trust currently maintain both scope one and two emissions, which are generated from our premises (offices, accommodation, and schools), operational processes and transport, respectively. We maintain transport emissions from leased company cars and “grey fleet” (personal cars used for business purposes, where staff mileage has been reimbursed).

The Shaw Trust previously devised a strategy to reduce our carbon footprint by:

- Encouraging employees to purchase renewable technology cars i.e., hybrids,
- Purchasing energy efficient equipment where appropriate in our premises,
- Replacing HVAC systems with energy-efficient equipment where possible,
- Adopting behavioural change measures where possible.

We continue to take this approach year on year. We have a longstanding commitment to tackling climate change. Our calculated carbon footprint for our current financial year is 6,378.76 tCO₂e, whilst energy consumption was 32,063,593 kWh (32,063.59 MWh).

Methodology

We have reported all of emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company

Reporting 2022 (reference “Introduction guidance”).

The reporting period is the financial year 2022 / 2023, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2022/2023 Emissions

Scope 1 (natural gas) Tonnes CO₂ equivalent (tCO₂e) 4,808.15

Scope 1 (company vehicles) Tonnes CO₂ equivalent (tCO₂e) 190.05

Scope 2 (electricity) Tonnes CO₂ equivalent (tCO₂e) 1,001.00

Scope 3 (transport) Tonnes CO₂ equivalent (tCO₂e) 356.25

Scope 3 (electricity transmission and distribution) Tonnes CO₂ equivalent (tCO₂e) 23.31

Total 6,378.76 tCO₂e

Scopes one, two and three carbon intensity metric = 1.2 tCO₂e based on our average number of employees (5,229) during the financial year.

Our emissions have reduced since our last report by 4.68%.

Efficiency Measures Taken

- 1) Replaced aging premises equipment with energy-efficient products.
- 2) Expanded video conferencing and online meetings (as opposed to F2F meetings).
- 3) Upgraded lighting portfolio to LEDs where possible.

Objectives for 2023 / 2024

- 1) Reduce our baseline electricity and gas consumption year on year.
- 2) Continual review of existing equipment and company policies.
- 3) Reviewing supply contracts to determine feasibility of renewable energy.
- 4) Prepare for our Energy Savings Opportunity Scheme (ESOS) phase 3 compliance.
- 5) Implementation of carbon reduction towards net zero.
- 6) Continue with our energy-savings programme.

SHA will report on progress within our next set of financial accounts.

Statement on going concern

The Trust prepares a detailed annual budget and three-year business plan that indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

Management continues to closely monitor significant risks, and modelling of sensitivities have indicated the Trust has sufficient liquid resources to meet its obligations as they fall due.

The Trust has produced a comprehensive risk assessment framework and monitors and reports on this on a quarterly basis. It continues to drive for performance, carefully manages costs and looks for further opportunities to develop. It seeks to mitigate any ongoing risk by ensuring that it continues to be lean and fit for purpose, responds to the changing environments and markets in which it

operates and continues to engage with commissioners and clients.

The Trustees have reviewed the charity's forecasts, sensitivity analysis and projections and its reserves, and the systems of financial control and risk management. As a result of this review, the Trustees have a reasonable expectation that the charity can manage these risks and has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Principal Risks and uncertainties

Risks and uncertainties are referred to in depth in the Risk Management Framework below.

Risk Management Framework

The Trust's risk appetite is set annually by the Board of Trustees with the goal of aligning risk-taking with the statutory requirements, strategic business objectives and capital planning. The Board of Trustees and the Group Chief Executive Officer (CEO) have key roles in the implementation of the Trust's risk appetite by steering the balanced portfolio, geographical operating areas and markets, and funding and liquidity management.

The purpose of the Risk Assurance Statement (RAS) is to state clearly the general principles for the Trust's risk-taking, to raise risk awareness across the organisation, and to guide the staff regarding accepted and unacceptable behaviour. The RAS is implemented through the Trust's operational policies and procedures, monitoring metrics, limit system and internal controls.

The Trust is subject to national supervision and prudential regulations, including contractual obligations.

The Trust's risk management system and procedures are reviewed and refined on an ongoing basis in order to comply with what the Trust identifies as the relevant standards, recommendations and best practices in the sectors operated in. The objectives of the RAS are:

- To provide a clear articulation of the Trust's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level.

- To create a foundation for effective communication of risk among internal and external stakeholders.
- To increase understanding of the Trust's material risk exposures and raise risk awareness across the organisation.
- To positively impact the defined risk culture of the Trust.
- To support the Board of Trustees and the senior management in planning, formulating and executing strategic business decisions to achieve the long-term targets of the Trust.
- To provide means for the Board of Trustees and senior management to engage in discussions on risk-taking, risk management, and business strategy, and their interlinkages.
- To provide the tools for the Board of Trustees and senior management to continuously monitor and align the Trust's actual risk profile with the risk appetite.

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 Team and Audit and Risk 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 register 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.
- The establishment and maintenance of the 'three lines of defence' model of internal control:
- *Line One:* 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 Two:* Risk management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, an internal Commercial Assurance Team provides assurance in respect of the quality of service provision and compliance with legislation, standards and contractual requirements.

The Trust's Line Two reports into senior management and the Trustee Board, through the Audit and Risk Committee; and

- *Line Three:* Internal Audit currently performed by an outsourced provider. Reporting primarily to the Audit and Risk Committee, the internal auditors provide assurance over the effectiveness of corporate governance and the overall control environment including Line Two defences. All reports identify areas of strength and good practice along with areas

for improvement. In the case of the latter the Audit and Risk Committee monitors 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 Team and reported to the Audit and Risk 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 in the context of its risk appetite.

Principal Risks and Uncertainties

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

- Loss of operational effectiveness arising from cost control measures, with potential impact on capability and capacity of staff.
- Scale, pace and complexity of growth resulting in insufficient human or financial capital (working capital or reserves).
- Strengthening environmental headwinds individually or in combination impinging on the ability of the Trust to operate profitably.
- Cyber Security and Data Protection e.g. an information security breach.
- Governance failure reducing financial or operational performance.
- Reputational harm linked to safeguarding, including physical / mental or emotional harm caused to others, or otherwise.

- Loss of major contracts due to devolution or other market forces.

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

- Build and maintain a strong balance sheet so as to instil confidence of stakeholders and to sustain the future development of the business.
- Build and maintain a strategic reserve to enable the Trust to operate and continue its core activities.
- Invest surplus funds where applicable in order to return a yield consistent with the Group's risk appetite and ensuring sufficient liquidity to meet obligations as they fall due.

Liquidity risk is managed by carefully forecasting and monitoring the short-term and long-term cash flows and ensuring the Trust has sufficient reserves and liquid investments to cover foreseeable requirements.

Credit risk on amounts owed to the Trust by its customers is low, being mostly Government departments and Local Authorities. Credit risk also arises from cash deposits with banks, and only independently rated parties with a minimum rating of 'A' are accepted.

Interest rate cash flow control risks are mitigated as the Trust is able to place surplus funds on short term deposits.

The Group has to date financed the majority of its operations through its reserves and has not required significant external funding. Loan balances at 31 August 2023 of £1.04m included the external funding held in Forth Sector.

While 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 and the statutory nature of the majority of services provided (i.e. in the event of local authority insolvency statutory services will continue to be funded).

Legal Structure and Governance

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

Governance

The Trustees in office during the year, and at the date of signing these financial statements, are set out on page 94. The Trustee Board has overall responsibility for the governance of the Trust which it discharges through three main duties:

1. Ensuring there is a strategy in place; the main strategic goal is to help as many people as possible to adjust to and navigate the complex employability challenges that lie ahead. To achieve this main strategy, Trustees have agreed on different objectives which include organisational growth, maintaining a balanced portfolio of services and programmes that are locally based and nationally scalable, financial and operational stability, compliance and stakeholder's relationships.
2. Monitoring the implementation of the strategy against agreed plans, ensuring adequate resource is available.
3. Ensuring the Trust complies with all necessary statutory and regulatory obligations.

As part of this, the Trustees ensure that there is a robust system of internal control and risk management, as well as an appropriate reporting and oversight structure to ensure that the senior executives to whom the Trustees have delegated the daily management of the Trust are performing to the standards expected.

The Board meets quarterly and, while 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.

The following subcommittees of the Board of Trustees discharged specific aspects of their responsibilities:

The Audit and Risk 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 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 the senior executives.

The Trust uses external consultants and comparison tools available to set the salary level for its key management.

Salary and benchmarks are reviewed regularly to make sure the Trust can attract and retain the best talent.

The Finance Committee is responsible for the Trust's financial performance on behalf of the Board to ensure short and long-term viability and ensure finances are aligned with The Shaw Trust's Strategic Directive.

The Commercial and Performance Committee is responsible for advising the Board in relation to business

investment and opportunities for growth (both organic and inorganic) in accordance with the Trust's strategy, and to oversee the operational performance of The Shaw Trust.

The Trustees have delegated the daily management of the Trust to the Group Chief Executive and the Executive Team. The current Chief Executive, Chris Luck CB MBE, was appointed in May 2020, and joined the Trust after a distinguished career in the armed forces.

The Trust manages its activities through three operational divisions and service delivery within each is managed by dedicated business unit teams.

Operational staff are supported by Finance, People and Performance, Business Development, Information Services and Communications 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 period. 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 The 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 the Trust's latest reports and financial statements; a copy of the Code of Practice adopted by the Trustees;

details of the Trust's Executive Team and their respective roles, Terms of Reference and reporting lines; details of Board meetings; and the Board papers made available for meetings.

As well as induction, Trustees are able to undertake training in specific areas of the Trust's operations through visits and presentations.

Disabled employees

The Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, religion, sex, race, colour, disability, sexuality 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. To this end, the Trust was delighted to be awarded Disability Confident Leader Status in 2018.

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 achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining and growing its position.

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 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.

Fundraising compliance statement

The Charities (Protection and Social Investment) Act 2016 requires charities such as ours to include a statement of our fundraising. We believe that under current regulations and best practice that we comply with the Fundraising Regulator's Code of Fundraising Practice and adhere to Charity Commission guidance for the organisation as a whole.

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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and

explained in the financial statements; and

- State whether applicable UK Accounting Standards, comprising FRS102, 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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.

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.

Disclosure of information to auditors

In so far as the Trustees are aware:

- (a) There is no relevant audit information of which the charitable company's auditor is unaware; and
- (b) The Trustees have taken all the steps that they ought to have taken as a Trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Independent auditors

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

Section 172(1) Statement

General confirmation of Trustees and Directors' duties:

The Trust's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval.

S172(1) (A) "The likely consequences of any decision in the long term"

The Directors completely understand the importance of Charity and long-term impact of its decision on beneficiaries and communities. The Board has developed proper strategies and process to follow for any decision which can have long term impacts.

S172(1) (B) "The interests of the company's employees"

The Directors recognise that The Shaw Trust Limited employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments and commissioners. The Shaw Trust Limited seeks the promotion and application of certain general principles in such relationships. The Trust supports the government strategy to support SMEs via doing business with them and paying promptly. The Trust recognises the importance of its supply chain partners to deliver its targets and achieve strategic goals. Certain rules and procedures have been developed to maintain the good relationship with them.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

S172(1) (D) "The impact of the company's operations on the community and the environment"

The Board receives information on these topics to both provide relevant information for specific Board decisions e.g., working from home, green energy and carbon footprint policies.

**5. Section 172(1) Statement
(continued)**

S172(1) (E) “The desirability of the company maintaining a reputation for high standards of business conduct”

The Board periodically reviews and approves clear frameworks to ensure that its high standards are maintained both within its businesses and the business relationships we maintain. This complements the ways the Board is informed and monitors compliance with relevant governance standards.

A handwritten signature in black ink, appearing to read 'Olly', with a long, sweeping horizontal line extending from the bottom of the signature.

Olly Benzecry, Chairman
16 May 2024

Independent Auditor's Report to the Members and the Trustees of The Shaw Trust Limited

Opinion

We have audited the financial statements of The Shaw Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2023 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2023 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

Shaw Trust Limited Statements for the year to 31 August 2023

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 30 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and

regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing contract income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, OSCR, Companies House and ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

30 May 2024

The Shaw Trust Limited Group consolidated statement of financial activities

For the year ended 31 August 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Income and endowments from:					
Donations and Legacies		75	5,432	5,507	4,741
Charitable activities		168,793	116,601	285,394	282,276
Other Trading Activities	1a	3,467	692	4,159	3,156
Income on investments, interest and dividends		84	-	84	44
Covid related grants		-	-	-	4
Other Income		182	-	182	5
Net assets taken on with mergers and transfers	25	-	6,679	6,679	5,736
Incoming resources including share of joint ventures		172,601	129,404	302,005	295,962
Less share of gross incoming resources of joint ventures		-	-	-	(111)
Group incoming resources	1	<u>172,601</u>	<u>129,404</u>	<u>302,005</u>	<u>295,851</u>
Expenditure on:					
Raising funds	2	(2,198)	-	(2,198)	(2,325)
Charitable activities	2	(174,538)	(139,676)	(314,214)	(292,428)
Total resources expended		<u>(176,736)</u>	<u>(139,676)</u>	<u>(316,412)</u>	<u>(294,753)</u>
Net (expenditure)/income		<u>(4,135)</u>	<u>(10,272)</u>	<u>(14,407)</u>	<u>1,098</u>
Net Profit / (loss) on Fixed Asset investments	10	59	-	59	(208)
Transfers between funds	18	(112)	112	-	-
Net (Expenditure) / Income before tax		(4,188)	(10,160)	(14,348)	890
Taxation	21	(79)	-	(79)	(18,370)
Group net expenditure		<u>(4,267)</u>	<u>(10,160)</u>	<u>(14,427)</u>	<u>(17,480)</u>
Share of net outgoing resources of joint ventures	9	-	-	-	(10)
Net income before other recognised gains and losses		<u>(4,267)</u>	<u>(10,160)</u>	<u>(14,427)</u>	<u>(17,490)</u>
Loss on sale of subsidiaries		-	-	-	(42)
Actuarial gains on defined benefit pension schemes	24	13,641	9,279	22,920	136,110
Net movement in funds		<u>9,374</u>	<u>(881)</u>	<u>8,493</u>	<u>118,578</u>
Revaluation reserve		-	-	-	1,113
Fund balances brought forward restated	19	18,119	191,268	209,387	89,696
Fund balances carried forward		<u>27,493</u>	<u>190,387</u>	<u>217,880</u>	<u>209,387</u>

Group and Company Balance Sheets

(Registration 01744121) as at 31 August 2023

	Note	Group		Company	
		2023	2022	2023	2022
		£'000	£'000 Restated	£'000	£'000
Fixed assets					
Intangible assets	7	475	1,756	197	240
Tangible assets	8	190,388	199,326	3,859	4,405
Investments in subsidiaries	9	-	-	23,355	21,355
Investments in financial securities	10	4,949	4,823	4,949	4,823
Total fixed assets		195,812	205,905	32,360	30,823
Current assets					
Stocks	12	290	397	290	365
Debtors: Due within one year	13	42,149	44,369	19,049	36,966
Debtors: Due over one year	13b	335	388	-	300
Short term investments	10	10,475	-	-	-
Cash at bank and in hand	15	20,105	50,853	4,861	8,857
Total current assets		73,354	96,007	24,200	46,488
Creditors - amounts falling due within one year	16	(39,689)	(71,553)	(15,989)	(43,747)
Net current assets		33,665	24,454	8,211	2,741
Total assets less current liabilities		229,477	230,359	40,571	33,564
Creditors - amounts falling due after one year	16b	(589)	(1,034)	-	-
Provision for liabilities and charges	17	(4,781)	(5,347)	(2,639)	(4,356)
Net assets before pension liability		224,107	223,978	37,932	29,208
Pension liability	24	(6,227)	(14,591)	-	-
Net assets after pension liability		217,880	209,387	37,932	29,208
Funds					
Designated funds	18	2,616	2,666	2,411	2,461
Revaluation reserve	18	-	1,113	-	-
General funds	18	24,877	14,340	33,331	24,297
Total unrestricted funds		27,493	18,119	35,742	26,758
Pension liability		(6,227)	(14,591)	-	-
Restricted funds		196,614	205,859	2,190	2,450
Total restricted funds	19	190,387	191,268	2,190	2,450
Total Funds	20	217,880	209,387	37,932	29,208

Shaw Trust Limited Statements for the year to 31 August 2023

The Group statement of cashflows, basis of preparation, principal accounting policies and the notes to the financial accounts below are an integral part of these financial statements. The financial statements were approved by the Board of Directors on 16 May 2024 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Olly', with a long horizontal stroke extending from the bottom of the 'y'.

Olly Benzecry, Chairman

Group statement of cash flows for the year ended 31 August 2023

	Note	Year ended 31 August 2023 £'000	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000	Year ended 31 August 2022 £'000
Net cash inflow from operating activities	A		(13,608)		13,228
Taxation			-		-
Net cash generated operating activities			(13,608)		13,228
Cash flow from investing activities					
Capital expenditure and financial investment					
Purchase of tangible assets		(6,225)		(10,067)	
Purchase of intangible assets		(158)		(306)	
Cash inflow on conversion of academies and business combinations		-		445	
Net purchase of investments		(10,475)		(5,000)	
Cash from investments		(67)		(31)	
Cash from disposal of fixed assets		-		-	
Investment income received		84		44	
Net cash outflow from capital expenditure and financial investment			(16,841)		(14,915)
Total Net cash (expended) / generated from investing activities			(30,449)		(1,687)
Cash flow from financing activities					
Interest and charges paid		(53)		(236)	
Repayment of loans		(246)		(2,255)	
Net cash used in financing activities			(299)		(2,491)
Net (decrease) / increase in cash and cash equivalents	B		(30,748)		(4,178)
Cash and cash equivalents at the beginning of the period at 1 September 2022			50,853		55,031
Cash and cash equivalents at 31 August 2023	C		20,105		50,853

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

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Net incoming / (outgoing) resources before other recognised gains	(14,427)	(17,490)
Donation of net assets arising on acquisition	(6,679)	(5,736)
Pensions - adjustment to net incoming resources	14,228	9,119
Investment income received	(84)	(44)
Bank charges and interest paid	53	236
Depreciation and fixed asset write offs	7,804	6,761
Amortisation of goodwill	1,439	6,053
Impairment of tangible assets	12,900	-
Net loss on disposal of tangible fixed assets	1,269	-
Intangible assets transfers	-	(68)
Tangible assets transfers	197	68
Net (gain) / loss on disposal of investments	(59)	166
Decrease in stock	107	29
Increase / (decrease) in debtors	2,273	7,936
Decrease / (increase) in value of joint ventures	-	52
(Decrease) / Increase in creditors	(10,208)	(6,515)
Increase in deferred income	(21,855)	8,545
Increase / (decrease) in provisions for liabilities and charges	(566)	4,116
Net cash (outflow) / inflow from operating activities	(13,608)	13,228

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

	1 September 2022	Cash Flow	31 August 2023
	£'000	£'000	£'000
Cash pledged as security for guarantee	250	(250)	-
Cash at bank and in hand	50,603	(30,498)	20,105
Total cash at bank and in hand	50,853	(30,748)	20,105

c) Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash and cash equivalents consist of:				
Cash at bank and in hand	20,105	50,853	4,861	8,857
Total cash at bank and in hand	20,105	50,853	4,861	8,857

d) Analysis of changes in net debt

	1 September 2022	Cash Flow	31 August 2023
	£'000	£'000	£'000
Loans due within one year	251	200	451
Loans due after more than one year	1,034	(446)	588
Total cash at bank and in hand	1,285	(246)	1,039

Basis of preparation

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 9) made up to 31 August 2023. 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 equity method of accounting.

FRS 102 Exemptions

FRS 102 allows a qualifying entity, certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's Trustees.

The Company has taken advantage of the following exemptions:

- a) From preparing a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated group statement of cash flows, included in these financial statements, includes the company cash flows; and
- b) From preparing a company Statement of Financial Activities (SOFA), on the basis that it is a qualifying entity and the consolidated SOFA, included in

these financial statements, includes the company SOFA.

Functional currency

The Group financial statements are presented in pound sterling and rounded to thousands. The company's functional and presentation currency is the pound sterling.

Principal accounting policies

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

**Principal accounting policies
(continued)**

Incoming Resources

All incoming resources are recognised in the Statement of Financial Activities when there is an entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Contract income

Where the outcome of a transaction involving the rendering of services via contracts can be estimated reliably, the revenue is recognised by reference to the stage of completion at the end of the reporting period. This is reviewed and, when necessary, revised based on the estimates of revenue and costs as the contract progresses.

Stage of completion is determined using the method that measures most reliably the work performed and assumes use of the straight-line basis unless there is evidence that some other method better represents the stage of completion.

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 deferred and carried forward to the following year, or where income is received in advance of the services being delivered.

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.

Other voluntary income is recognised when there is entitlement to the funds,

any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

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 point of sale for both donated and purchased goods.

Donated services from volunteers

Donated services from our volunteers are not included within the financial statements.

The services of volunteers are critical to the Trust, particularly in relation to the operation of our retail shops. These ventures would not be able to continue without the support and time given by our network of volunteers.

Donated goods for resale

The charity receives donated goods for resale in its network of charity shops. Income is recognised at point of sale as the Trustees consider it to be impractical to recognise such gifts on receipt due to the large number of small value items received.

**Principal accounting policies
(continued)**

Grants / fees

All revenue grants receivable from the 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 at the reporting date as a result of a past event.
- It is more likely than not that a transfer of economic benefit, often cash, will be required in settlement; and
- When the amount of the obligation can be measured or estimated reliably.

Costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities:

- a) Costs of raising funds are costs incurred in seeking voluntary contributions, operating charity shops and investment management costs.
- b) Charitable activity expenditure relates to the costs of running and supporting the Trust's various charitable activities for furthering its charitable aims for the benefit of its beneficiaries; and

- c) 'Other' relates to costs incurred that are neither related to raising funds nor part of the Trust's expenditure on its charitable activities.

Apportionment of costs

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

Operating leases

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

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 are stated at cost less depreciation.

Land and buildings transferred as part of the Academies Programme to Shaw Education Trust are reflected within freehold or long leasehold fixed assets at the point of transfer. They are recorded at valuation at the point of transfer and are depreciated from that date.

***Principal accounting policies
(continued)***

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.

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 land - not depreciated.
- Freehold buildings 2% (or over the lifetime of the contract if more appropriate).
- Long leasehold buildings 2% (or length of lease if shorter than 50 years).
- Fixtures and fittings 20% (or more if first break clause of lease is within five years).
- Equipment and vehicles 20%.
- Computer equipment 25%; and
- Plant and machinery in Forth Sector 6.75%.

Assets costing less than £3,000 are not capitalised.

Intangible fixed assets – goodwill and computer software

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible Assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

During 2017/2018 The Shaw Trust Limited acquired Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited and the intangible fixed assets include goodwill arising on the purchase.

In determining the period of amortisation, management considered the length of the current contracts, the performance of the business and the likelihood of securing additional future business and concluded that five years was a reasonable time over which to amortise the goodwill arising on these acquisitions.

Assets costing less than £3,000 are not capitalised.

**Principal accounting policies
(continued)**

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Computer software 25% (or over the lifetime of the contract if more appropriate).

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.

Investments in financial securities

Fixed asset investments are investments held in listed companies, government and corporate bonds and other investments. These investments are stated at mid-price 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.

Investments are carried at 'fair value' and therefore stated at market value as at the balance sheet date. Changes in fair value are recognised in the income and expenditure section of the Statement of Financial Activities.

Investments in subsidiaries jointly controlled entities and associates

These investments are held at cost less impairment.

Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments comprise cash held on term deposits with qualifying financial institutions.

Basic financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of Financial Instruments.

Financial Assets: Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

***Principal accounting policies
(continued)***

Financial liabilities: Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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 specific fixed assets or contracts 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.

Provisions

Provisions are recognised when the Trust has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

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 The Shaw Trust Limited defined contribution pension scheme, the Trust operates a number of defined benefit pension arrangements, which are detailed in note 24 to the Financial Statements.

The actuarial valuations are obtained annually and are updated at each balance sheet date.

**Principal accounting policies
(continued)**

The amounts charged to net income / (expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability / asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The costs to the Trust of funding the schemes are accounted for in accordance with FRS 102. 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 102.

Related party transactions

All related party transactions are disclosed in note 26.

Foreign exchange transactions

Foreign currency transactions are recorded at the spot rate at the transaction date. 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.

Tax and deferred tax

Current tax arising in non-charitable subsidiaries is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and law that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented in creditors and deferred tax assets within debtors.

Statement on going concern

The charity continues to adopt the going concern basis in preparing its financial statements.

**Principal accounting policies
(continued)**

The Trust prepares a detailed annual budget and five-year business plan which indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

Having reviewed the charity's and group's forecasts and its current reserves, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future.

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carry amounts of assets and liabilities within the next financial year are addressed below.

- (i) Impairment of intangible assets and goodwill (note 7).
- (ii) Income recognition based on contract terms and estimates of completion.
- (iii) Impairment of investments in subsidiaries (note 9).
- (iv) Recoverability of intercompany debt.

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the CGU. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. Where it indicates that the Net Present Value of the CGU is lower than its value shown in the financial statements an impairment is taken. In the year ended 31 August 2023 this amounted to an additional impairment of £nil.

Provisions (note 17)

Provision is made for dilapidations, asset retirement obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, timing of the cash flows and discount rates used to establish net present value of the obligations require management judgement.

Defined benefit pension scheme (note 24)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuation and the corporate bond discount rate. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

***Principal accounting policies
(continued)***

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

Assessing whether the Group controls SET requires judgement. SET is a wholly owned subsidiary of The Shaw Trust Limited, who is also the sponsor company. Through the SET Articles of Association, The Shaw Trust Limited can appoint members and Trustees to the Shaw Education Trust Board, thereby giving control to the decision making and authority for the work of the Academy Trust. The Group considers that these powers demonstrate that the Group controls SET.

In addition, Trustees have assessed the value of goodwill in the balance sheet and assessed the need for an impairment review. There is a significant judgement to establish the individual Cash Generating Unit (CGUs) for the purpose of impairment and to establish a methodology for the allocation of Goodwill to each CGU.

In the case of the Prospects Group, we determined the CGUs to be the individual trading businesses as the cash flows, assets and liabilities of these businesses are separately identifiable.

Notes to the financial statements

General information

The Shaw Trust Limited (the “Company”) is domiciled in England and Wales with registration number 01744121. The address of its registered office is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The principal activity of the Company during the period is to co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

1. Total incoming resources / material funders

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

	Unrestricted funds	Restricted funds	Year ended 31 August 2023	Unrestricted funds (restated)	Restricted funds (restated)	Year ended 31 August 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Donation of net assets arising on mergers	-	6,679	6,679	-	5,736	5,736
Donations and Legacies	75	5,432	5,507	50	4,691	4,741
Other Trading Activities (note 1a)	3,467	692	4,159	2,379	777	3,156
Income on investments, interests and dividends	84	-	84	44	-	44
Covid related grants	-	-	-	4	-	4
Other Income	182	-	182	5	-	5
Incoming resources from generated funds	3,808	12,803	16,611	2,482	11,204	13,686
Contract delivery, social enterprises and other charitable activities	166,293	116,601	282,894	178,938	103,338	282,276
Income from business Interruption insurance	2,500	-	2,500	-	-	-
Income from charitable activities	168,793	116,601	285,394	178,938	103,338	282,276
Joint Venture – Intergracja	-	-	-	-	(111)	(111)
Total	172,601	129,404	302,005	181,420	114,431	295,851

Notes to the financial statements (continued)

1. Total incoming resources / material funders (continued)

Figures for the prior year for contract delivery, social enterprises and other charitable activities we restated due to the nature of certain contracts which were treated as unrestricted when they were, in fact restricted.

The Trustees consider material funders to be those contributing over 10% of income.

Material funders are The Department of Work and Pensions (DWP) from which a total of £52.6 million (2022: £79.1 million) was earned. Shaw Education Trust received £70.6 million (2022: £64.0 million) general annual grant from the Department for Education.

The fair value of net assets acquired from business combinations are treated as a donation (see note 25).

The results of The Shaw Trust Limited, as required to be disclosed by paragraph 397 of the Charity SORP, are:

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Total income	100,812	109,211
Net outgoing / (incoming) resources	(8,725)	(3,150)

1a. Other Trading Activities

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Income from charitable activities	4,159	3,156
Total income	4,159	3,156

Notes to the financial statements (continued)

2. Analysis of total resources expended

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Raw Materials and Consumables	37,893	17,206
Staff Costs – salaries, NI and pensions	189,459	188,955
Staff Costs – travel and pension charges	11,415	14,015
Other Operating Costs	54,948	61,527
Depreciation	7,804	6,761
Amortisation and Impairment of Goodwill	1,439	6,053
Pension scheme settlements	13,401	-
Finance Charges	53	236
Total	316,412	294,753

	Activities undertaken directly £'000	Support costs not directly allocated £'000	2023 Total £'000	2022 Activities undertaken directly £'000	2022 Support costs not directly allocated £'000	2022 Total £'000
Raising Funds						
Fundraising	-	-	-	3	-	3
Charity shops	2,178	-	2,178	2,309	-	2,309
Investment management fees	20	-	20	13	-	13
Total cost of Raising Funds	2,198	-	2,198	2,325	-	2,325
Charitable Activities						
Contract delivery, social enterprises and other charitable activities	305,065	2,518	307,583	288,782	2,249	291,031
Usage of fundraising funds	6,631	-	6,631	1,397	-	1,397
Total Cost of Charitable Activities	311,696	2,518	314,214	290,179	2,249	292,428
Total Resources Expended	313,894	2,518	316,412	292,504	2,249	294,753

Notes to the financial statements (continued)

2. Analysis of total resources expended

Support costs not directly allocated comprise the following:

Support costs	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Management	1,086	681
Corporate Governance	356	316
Finance	396	345
Information Technology	425	597
Human Resources	249	271
Communications and Marketing	6	39
Support costs not directly allocated	2,518	2,249

3. Finance costs

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Bank charges, interest and other finance costs (note 2)	53	236
Pension scheme settlements (note 24)	13,401	-
Net finance cost on defined benefit pension scheme (note 24)	270	2,319
Total	13,724	2,555

These charges have been reported in the Statement of Financial Activities under Charitable Activities.

4. Net (outgoing)/incoming resources

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
The net (outgoing)/incoming resources are stated after charging:		
Amortisation charge for the year on intangible owned assets	1,439	6,053
Depreciation charge for the year on tangible owned assets	7,804	6,761
Auditors' remuneration: audit services		
- Parent Company and consolidated financial services	89	73
- Audit of the company's subsidiaries	159	132
Auditors' remuneration: other services		
- services relating to taxation	20	-
- all other services	19	15
Operating leases:		
- others	141	132
- property	2,174	1,887
Net loss on disposal of fixed assets	156	-

Notes to the financial statements (continued)

5. Employees

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

	Year ended 31 August 2023 Average Headcount	Year ended 31 August 2022 Average Headcount
Charitable purposes	5,198	5,375
Retail	70	55
Total	5,268	5,430

Employee costs for the above persons during the year were:

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Wages and salaries	157,540	151,054
Social security costs	14,646	14,665
Other pension costs	17,273	23,236
Total	189,459	188,955

Included in the above figures is a figure of £570k (2021-22: £427k) for redundancies, of which £nil (2021-22: £150k) was accrued as at the year end.

Notes to the financial statements (continued)

5. Employees (continued)

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

	2023	2022	2023	2022
	Total	Total	Total	Total
	Emoluments	Emoluments	Emoluments	Emoluments
			excl. severance	excl. severance
			payments	payments
	Number	Number	Number	Number
£60,001 - £70,000	73	66	73	66
£70,001 - £80,000	34	39	34	39
£80,001 - £90,000	19	11	19	11
£90,001 - £100,000	19	12	19	12
£100,001 - £110,000	11	9	11	9
£110,001 - £120,000	6	4	6	4
£120,001 - £130,000	3	1	3	1
£130,000 - £140,000	2	1	2	1
£140,001 - £150,000	1	2	1	2
£150,001 - £160,000	1	-	1	-
£180,001 - £190,000	1	1	1	1
£210,001 - £220,000	-	-	-	-
£250,001 - £260,000	2	2	2	2
	172	148	172	148

The total pension contributions in respect of the above staff, all of which were made to defined contribution schemes, were £842,329 (2022: £611,377).

Total emoluments of employees include, where applicable, salary, bonuses, benefits-in-kind, car allowance, payments in lieu of notice and redundancy. Total payments in lieu of notice and redundancy accruing to those employees who earned more than £60,000 during the year was £nil (2022: £150,000).

6. Trustees' and senior executives' remuneration

- a) During 2023 and 2022, no Trustee received any emoluments from the Trust. Incidental travelling costs of £2,310 (2022: £759) were reimbursed or paid on behalf of four (2022:4) Trustees by the Trust.
- b) The 'Directorships' outlined at the end 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 £10,651 (2022: £10,651) 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.
- d) The Key Management Personnel of the Group comprise the Trustees and the Executive Team as listed at the end of these financial statements. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Group was £2,334,348 (2022: £1,908,563) for the year.

Notes to the financial statements (continued)

7. Intangible Assets

Group	Goodwill	Computer software	Total
	£'000	£'000	£'000
Cost			
At 1 September 2022	53,517	8,914	62,431
Additions	-	158	158
At 31 August 2023	53,517	9,072	62,589
Accumulated Amortisation			
At 1 September 2022	(52,345)	(8,330)	(60,675)
Charge for the year	(1,172)	(267)	(1,439)
At 31 August 2023	(53,517)	(8,597)	(62,114)
Net book value			
At 31 August 2023	-	475	475
At 1 September 2022	1,172	584	1,756

The goodwill arose on the acquisition of 100% interest in Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited on 30 May 2017 and 30 November 2017 respectively.

The Prospects Group was acquired for £17.4m. Net liabilities at acquisition were £30.7m resulting in a goodwill balance on acquisition of £48.1m being recognised in the Group financial statement on consolidation. This is being amortised over five years such that the remaining goodwill balance at 31 August 2023 was £nil. Within the Prospects Group there was also historic goodwill from when they acquired other companies within their group.

Ixion Group was acquired for £2m. Net assets at acquisition were £2.2m resulting in a negative goodwill balance on acquisition of £0.2m being recognised in the Group financial statement on consolidation. This is being amortised over five years such that the remaining goodwill balance at 31 August 2023 was £nil.

Amortisation of computer software will occur in line with The Shaw Trust Limited accounting policies.

Notes to the financial statements (continued)

7. Intangible Assets (continued)

Company	Computer software	Total
	£'000	£'000
Cost		
At 1 September 2022	7,293	7,293
Additions	110	110
At 31 August 2023	7,403	7,403
Accumulated Amortisation		
At 1 September 2022	(7,053)	(7,053)
Charge for the year	(153)	(153)
At 31 August 2023	(7,206)	(7,206)
Net book value		
At 31 August 2023	197	197
At 1 September 2022	240	240

Notes to the financial statements (continued)

8. Tangible Assets

Group	Freehold land and buildings £'000	Long leasehold property £'000	Assets under construction £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation						
At 1 September 2022	44,740	172,082	2,044	4,439	12,833	236,138
Acquisitions of academies	7,007	-	-	-	-	7,007
Additions	1,280	1,093	1,697	32	2,123	6,225
Disposals	(1,121)	(2)	(72)	-	(82)	(1,277)
Reclassifications	(116)	2,516	(2,679)	(3,054)	3,136	(197)
At 31 August 2023	51,790	175,689	990	1,417	18,010	247,896
Accumulated depreciation						
At 1 September 2022	(5,114)	(18,997)	-	(4,071)	(8,630)	(36,812)
Charge for the year	(748)	(5,128)	-	(36)	(1,892)	(7,804)
Disposals	8	-	-	-	-	8
Impairments	(12,900)	-	-	-	-	(12,900)
Reclassifications	860	(860)	-	3,004	(3,004)	-
At 31 August 2023	(17,894)	(24,985)	-	(1,103)	(13,526)	(57,508)
At 31 August 2023	33,896	150,704	990	314	4,484	190,388
At 1 September 2022	39,626	153,085	2,044	368	4,203	199,326
Company	Freehold land and buildings £'000	Long leasehold property £'000	Assets under construction £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation						
At 1 September 2022	-	3,152	11	543	7,823	11,529
Additions	-	-	-	-	419	419
Disposals	-	-	(11)	-	(82)	(93)
Transfers	-	-	-	-	43	43
Reclassifications	-	-	-	-	-	-
At 31 August 2023	-	3,152	-	543	8,203	11,898
Accumulated depreciation						
At 1 September 2022	-	(1,159)	-	(543)	(5,422)	(7,124)
Charge for the year	-	(60)	-	-	(855)	(915)
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
At 31 August 2023	-	(1,219)	-	(543)	(6,277)	(8,039)
Net book value						
At 31 August 2023	-	1,933	-	-	1,926	3,859
At 1 September 2022	-	1,993	11	-	2,401	4,405

Notes to the financial statements (continued)

8. Tangible Assets (continued)

Land and buildings transferred to Shaw Education Trust (SET) as part of the Academies Programme are reflected within freehold or long leasehold fixed assets at the point of transfer.

The land and buildings transferred as part of the Academies Programme are subject to the provisions of the individual academy funding agreements and the master funding agreement.

These provisions may include preventing the company from selling the land and buildings. Upon termination of a funding agreement, whether as a result of the Secretary of State for Education or SET serving notice, the assets relating to that agreement will return to the Secretary of State.

The value of the land and buildings to which these academy agreements apply is £175,200k. (2022: £183,947k).

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

The value of the transferred assets has been recognised in the Statement of Financial Activities as net assets taken on with mergers and transfers.

9. Investments in Subsidiary Undertakings and Joint Ventures

Company interests in group undertakings

	2023 £'000
At 1 September 2022	21,355
Additions	2,000
At 31 August 2023	23,355
Amortisation	
At 1 September 2022	-
Impairment	-
At 31 August 2023	-
Net book value	
At 31 August 2023	23,355
At 1 September 2022	21,355

Notes to the financial statements (continued)

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

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	Company Number	Charity Number	Country of incorporation	Percentage of control	Nature of business
Shaw Trust International Partnerships Limited	5859747		England and Wales	100%	Dormant
Disabled Living Foundation	1837993		England and Wales	100%	Dormant
Careers Development Group	1647371		England and Wales	100%	Dormant
Shaw Trust Services Limited	3176328		England and Wales	100%	Dormant
Shaw Trust Enterprises Limited	2521307		England and Wales	100%	Dormant
Forth Sector	SC124791	SC016414	Scotland	100%	Charity
Prospects Group 2011 Limited	7708678		England and Wales	100%	Company Limited by Shares
Ixon Holdings (Contracts) Limited	6886337		England and Wales	100%	Company Limited by Guarantee
Shaw Education Trust	9067175	Exempt Charity	England and Wales	100%	Charity
ST07033535 Limited	7033535		England and Wales	100%	Limited by Guarantee

The registered address for all of the above subsidiaries (with the exception of The Shaw Education Trust and Forth Sector) is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The registered address for The Shaw Education Trust is: Kidsgrove Secondary School, Gloucester Road, Kidsgrove, Stoke-on-Trent ST7 4DL.

The registered address for Forth Sector is: Duddingston Yards, Duddingston Park South, Edinburgh, Lothian, EH15 3NT.

The Trust made a further investment in Ixon Holdings (Contracts) Limited in the year, recapitalising its investment with an injection of 2,000,000 shares.

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

The Shaw Trust share of:	Total assets	Total liabilities	Gross incoming resources	Net surplus / (deficit) of income over expenditure
	£'000	£'000	£'000	£'000
2023				
Forth Sector Limited	2,437	(3,030)	1,166	(7)
Ixion Holdings (Contracts) Limited	4,183	(2,958)	14,895	(1,636)
Prospect Services	24,497	(6,918)	30,611	(5,409)
Homes2Inspire Limited	15,673	(16,553)	30,021	5,247
Shaw Education Trust	206,538	(18,132)	120,171	(651)
Total	253,328	(47,591)	196,864	(2,456)
2022	£'000	£'000	£'000	£'000
Forth Sector Limited	3,010	(3,226)	1,066	(49)
Ixion Holdings (Contracts) Limited	8,009	(6,370)	13,733	(859)
Prospects Services	29,489	(7,031)	39,055	59,318
Homes2Inspire Limited	12,747	(17,762)	23,643	(1,009)
Shaw Education Trust	214,757	(25,700)	106,655	63,524
Total	268,012	(60,089)	184,152	120,925

Only the material subsidiaries results have been disclosed. Prospects Services and Homes2Inspire Limited are part of the Prospects Group.

Notes to the financial statements (continued)

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

Joint Ventures

Name of joint venture	Company Number	Country of incorporation	Percentage of control	Nature of business
The Integracja Foundation	KRS: 0000144578	Poland	50%	Charity
STAR Skills Limited	10086962	England and Wales	50%	Private Limited Company

The registered address for The Integracja Foundation is: ul. Andersa 13, 00-159 Warszawa, Poland. This investment was disposed of as at 31 August 2023.

The registered address for STAR Skills Limited is: Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG. STAR Skills Limited is a dormant company.

	Intergracja Foundation		Total	
The Shaw Trust Limited share of:	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Total assets	-	-	-	-
Total liabilities	-	-	-	-
Net assets	-	-	-	-
Gross incoming resources	-	111	-	111
Net surplus / (deficit) of income over expenditure	-	(10)	-	(10)

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.

Notes to the financial statements (continued)

10. Investments in financial securities

As a part of the Trust's investment policy, a portion of funds available for investment is 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 were held for the medium-term and as a result, and in accordance with accounting guidance, these investments were classified as fixed assets.

The movement on the value of the investments during the year is as follows:

Group and company	2023	2022
	£'000	£'000
At 1 September 2022	4,823	-
Additions to investments at cost	-	5,000
Dividends received	67	31
Interest received	20	10
Management charges paid	(20)	(10)
Net gain / (loss) on revaluation	59	(208)
At 31 August 2023	4,949	4,823

Value of investments		
Group and company	2023	2022
	£'000	£'000
Investments listed on a UK recognised stock exchange, or valued by reference to one	925	1,123
Investments listed on a non-UK recognised stock exchange, or valued by reference to one	2,507	2,262
UK Government and Corporate Bonds	750	607
Other investments	565	597
Cash and settlements pending	202	234
At 31 August 2023	4,949	4,823

Notes to the financial statements (continued)

Short term investments

Shaw Education Trust	2023	2022
	£'000	£'000
At 1 September 2022	-	-
Additions to investments at cost	10,475	-
At 31 August 2023	10,475	-

Value of available for sale investments

Shaw Education Trust	2023	2022
	£'000	£'000
Unlisted investments in fixed interest bank accounts	10,475	-
At 31 August 2023	10,475	-

Notes to the financial statements (continued)

11. 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 The Shaw Trust Limited. The financial results of Palmer Gardens are shown below.

As at 31 August 2023, Palmer Gardens has a Revenue Fund of £Nil (2022: £Nil) and a Capital Fund of £435,000 (2022: £449,000). The income and expenditure account for the Revenue Fund is set out below:

Revenue Fund	2023	2022
	£'000	£'000
Turnover	718	402
Cost of sales	(363)	(340)
Gross Profit	355	62
Selling and distribution	(346)	(350)
Administration	(79)	(86)
Finance	(11)	(10)
Operating (deficit) / surplus	(81)	(384)
Support costs	(28)	(28)
Depreciation	(14)	(4)
Net (deficit) / surplus	(123)	(416)
Palmer Gardens Revenue Fund brought forward	-	-
Transfer from capital fund	14	4
Donation from / (to) The Shaw Trust Limited to Palmer Gardens	109	412
Balance of restricted revenue reserve (see note 19)	-	-

Notes to the financial statements (continued)

11. Palmer Gardens (continued)

The assets and liabilities for the Capital Fund are set out below:

Capital Fund	2023	2022
	£'000	£'000
Fixed assets		
Palmer Gardens	435	449
Analysis of net assets:		
Current assets – stock	111	125
Current liabilities - creditors The Shaw Trust Limited	(111)	(125)
Net current assets	-	-
Total assets less current liabilities	435	449
Funds		
Restricted capital funds	435	449
Total (see note 19)	435	449

12. Stocks

	Group		Company	
Finished goods	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Plants, shrubs, nursery and books	286	369	286	337
Shop stock	4	3	4	3
Other	-	25	-	25
Total	290	397	290	365

13. Debtors

Amounts falling due within one year:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	19,937	15,597	8,801	5,070
Amounts due from group undertakings	-	-	2,841	16,045
Loans to group undertakings	-	-	-	100
Deferred tax asset	58	84	-	-
Other debtors	1,212	723	183	118
Prepayments and accrued income	20,942	27,965	7,224	15,633
Total	42,149	44,369	19,049	36,966

Notes to the financial statements (continued)

13b. Debtors greater than one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Deferred tax asset	335	388	-	-
Loans to group undertakings	-	-	-	300
Total debtors greater than one year	335	388	-	300

14. Deferred Taxation

	2023	2022
	£'000	£'000
Accelerated capital allowances	256	346
Short term timing differences - trading	137	126
	393	472
Analysed as:		
Amount due within one year	58	84
Amount due after more than one year	335	388
	393	472
Movement in year		
Opening balance	472	18,853
Changes in deferred tax	(79)	(18,381)
Closing balance	393	472

The amount of the net reversal of deferred tax expected to occur next year relating to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on intangible fixed assets is £nil.

The Group have no unrecognised deferred tax assets (2022: £nil).

15. Cash at bank and in hand

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash at bank and in hand	20,105	50,853	4,861	8,857

Notes to the financial statements (continued)

16. Creditors - amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	4,360	4,661	1,078	1,571
Taxation and social security	6,581	8,000	2,569	4,118
Other creditors	5,646	8,333	1,322	6,829
Loans	450	251	-	-
Accruals	6,506	12,307	2,597	4,396
Deferred income	16,146	38,001	8,423	26,833
Total	39,689	71,553	15,989	43,747

Deferred Income

Group	2023	2022
	£'000	£'000
At 1 September 2022	38,001	29,456
Amounts received in year	390,147	91,800
Amounts used in year	(412,002)	(83,255)
At 31 August 2023	16,146	38,001

Company	2023	2022
	£'000	£'000
At 1 September 2022	26,833	17,061
Amounts received in year	328,825	68,036
Amounts used in year	(347,235)	(58,264)
At 31 August 2023	8,423	26,833

Notes to the financial statements (continued)

16b. Creditors - amounts falling due after one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Loans and Borrowings	589	1,034	-	-
Total	589	1,034	-	-

Interest accrues at a variable margin ranging between 2.25% and 3.25% over LIBOR and is payable over periods ranging between one month and six months, or any other period agreed between the company and the lender for Forth Sector. Loans in Shaw Education Trust attract interest charges of between 0 and 2.21% and are payable over a number of years.

17. Provision for liabilities and charges

Group	Dilapidations	Other Provisions	Total
	£'000	£'000	£'000
At 1 September 2022	1,725	3,622	5,347
Created during the Year	1,188	22,167	23,355
Utilised during the year	(919)	(23,002)	(23,921)
At 31 August 2023	1,994	2,787	4,781

Company	Dilapidations	Other Provisions	Total
	£'000	£'000	£'000
At 1 September 2022	813	3,543	4,356
Created during the Year	956	20,957	21,913
Utilised during the year	(712)	(22,918)	(23,630)
At 31 August 2023	1,057	1,582	2,639

The dilapidations provision relates to the costs that the Trust will possibly incur in reinstating its leased properties to original condition, accrued over the length of the lease. We have estimated the cost at a historic average cost and used the calculation to estimate the future cost. This rate will be reassessed on an annual basis to keep it up to date. Future costs are uncertain hence the provision.

The other provision are provided for Shaw Trust employability contracts taking into account contractual obligation and rates from the most recent inspections. Some contracts are being inspected now and others will be subject to inspection very soon. The Trust is finalising the details with relevant commissioners.

Notes to the financial statements (continued)

18. Unrestricted funds

Group	Movement in Funds				At 31 August 2023
	At 1 September 2022 Restated £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	2,666	1,133	(1,183)	-	2,616
Total designated funds	2,666	1,133	(1,183)	-	2,616
Revaluation reserve	1,113	-	(1,113)	-	-
General funds	14,340	171,468	(160,819)	(112)	24,877
Total unrestricted funds before pension surplus / (deficit)	18,119	172,601	(163,115)	(112)	27,493
Pension deficit	-	-	-	-	-
Total unrestricted funds	18,119	172,601	(163,115)	(112)	27,493

Company	Movement in Funds				At 31 August 2023
	At 1 September 2022 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	2,461	1,133	(1,183)	-	2,411
Total designated funds	2,461	1,133	(1,183)	-	2,411
General funds	24,297	92,553	(84,546)	1,027	33,331
Total unrestricted funds before pension surplus / (deficit)	26,758	93,686	(85,729)	1,027	35,742
Pension deficit	-	-	-	-	-
Total unrestricted funds	26,758	93,686	(85,729)	1,027	35,742

Notes to the financial statements (continued)

18. Unrestricted funds (continued)

2022 comparatives restated Group	At 1 September 2021 £'000	Movement in Funds			At 31 August 2022 £'000
		Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	2,171	1,477	(982)	-	2,666
Total designated funds	2,171	1,477	(982)	-	2,666
Revaluation reserve	-	1,121	(8)	-	1,113
General funds	29,125	179,943	(196,132)	1,404	14,340
Total unrestricted funds before pension surplus / (deficit)	31,296	182,541	(197,122)	1,404	18,119
Pension deficit	(70,759)	-	70,759	-	-
Total unrestricted funds	(39,463)	182,541	(126,363)	1,404	18,119

Company	At 1 September 2021 £'000	Movement in Funds			At 31 August 2022 £'000
		Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	1,966	1,477	(982)	-	2,461
Total designated funds	1,966	1,477	(982)	-	2,461
General funds	20,323	105,381	(102,774)	1,367	24,297
Total unrestricted funds before pension surplus / (deficit)	22,289	106,858	(103,756)	1,367	26,758
Pension deficit	-	-	-	-	-
Total unrestricted funds	22,289	106,858	(103,756)	1,367	26,758

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

The pension liability arises from a number of defined benefits schemes that the Trust makes payments to in respect of certain employees to whom the Transfer of Undertakings (Protection of Employment) regulations (TUPE) applied (see note 24).

The pension deficits associated with the Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund Cheshire Pension Fund and Derbyshire Pension Fund are all held within Restricted Funds as they pertain to SET. The transfers comprise transfers to restricted reserves as shown in note 19.

Notes to the financial statements (continued)

Group and Company	At 1 September 2022 Restated	Incoming	(Outgoing)	Transfers	At 31 August 2023
	£'000	£'000	£'000	£'000	£'000
DIG for Dinner	38	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	250
Palmer Gardens Fund (Capital)	449	-	(14)	-	435
Palmer Gardens Fund (Revenue)	-	718	(827)	109	-
Employment Action Centre (Capital)	690	-	(21)	-	669
Disability Action Centre (Capital)	814	-	(24)	-	790
Shaw Trust Clamp Hill	5	-	-	-	5
Aim 4 Work (Building Better Opportunities) North and East London - Delivery	-	616	(582)	(34)	-
Aim 4 Work (Building Better Opportunities) South London - Delivery	-	440	(452)	12	-
Get Back on Track - Islington	-	-	-	-	-
DLF	201	-	(201)	-	-
Charities Aid Foundation	-	2,480	(2,480)	-	-
Find Your Future	-	761	(761)	-	-
Spark Change	-	1,282	(1,282)	-	-
West London Works	-	830	(830)	-	-
Other	3	-	-	-	3
Total company	2,450	7,127	(7,474)	87	2,190
Shaw Education Trust	189,033	120,171	(120,822)	24	188,406
Forth Sector Group	(215)	1,206	(1,226)	-	(235)
Charities Aid Foundation (Ixion)	-	-	1	(1)	-
National Lotter Community Fund (Ixion)	-	874	(874)	-	-
Spark Change (Prospects Services)	-	-	(2)	2	-
Somerset Partnership (Homes2Inspire)	-	26	-	-	26
The Integracja Foundation	-	-	-	-	-
Total Group	191,268	129,404	(130,397)	112	190,387

Notes to the financial statements (continued)

19. Restricted Funds (continued)

Group and Company 2022 Comparison restated	At 1 September 2021	Incoming	(Outgoing)	Transfers	At 31 August 2022
	£'000	£'000	£'000	£'000	£'000
The Big Lottery Fund					
DIG for Dinner	38	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	250
Palmer Gardens Fund (Capital)	579		(81)	(49)	449
Palmer Gardens Fund (Revenue)	-	777	(826)	49	-
Employment Action Centre (Capital)	675	-	-	15	690
Disability Action Centre (Capital)	519	-	-	295	814
Disability Action Centre (Revenue)	3	-	-	(3)	-
Shaw Trust Clamp Hill	5	-	-	-	5
Aim 4 Work (Building Better Opportunities) North and East London - Delivery	-	939	(851)	(88)	-
Aim 4 Work (Building Better Opportunities) South London - Delivery	-	549	(499)	(50)	-
Get Back on Track - Islington	-	88	(47)	(41)	-
DLF	1,696	-	-	(1,495)	201
Charities Aid Foundation	-	1,529	(1,529)	-	-
Spark Change	-	274	(274)	-	-
Other	3	-	-	-	3
Total company	3,768	4,156	(4,107)	(1,367)	2,450
Shaw Education Trust	125,505	106,656	(43,128)	-	189,033
Forth Sector Group	(166)	1,066	(1,115)	-	(215)
Charities Aid Foundation (Ixion)	-	1,613	(1,613)	-	-
Spark Change (Prospects Services)	-	829	(829)	-	-
The Integracja Foundation	52	111	(126)	(37)	-
Total Group	129,159	114,431	(50,918)	(1,404)	191,268

Notes to the financial statements (continued)

19. Restricted Funds (continued)

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.

Palmer Gardens is a vocational training centre, and the restricted capital fund comprises £449,000 (2022: £579,000) of re-valued tangible fixed assets relating to the construction of the original training centre and later expansion of the facilities. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

The Employment Action Centre (EAC) 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. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

The Disability Action Centre (DAC) 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. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset. Revenue is not affected so the balance was written off in the year.

Shaw Trust Clamp Hill received donations to contribute towards client activities.

Aim4Work is funded by the European Social Fund and The National Lottery Community Fund under the Building Better Opportunities programme and forms part of their commitment to invest in local projects to tackle the root causes of poverty, promote social inclusion and drive jobs and growth.

Get Back on Track is a free service offering advice on employment rights to anybody in employment that lives in Islington or is registered with an Islington GP practice and is currently signed off work under a "Fit Note" or medical certificate.

Disabled Living Foundation (DLF) restricted reserves were acquired on merger in November 2014 and are to be utilised for DLF related activity only. This is reassessed on an annual basis as to the outstanding balance, hence the transfer.

Notes to the financial statements (continued)

19. Restricted Funds (continued)

Find your Future – This was the European Social Fund Grant awarded to Shaw Trust for two years, started in November 2021 and completed in December 2023. The Project mainly supported the Operational Programme for England as adopted by the European Commission setting out its contribution to the Union Strategy to improve employment Opportunities, strengthen social inclusion, fight poverty, promote education, skills and life-long learning and develop active, comprehensive, and sustainable policies and thereby contribute to economic, social and territorial cohesion.

West London Works - Individual Placement and Support (IPS) is an employment support approach originally developed for people experiencing long-term mental health needs. The approach is now increasingly implemented in a range of settings including supporting people with mild to moderate mental health needs, people with physical health issues and people with substance misuse issues. The IPS model has colleagues from Shaw Trust embedded into NHS services providing a wraparound approach. This supports people in and regularly sees an overall improvement in wellbeing. Aiming to support 2400 people to achieve their goals and improve their wellbeing over 2 years.

Spark Change was a ESIF Match Funded contract (matched by 5 London Boroughs) to improve employment opportunities, strengthen social inclusion, fight poverty, promote education, skills and life-long learning and develop active, comprehensive and sustainable inclusion policies and thereby contribute to economic, social and territorial cohesion.

Charities Aid Foundation - This was a grant awarded March 2021 from the Covid-19 Support Fund (initially a 3 year contract but funds were spent by Sept 2023). With a particular focus on care, construction and business sectors it was to fund learning and development post covid to support people back into employment.

The funds received by The Shaw Education Trust from the Department of Education can only be used to run the organisation and the academies that form part of The Shaw Education Trust.

The funds held by The Integracja Foundation are treated as restricted funds because those funds can only be used for charitable purposes, although this has now ceased.

Prior period adjustments

the restatement for the year relates to restricted income, expenditure and funds previously classified as unrestricted.

Notes to the financial statements (continued)

19. Restricted Funds (continued)

Reserves position

Funds previously reported	Unrestricted £'000	Restricted £'000	Total £'000
1 September 2021	(39,629)	129,325	89,696
Reclassification of Forth Sector and Forth Sector Development reserves	166	(166)	-
Funds restated	(39,463)	129,159	89,696

Funds previously reported	Unrestricted £'000	Restricted £'000	Total £'000
1 September 2022	17,904	191,483	209,387
Reclassification of Forth Sector and Forth Sector Development reserves	215	(215)	-
Funds restated	18,119	191,268	209,387

Income and expenditure

In 2021/22, the following restricted income and expenditure were misclassified as unrestricted. The comparatives have been restated to correct the classification.

The Shaw Trust: £1,803k income and expenditure has been restated as restricted. There is no impact on the reserves position in relation to this prior period adjustment.

Ixion Holdings (Contracts): £1,613k income and expenditure has been restated as restricted. There is no impact on the reserves position in relation to this prior period adjustment.

Notes to the financial statements (continued)

19. Restricted Funds (continued)

Prospects Services: £829k income and expenditure has been restated as restricted. There is no impact on the reserves position in relation to this prior period adjustment.

Forth Sector Group: £1,226k income and £1,181k expenditure have been restated as restricted. The impact of this adjustment on reserves is shown in the tables above.

20. Analysis of net assets between funds

	Designated	Unrestricted	Restricted	Total funds 2023
Group	£'000	£'000	£'000	£'000
Fund balances at 1 September 2022 are represented by:				
Intangible fixed assets	-	471	4	475
Tangible fixed assets	-	8,828	181,560	190,388
Investments in financial securities	-	4,949	-	4,949
Net current assets	2,616	15,410	15,639	33,665
Long-term liabilities	-	-	(589)	(589)
Provisions for liabilities and charges	-	(4,781)	-	(4,781)
Pension liability	-	-	(6,227)	(6,227)
Total net assets at 31 August 2023	2,616	24,877	190,387	217,880

	Designated	Unrestricted	Restricted	Total funds 2023
Company	£'000	£'000	£'000	£'000
Fund balances at 1 September 2022 are represented by:				
Intangible fixed assets	-	197	-	197
Tangible fixed assets	-	1,965	1,894	3,859
Investment in subsidiaries	-	23,355	-	23,355
Investments in financial securities	-	4,949	-	4,949
Net current assets	2,411	5,504	296	8,211
Long-term liabilities	-	-	-	-
Provisions for liabilities and charges	-	(2,639)	-	(2,639)
Total net assets at 31 August 2023	2,411	33,331	2,190	37,932

Notes to the financial statements (continued)

20. Analysis of net assets between funds (continued)

	Designated	Unrestricted	Restricted	Total funds 2022
2022 Comparison restated				
Group	£'000	£'000	£'000	£'000
Fund balances at 1 September 2021 are represented by:				
Intangible fixed assets	-	1,756	-	1,756
Tangible fixed assets	-	8,677	190,649	199,326
Investments in financial securities	-	4,823	-	4,823
Net current assets	2,666	5,666	16,122	24,454
Long-term liabilities	-	(122)	(912)	(1,034)
Provisions for liabilities and charges	-	(5,347)	-	(5,347)
Pension deficit	-	-	(14,591)	(14,591)
Total net assets at 31 August 2022	2,666	15,453	191,268	209,387

	Designated	Unrestricted (including pension surplus)	Restricted	Total funds 2022
2022 Comparison				
Company	£'000	£'000	£'000	£'000
Fund balances at 1 September 2021 are represented by:				
Intangible fixed assets	-	240	-	240
Tangible fixed assets	-	2,452	1,953	4,405
Investment in subsidiaries	-	21,355	-	21,355
Investments in financial securities	-	4,823	-	4,823
Current assets	2,461	43,530	497	46,488
Current liabilities	-	(43,747)	-	(43,747)
Long-term liabilities	-	-	-	-
Provisions for liabilities and charges	-	(4,356)	-	(4,356)
Pension deficit	-	-	-	-
Total net assets at 31 August 2022	2,461	24,297	2,450	29,208

Notes to the financial statements (continued)

21. Taxation

The Trust has no liability to corporation tax as it satisfies the criteria for its income and gains to be exempt from corporation tax / corporate taxation. There is no similar exemption for VAT.

Members of the Group without charitable status are charged corporation tax on their income and gains.

Deferred tax assets recognised by Group companies are shown in note 14.

Tax charges for the year are:

	2023	2022
	£'000	£'000
Total current tax	-	27
Deferred tax		
Origination and reversal of timing differences	(2,599)	10,362
Adjustment in respect of prior periods	(6)	629
Impact of changes in tax rates	-	-
Total deferred tax	(2,605)	10,991
Tax on profit	<u>(2,605)</u>	<u>10,991</u>
Other comprehensive income items	2,684	7,379
Total tax charge (See note 2)	<u>79</u>	<u>18,370</u>
	2023	2022
	£'000	£'000
(Loss) / profit before taxation	(13,818)	3,883
(Loss) / profit before tax multiplied by the UK Corporation Tax rate of 21.52% (2022:19%)	(2,973)	738
Expenses not deductible for tax purposes	3,663	56
Qualifying charitable donations	(22)	(768)
Losses	-	-
Adjustments in respect of prior periods (current tax)	(6)	643
Adjustments in respect of prior periods (deferred tax)	(3,267)	10,322
Other timing differences	-	-
Tax on (loss) / profit	<u>(2,605)</u>	<u>10,991</u>

Notes to the financial statements (continued)

22. Financial commitments

At 31 August 2023 the Group and Company had future minimum lease payments under non-cancellable operating leases expiring as follows:

Group	Property		Other	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Within one year	4,260	3,454	303	320
Between one and five years	5,247	4,583	350	280
After five years	830	1,388	-	-
Total	10,337	9,425	653	600

Company	Property		Other	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Within one year	1,546	1,430	33	65
Between one and five years	514	592	16	26
After five years	20	36	-	-
Total	2,080	2,058	49	91

Other operating leases relate to motor vehicles and computer equipment.

23. Capital commitments

As at 31 August 2023 the Trust had capital commitments £2,319k (2022: £1,715k).

Notes to the financial statements (continued)

24. Pension commitments

The Group had admission agreements, through Prospects Services, with Gloucestershire County Council, Northamptonshire County Council and Wolverhampton City Council responsible for the West Midlands Metropolitan Authorities Pension Fund.

Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The five local government pension schemes (LGPS) are operated by Staffordshire Council, the West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund. Derbyshire Pension Fund is new this year. Those schemes are in respect of certain employees to whom The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) applied. The schemes are defined benefit schemes and the assets are held in separately administered funds. The 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.

The Group's assessed share of the fair value of the assets of the schemes were:

Notes to the financial statements (continued)

24. Pension commitments (continued)

Year ended 31 August 2023	Total Share of scheme assets	Present value of scheme liabilities	Asset ceiling	Net pension deficit
	£'000	£'000	£'000	£'000
South Yorkshire Pension Scheme (The Shaw Trust) - Closed	-	-	-	-
Platinum Pension Scheme (The Shaw Trust)	873	(685)	(188)	-
Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund (The Shaw Education Trust)	68,386	(74,613)	-	(6,227)
London Pensions Fund Authority (closed), the City of Bradford Metropolitan District Council (closed), Gloucestershire County Council, Northamptonshire County Council and Wolverhampton City Council.	30,218	(21,135)	(9,083)	-
At 31 August 2023	99,477	(96,433)	(9,271)	(6,227)

Year ended 31 August 2022	Total Share of scheme assets	Present value of scheme liabilities	Asset ceiling	Net pension deficit
	£'000	£'000	£'000	£'000
South Yorkshire Pension Scheme (The Shaw Trust)	3,310	(2,362)	(948)	-
Platinum Pension Scheme (The Shaw Trust)	1,056	(816)	(240)	-
Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund (The Shaw Education Trust)	62,663	(77,254)	-	(14,591)
London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council and Wolverhampton City Council	146,572	(138,114)	(8,458)	-
At 31 August 2022	213,601	(218,546)	(9,646)	(14,591)

Notes to the financial statements (continued)

24. Pension commitments (continued)

Group	Assets £'000	Liabilities £'000	Asset ceiling £'000	2023 Total £'000
Deficit in the scheme as at 1 September 2022	213,601	(218,546)	(9,646)	(14,591)
Acquired in year	444	-	-	444
Administration expenses	(107)	-	-	(107)
Benefits paid	(2,099)	2,099	-	-
Transfers In	-	(772)	-	(772)
Employer contributions	6,053	-	-	6,053
Contribution from employees	1,455	(1,470)	-	(15)
Current service cost	-	(6,445)	-	(6,445)
Past service costs including curtailments	(2,440)	3,556	-	1,116
Settlements	(112,944)	99,543	-	(13,401)
Interest income / (expense)	5,064	(5,334)	-	(270)
Change in asset ceiling	-	-	375	375
Re-measurement gains / losses				
- Derecognition of assets	(3,289)	-	-	(3,289)
- Opening Balance adjustment	2,440	(3,544)	-	(1,104)
- Actuarial loss	(4,218)	39,166	-	34,948
- Other assumptions	1,941	(6,886)	-	(4,945)
- Return on plan assets excluding interest income	(6,424)	2,200	-	(4,224)
Deficit in the scheme as at 31 August 2023	99,477	(96,433)	(9,271)	(6,227)

Company

Year ended 31 August 2023

	Total Share of scheme assets £'000	Present value of scheme liabilities £'000	Asset ceiling £'000	Net pension (deficit) / surplus £'000
South Yorkshire Pension Scheme - Closed	-	-	-	-
Platinum Pension Scheme	873	(685)	(188)	-
At 31 August 2023	873	(685)	(188)	-

Year ended 31 August 2022	Total Share of scheme assets £'000	Present value of scheme liabilities £'000	Asset ceiling £'000	Net pension (deficit) / surplus £'000
South Yorkshire Pension Scheme	3,310	(2,362)	(948)	-
Platinum Pension Scheme	1,056	(816)	(240)	-
At 31 August 2022	4,366	(3,178)	(1,188)	-

Notes to the financial statements (continued)

24. Pension commitments (continued)

2022 comparatives have been restated for the effect of an Actuarial re-measurement of the Defined Benefits pension scheme.

South Yorkshire Pension Scheme - Closed

	2023	2022
Expected rate of salary increases	-	4.35%
Expected rate of increase of pensions in payments	-	3.35%
Rate of inflation	-	3.35%
Discount rate	-	4.25%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	-	87.6
- Women	-	90.4

Longevity at 65 for future pensioners:

- Men	-	89.1
- Women	-	92.3

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Asset ceiling £'000	Total £'000	2022 £'000
Deficit in the scheme as at 1 September 2022	3,310	(2,362)	(948)	-	-
Benefits paid	-	-	-	-	1
Employer contributions	-	-	-	-	-
Contribution from employees	(15)	-	-	15	-
Current service cost	-	-	-	-	(23)
Past service cost	-	-	-	-	-
Settlements	(3,593)	2,362	-	(1,231)	-
Interest income / (expense)	89	-	-	89	5
Change in asset ceiling	-	-	948	948	(601)
Re-measurement gains / losses					
- Actuarial gain	534	-	-	534	748
- Other assumptions	-	-	-	-	(14)
- Return on plan assets excluding interest income	(325)	-	-	(325)	(116)
Surplus in the scheme as at 31 August 2023	-	-	-	-	-

Notes to the financial statements (continued)

24. Pension commitments (continued)

Total cost recognised as expense:	2023	2022
	£'000	£'000
Current service cost	-	23
Pension scheme settlements	1,231	-
Interest (income) / cost	(89)	(5)
	1,142	18

	Value at 31 August 2023	Value at 31 August 2022
	£'000	£'000
Equities	-	2,317
Bonds	-	662
Gilts	-	-
Property	-	298
Cash	-	33
Other	-	-
Total market value of assets	-	3,310
Present value of scheme liabilities	-	(2,362)
Scheme surplus	-	948
Asset ceiling	-	(948)
Net pension deficit	-	-

The return on the plan assets was:	2023	2022
	£'000	£'000
Interest income	89	58
Return on pension scheme assets less interest income	(325)	(116)
Total return on plan assets	(236)	(58)

Notes to the financial statements (continued)

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. A formal actuarial valuation was carried out as at 31 December 2016. The results of that valuation have been projected to 31 March 2021 with allowance for the payroll and benefit information which have been provided and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method. The major assumptions used by the actuary for the last two years are:

	2023	2022
Expected rate of salary increases	N/A	N/A
Expected rate of increase of pensions in payments	3.20%	3.30%
Rate of inflation	3.20%	2.30%
Discount rate	5.40%	4.20%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	85.9	85.9
- Women	88.7	88.8

Longevity at 65 for future pensioners:

- Men	87.2	87.1
- Women	89.9	90.2

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Asset ceiling £'000	Total £'000	2022 £'000
Deficit in the scheme as at 1 September 2022 (restated)	1,056	(816)	(240)	-	-
Administration expenses	(52)	-	-	(52)	(45)
Benefits paid	(36)	36	-	-	-
Employer contributions	51	-	-	51	44
Interest income / (expense)	44	(34)	-	10	4
Change in asset ceiling	-	-	52	52	(26)
Re-measurement gains / losses					
- Actuarial gain / (loss)	-	129	-	129	488
- Return on plan assets excluding interest income	(190)	-	-	(190)	(465)
Surplus in the scheme as at 31 August 2023	873	(685)	(188)	-	-

Notes to the financial statements (continued)

24. Pension commitments (continued)

The Shaw Trust's assessed share of the fair value of the assets of this scheme were:

	2023 Total	2022 Total
	£'000	£'000
Equities	-	-
Bonds	461	520
Gilts	412	536
Other	-	-
Total market value of assets	873	1,056
Present value of scheme liabilities	(685)	(816)
Scheme surplus	188	240
Asset ceiling	(188)	(240)
Total pension surplus	-	-

The return on the plan assets was:

	2023	2022
	£'000	£'000
Interest income	44	26
Return on pension scheme assets less interest income	(190)	(465)
Total return on plan assets	(146)	(439)

Notes to the financial statements (continued)

24. Pension commitments (continued)

Staffordshire Council (LPGS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund form the pension scheme for The Shaw Education Trust.

(The Shaw Education Trust Pension Schemes)

Staffordshire Council (LGPS)

Principal actuarial assumptions:

	2023	2022
Expected rate of salary increases	3.45%	3.45%
Expected rate of increase of pensions in payments	2.95%	3.05%
Rate of inflation	2.95%	3.05%
Discount rate	5.20%	4.25%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	84.9	86.2
- Women	89.1	88.8

Longevity at 65 for future pensioners:

- Men	86.3	87.2
- Women	90.2	90.5

West Midland Pension Fund

Principal actuarial assumptions:

	2023	2022
Expected rate of salary increases	4.00%	4.05%
Expected rate of increase of pensions in payments	3.00%	3.05%
Rate of inflation	3.00%	3.05%
Discount rate	5.20%	4.25%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	85.3	86.2
- Women	88.4	88.6

Longevity at 65 for future pensioners:

- Men	86.0	87.9
- Women	89.7	90.4

Notes to the financial statements (continued)

24. Pension commitments (continued)

Greater Manchester Pension Fund

Principal actuarial assumptions:

	2023	2022
Expected rate of salary increases	3.00%	3.80%
Expected rate of increase of pensions in payments	3.00%	3.05%
Rate of inflation	2.95%	3.05%
Discount rate	3.80%	4.25%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	85.0	85.3
- Women	88.8	88.2
Longevity at 65 for future pensioners:		
- Men	85.7	86.6
- Women	89.8	90.1

Cheshire Pension Fund

Principal actuarial assumptions:

	2023	2022
Expected rate of salary increases	2.95%	3.75%
Expected rate of increase of pensions in payments	2.95%	3.05%
Rate of inflation	3.00%	3.05%
Discount rate	3.65%	4.25%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.0	86.2
- Women	88.2	88.8
Longevity at 65 for future pensioners:		
- Men	83.8	87.1
- Women	89.6	90.5

Notes to the financial statements (continued)

24. Pension commitments (continued)

Derbyshire Pension Fund

Principal actuarial assumptions:

	2023	2022
Expected rate of salary increases	3.95%	3.75%
Expected rate of increase of pensions in payments	2.95%	3.05%
Rate of inflation	2.95%	3.05%
Discount rate	5.20%	4.25%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	85.8	86.1
- Women	88.8	88.8
Longevity at 65 for future pensioners:		
- Men	86.6	87.2
- Women	90.3	90.6

Share of assets in the above schemes (Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund) was:

	Value at 31 August 2023	Value at 31 August 2022
	£'000	£'000
Equities	46,709	43,392
Corporate bonds	16,246	10,956
Property	6,331	5,692
Cash and other liquid assets	2,389	2,623
Other assets	-	-
Derecognition of assets	(3,289)	-
Total market value of assets	68,386	62,663
Present value of scheme liabilities	(74,613)	(77,254)
Net pension deficit	(6,227)	(14,591)

Notes to the financial statements (continued)

24. Pension commitments (continued)

Total cost recognised as an expense:

	Value at 31 August 2023	Value at 31 August 2022
	£'000	£'000
Current service cost	5,940	11,407
Past service cost	(1,116)	52
Interest income	(2,805)	(994)
Interest cost	3,430	2,201
Total operating charge	5,449	12,666

London Pensions Fund Authority (closed), Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Platinum (Prospects Services Pension Schemes)

The actuarial valuations for the Company have been updated to 31 August 2023 by qualified independent actuaries. The major assumptions used across the schemes described above, were:

	2023	2022
Expected rate of salary increases *	3.45 – 4.00%	3.35 – 4.20%
Expected rate of increase of pensions in payments	2.95 – 3.20%	3.05 – 3.20%
Rate of inflation	2.95 – 3.20%	3.00 – 3.20%
Discount rate	5.20 – 5.40%	4.20 – 4.25%

PSS = Promotional salary scale

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	85.6 – 87.1	85.9 – 86.7
- Women	87.8 – 90.1	86.8 – 89.1

Longevity at 65 for future pensioners:

- Men	86.5 – 87.2	87.1 – 88.1
- Women	90.1 – 90.6	90.3 – 90.8

* London Pensions Fund Authority and Platinum schemes are now closed to active members and therefore the rate on increase in salaries is zero.

Notes to the financial statements (continued)

24. Pension commitments (continued)

Reconciliation of scheme assets and liabilities prior year:

	Assets	Liabilities	Asset ceiling	Total 2023	Total 2022
	£'000	£'000	£'000	£'000	£'000
Deficit in the scheme as at 1 September 2022	146,572	(138,114)	(8,458)	-	(70,759)
Administration expenses	(55)	-	-	(55)	(146)
Benefits paid	(1,077)	1,077	-	-	(122)
Employer contributions	36	-	-	36	1,036
Contribution from employees	128	(128)	-	-	5
Current service cost	-	(505)	-	(505)	(1,075)
Past service cost	-	-	-	-	-
Settlements	(109,351)	97,181	-	(12,170)	-
Interest income / (expense)	2,126	(1,870)	-	256	(1,121)
Change in asset ceiling	-	-	(625)	(625)	(6,241)
Re-measurement gains / losses					
- Actuarial gain / (loss)	(4,752)	17,724	-	12,972	78,155
- Other assumption	(250)	1,300	-	1,050	1,087
- Return on plan assets excluding interest income	(3,159)	2,200	-	(959)	14,988
Surplus in the scheme as at 31 August 2023	30,218	(21,135)	(9,083)	-	-

The actual return on plan assets over the period ending 31 August 2023 was £703,000 (2022: £1,231,000).

25. Business combinations

Academy conversions: The Shaw Education Trust (SET)

SET was incorporated as a wholly owned subsidiary on 2 June 2014 as a Multi Academy Trust to effect the sponsorship of three special schools / academies in Staffordshire.

During the year a further school was converted to SET (2021–22: two) The figures are shown in the following table.

Portland School and Specialist College - transferred 26 January 2023.

No cash consideration has been paid to the academy, and so no goodwill adjustments are required. The book values of the assets and liabilities were judged to be at fair value and had been treated in accordance with the Group's accounting principles, therefore no adjustments were required, and the financial activity of SET has been fully consolidated into the Group financial statements from their date of transfer.

25. Business combinations (continued)

The tangible fixed assets relate to property which was valued at the point of transfer and recorded as a donation received in the Group Statement of Financial Activities.

The net assets acquired have been recorded as a donation received in the Group Statement of Financial Activities. This relates to The Shaw Education Trust (SET).

	2023 Total	2022 Total
	£'000	£'000
Fixed assets - tangible fixed assets	7,007	7,404
Cash at bank	-	445
Liabilities < one year	-	-
Pension liability	(328)	(2,113)
Net assets acquired	6,679	5,736
Acquisition Cost	-	-
Goodwill arising from acquisition	-	-

Notes to the financial statements (continued)

26. Related Party Transactions

Related party transactions amongst group entities for the year included staff and central management recharges, Gift Aid profits, cash transfers, loans, and balances written off. The net movements of each entity due to group entities are disclosed below.

Intra-Group Transactions	2023 £'000	2022 £'000
Forth Sector	321	(216)
Forth Sector Development Limited	(47)	73
Homes2Inspire Limited	1,516	(3,012)
Ixion CG Limited	26	(1)
Ixion Holdings (Contracts) Limited	523	655
Ixion Social Enterprises	128	-
Optimus Education Limited	1,029	763
Prospects Education Services Limited	1,881	(2)
Prospects Group (2011) Limited	(1,872)	(2)
Prospects Services	5,998	(6,749)
The Shaw Trust Limited	(9,786)	7,425
Shaw Trust Services Limited	283	1,038
Shaw Education Trust	-	29
	-	-

Notes to the financial statements (continued)

26. Related Party Transactions (continued)

	2023 £'000	2022 £'000
Intra-Group Balances		
Forth Sector	(2,359)	(2,680)
Forth Sector Development Limited	222	269
Homes2Inspire Limited	(14,270)	(15,786)
Ixion CG Limited	26	-
Ixion Holdings (Contracts) Limited	546	23
Ixion Social Enterprises	751	623
Optimus Education Limited	12	(1,017)
Prospects Education Services Limited	(6)	(1,887)
Prospects Group (2011) Limited	(6,657)	(4,785)
Prospects Services	15,476	9,478
The Shaw Trust Limited	6,259	16,045
Shaw Trust Services Limited	-	(283)
	-	-

Notes to the financial statements (continued)

26. Related Party Transactions (continued)

The Trust requires all Trustees to complete a Declaration of Interest. The table below shows all the related parties that have been disclosed and the value of both income and expenditure that the Trust has incurred with these bodies during the period ended 31 August 2023. These transactions were as a result of normal business activity.

Related Party	Value of revenue received from Related Party	Outstanding revenue balance at 31 August 2023	Value of expenditure made to Related Party	Outstanding expenditure balance at 31 August 2023
Business Services Association	-	-	13,111	-
ERSA (UK) Limited	-	-	7,000	-

27. Financial Instruments

	Note	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Financial Assets					
Trade debtors	13	19,937	15,597	5,768	5,070
Intercompany		-	-	5,874	16,045
Other debtors	13	1,212	723	183	118
Investment in financial securities	10	15,424	4,823	4,949	4,823
Total Financial Assets		36,573	21,143	16,774	26,056
Financial Liabilities					
Trade creditors	16	4,360	4,661	1,078	1,571
Other creditors	16	5,646	8,333	1,322	6,829
Loans	16/16b	1,039	1,285	-	-
Accruals	16	6,506	12,307	2,597	4,396
Total Financial Liabilities		17,551	26,586	4,997	12,796

Notes to the financial statements (continued)

28. Post Balance Sheet Events

The Shaw Trust disposed its wholly owned subsidiary, Shaw Trust Services Limited (Company Number: 03176328) on 2nd October 2023 as going concern.

The Shaw Trust also applied voluntary basis to companies' house to strike off multiple dormant companies. None of these companies were in operation or had any financial significance to the Trust or its operations.

On the 17th January 2024 Good Work Partners Ltd was incorporated as a new subsidiary (Company Number: 15420664) as well as Homes2Inspire Services Ltd (Company Number: 15420675). The former relates to the launch of a new ethical recruitment agency, while the latter is a management company to support the administrative functions of H2I.

Shaw Trust agreed to dispose of 100% shares of Optimus Education Limited on 30th April 2024 as going concern.

Notes to the financial statements (continued)

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

Trustees

Sir Kenneth Olisa OBE, Chairman (resigned 10 May 2023)

Paul Baldwin * ~

Olly Benzecry (appointed 22 February 2023),
Chairman from 10 May 2023

Diane Côté * ~

Audrey Coutinho * ^

Deborah Dorman ♦

Annamarie Hassall MBE

Paul McGee * (resigned 20 September 2023)

Jeremy Moore CB ^ (resigned 21 April 2023)

Dr Mike Nussbaum ^ ♦

Lara Oyesanya ^ ♦

Kalm Paul-Christian ^

Stephen Pegge ~

Steve Shaw ♦

James Stewart ~ ♦

Gregory Allen (appointed 6 March 2023)

Carl Nicholson (appointed 6 March 2024)

Christine Swabey (appointed 6 March 2024)

* Member of the Audit and Risk Committee

^ Member of the Commercial and Performance
Committee

~ Member of the Finance Committee

♦ Member of the HR Committee

Executive Management Team

Chris Luck CB MBE

Group Chief Executive Officer

Stephen King

Chief Financial Officer

(resigned 2 October 2023)

James Robertson

Chief Financial Officer

(from 28 July 2023)

Scott Miller

Chief Operating Officer

Mark Earl

Chief People Officer

Richard Clifton

Chief Commercial Officer

Jo Morgan

*Chief Executive Officer – The Shaw Education
Trust*

Company Secretary

Carol McKinley

Registered Office

Black Country House, Rounds Green Road,
Oldbury, West Midlands, B69 2DG

Independent Auditors

Crowe U.K. LLP

2nd Floor, 55 Ludgate Hill, London, EC4M 7JW

Bankers

National Westminster Bank

9th Floor, 280 Bishopsgate, London EC2M 4RB

Solicitors

Brabners LLP Solicitors

55 King Street, Manchester M2 4LQ

THE SHAW TRUST LIMITED

England & Wales - Charity number 287785

Accounts



Shaw Trust Annual Report
and Accounts 2022

shaw trust

Contents

Message from our Chair	4	Our environmental impact	74
Message from our CEO	5	Our awards	76
Our mission	6	UN Sustainable Development Goals	80
Our behaviours and values	8	Trustees Report and Strategic report	83
Child to career	12	Future Strategy	83
Shaw Trust delivers across the UK	14	Operational Review	84
Homes2Inspire	16	Financial Review	90
Shaw Education Trust	20	Principal Risks & Uncertainties	96
Children and Young People's Services	24	Legal Structure & Governance	98
Optimus Education	28	Statement of Trustees Responsibilities	100
Learning and Skills	32	Independent Auditors Report	102
Employability	36	Financial Statements	106
Health and Wellbeing	40	Group Statement of	
Justice	44	Financial Activities	106
Ixion Innovation	48	Balance Sheet	107
Our commitment to our colleagues	50	Group Statement of Cash Flow	109
Shaw Trust people	52	Notes to the Financial Statements	112
Volunteering at Shaw Trust	58	Statutory & Admin	
The Shaw Trust Foundation	64	details of the Charity	159
Shaw Trust Disability Power 100	66	Accreditations	160
Disability Advocacy	70		

Message from our Chair



Shaw Trust welcomes this endorsement of our long-held mantra that we have a business head and a charitable heart.

Our purpose is to improve the life chances for employment for people who face social and economic challenges or who may also be disabled or have complex needs.

Leafing through this Annual Impact Report you will encounter numerous examples of how we delivered for hundreds of thousands of people in our country.

I hope that the following pages will convince you that Shaw Trust can teach others a thing or two about 'purpose'.

Our approach to our employees, volunteers, commissioners, and partners is designed to deliver the best possible outcomes for the third of a million people whom we supported last year. But our impact went much wider. For example, to nationwide acclaim, we published the 8th Disability Powerlist 100 highlighting the accomplishments of people with physical or neurological impairments.

Similarly, our Foundation has begun to incubate fledgling charities with the innovative energy to be at the forefront of the next generation of social change.

I am often asked what sets us apart from other welfare service providers of our size. My answer starts with a Board and CEO who totally embrace our purpose – improving the lives of people comes before profit. We walk this talk at every Board meeting where we begin with a discussion between Trustees and someone whom we have helped, often supported by a volunteer or a Shaw colleague.

As I step down as Chair, I look back on a decade during which Shaw has materially grown our social good and financial outcomes. If asked what I am most proud of from my time at the helm, my answer is seeing the reaction of we Trustees at those starter Board sessions, such as the:

- young residents from a home for children;
- confident shop manager whom we had rescued from the brink after his self-esteem had been bullied out of him at work;
- proud face of our support manager who had found a flat and employment for the decorated ex-serviceman whose redundancy had led to a failed attempt to deal drugs in order to make enough money to keep his home.

As we dab away the tears and open the Board papers (while contemplating “there for the grace of God go I”) no one is left in any doubt about Shaw Trust’s purpose.

Sir Ken Olisa
Chair of Trustees

Message from our CEO



A year ago, we were coming to terms with the impact of Covid 19. Today, the UK’s social and economic context continues to increase the disadvantages of vulnerable groups in society - food poverty, fuel poverty, and reduced relative incomes. As we hit the milestone of 40 years in operation, Shaw Trust’s mission is more vital than ever before.

Against this backdrop, Shaw Trust has been working tirelessly to support more than 330,000 people in 2021 – 22.

We work hard to help people of all ages, from childhood to retirement, by delivering a diverse range of public services focused on care, education, work, and wellbeing. And our homes for children; our education learning and skills programmes; employability services; support for young people in the justice system; and health and mental wellbeing support – are all designed to meet the needs of local areas. We are proud that in the last year we have started developing long term strategic partnerships in areas such as Somerset’s Homes and Horizons, offering integrated child to career support through a 10-year partnership.

I know our Shaw Trust people are key to ensuring our participants get the support they need. In the last year we have endeavoured to support, grow, and develop our colleagues through internal programmes developing leadership skills, CEO Executive Shadow Board and opportunities for involvement in cost-of-living conversations – all alongside our nominated staff representative group. I remain proud of the commitment that our people show to our mission.

Underpinning all our work is an unwavering commitment to social value: we are driven to delivering more. Our Foundation has invested our financial surplus to deliver more impact – incubating selected small to medium enterprises (SMEs) that align with Shaw Trust’s mission and ensuring our policy and advocacy work gives us influence at the highest level of government while delivering on-the-ground services. To this end, we are one of four proud sponsors of SEUK’s Social Value 2032 project, and this year also saw another hugely successful Disability Power 100 awards. We will grow this impact and social value even further in 2022-2023.

Finally, it would be remiss not to mention that after nine years of supporting Shaw Trust, Sir Kenneth Olisa OBE, has completed his maximum term as Chair. We are so grateful for his support and wise counsel.

In the next year, we will continue to take bold steps to ensure the needs of the people we support are met, making our vital contribution to a future where rewarding employment is accessible for all. I am honoured to lead Shaw Trust on this journey.

Chris Luck CB MBE MA MPhil CCMI FRSA
Group Chief Executive

Our mission

We will work with commissioners, employers, and other partners to co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

Our vision

A future where good employment is accessible to all in society irrespective of life circumstances.

Our purpose

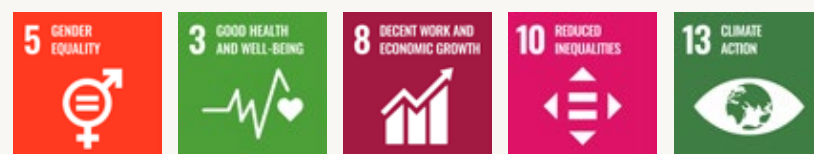
We exist to help people facing disadvantage enjoy the best chance in life, to find a way into fulfilling work and to build a strong sense of personal wellbeing.

Our commitment

To focus our experience, skills, advocacy, and passion to deliver the highest quality services for the people we support and to improve opportunities and access to work now and for the long term.

Our behaviours and values

We believe that who we are and the values we hold directly improves the quality of our support. Our values guide and focus us every day.



We care about people: We support our staff, our volunteers and the people we work with to realise their potential.

“If it hadn’t been for the health and wellbeing service and the process that enabled my manager to reach out on my behalf, I, and my unborn child, may not have received the care and the attention that we needed to bring about such a positive outcome. In fact, I can honestly say we may not have even been here to tell this story.”

We make a difference: Making a lasting positive impact for the people we support is the reason we exist. We deliver high performance across our services, helping people to improve their lives.

“The Restart scheme at Shaw Trust has been an absolute godsend for me. The Restart scheme has built my self-confidence to the point that I now feel I can apply for jobs I wouldn’t have thought were within my reach.”

“The service has saved my life. Nine months ago, I had made several attempts on my own life. I came to Shaw Trust Live Well Kent & Medway, you listened, and I felt heard for the first time in a very long time, I had disassociated from the world, from my children and grandchildren and I didn’t want to live, I really did not want to live. But you, and I don’t know how you have done it, have given me my life back.”

We are inclusive: We value the ideas, views and strengths of everyone we work with and support. Everybody is different and everybody is equal.

“The LGBTQ+ network podcasts have made me feel so proud that I work at Shaw Trust. That colleagues feel safe to share their personal stories and how their life experiences have impacted on them.”

“I am a member of the Women’s Network and a member of the Race Equality Network here at Shaw Trust. I feel proud to work for an organisation that encourages me to bring myself to work and be my true authentic self. I’m able to educate others on my culture and heritage and learn from others about their culture and

heritage. The environment is solutions focussed and enabling, and the colleague networks are a safe place to discuss ideas or talk about concerns. I’m proud to be a woman of colour within Shaw Trust where the environment is inclusive and very enabling.”

“I’m part of the Neurodiversity Peer Support Group and I’m autistic. I feel proud to work for Shaw Trust and I feel comfortable to be 100% me, I have never felt able to do that anywhere before. That helps me to succeed and progress in my role because I’m not putting on a mask and am able to just focus on my role, my strengths, and the benefits of being autistic.”

We are collaborative: Working together is more effective and efficient. We believe that by working together with those we support and our partners we create better services and solutions.

“Our experience of Shaw Trust is they are clearly both a ‘listening’ and ‘doing’ organisation. We have developed a close and innovative partnership over the last year, to support our most vulnerable children in our care with complex needs. Shaw Trust has brought their expertise and resource to bear to develop innovative new homes and fostering services. They have taken the time to understand our needs and listen to our young people; the resulting provision is ground breaking. If you want to form true partnerships centred on the needs of children we would whole heartedly recommend working with the Shaw Trust Charity.”
Daniel Moncrieff, Somerset County Council

We are honest: We are authentic, accountable and transparent in all we do.

“You have all clearly done a lot of work in getting the pay award sorted out, as well as the Cost of Living Award. The explanations were honest, and it really is appreciated. The help will allow us to sleep a little more easily now.”

We're proud to have supported **335,000** people during the year.

3,000+
Staff

15
External
accreditations

24,944
Kent mental health
crisis phone calls
answered

64,539
Unemployed
people
supported

3
Major awards

80,000+
School staff
supported in
their professional
development

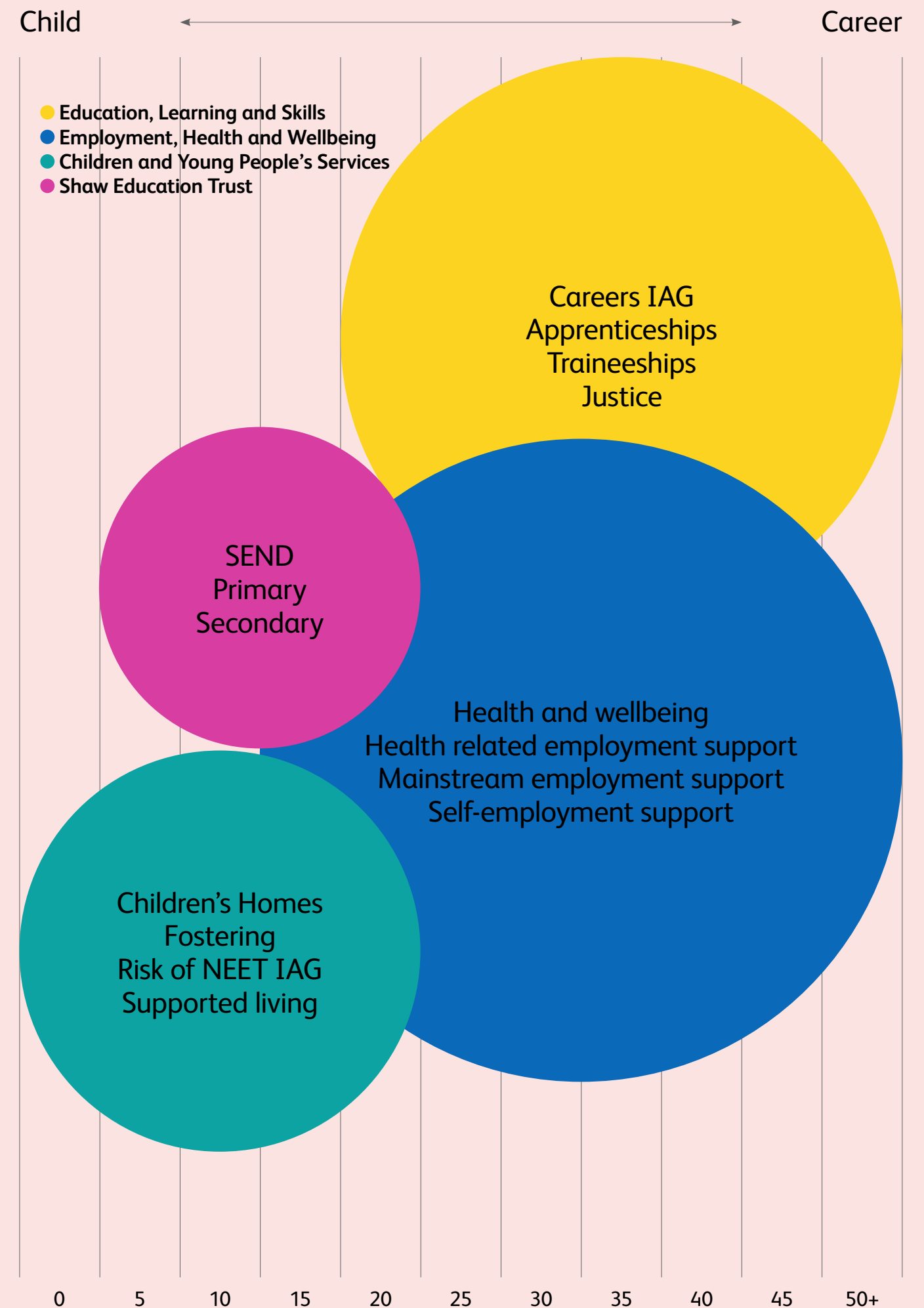
35
Ofsted
registered
Children's Homes

120+
Disability
Employment Charter
signatories

4
Policy Diversity
Interns

Child to career

We help people by delivering a range of public services focused on care, education, work, and wellbeing.





Shaw Trust delivers across the UK

1 North West	5 South East	8 Yorkshire and the Humber
Shaw Education Trust	Learning and Skills	Children's services
Learning and Skills	Employability	Learning and Skills
Justice	Justice	Homes2Inspire
Retail and Social Enterprise	Homes2Inspire	Retail and Social Enterprise
2 West Midlands	Health and Wellbeing	9 North East
Children's services	Retail and Social Enterprise	Learning and Skills
Learning and Skills	6 London	Retail and Social Enterprise
Employability	Children's services	10 East Midlands
Justice	Learning and Skills	Children's services
Homes2Inspire	Employability	Learning and Skills
Health and Wellbeing	Justice	Employability
Shaw Education Trust	Health and Wellbeing	Justice
Retail and Social Enterprise	Retail and Social Enterprise	Homes2Inspire
3 Wales	7 East of England	Shaw Education Trust
Children's services	Children's services	Retail and Social Enterprise
Retail and Social Enterprise	Learning and Skills	11 Scotland
4 South West	Employability	Retail and Social Enterprise
Children's services	Justice	
Learning and Skills	Homes2Inspire	
Justice	Health and Wellbeing	
Homes2Inspire		
Retail and Social Enterprise		

Homes2Inspire

Homes2Inspire works with some of the country's most difficult to place children and young people with extremely complex behaviour, multiple needs, adverse childhood experiences and trauma, high levels of high-risk behaviour, suicide, self-harm, child exploitation, child criminal exploitation.



Many of the children we support have been excluded from education and have had multiple placements (in some cases 30+), they may also be subject to Deprivation of Liberty Orders. All of them need our specialist care.

Homes2Inspire:

- 267 children and young people looked after.
- 35 Ofsted registered Children's Homes looking after 129 children.
- One Independent Fostering Agency (FosteringtoInspire) graded 'Good' by Ofsted.
- Two large Leaving Care Services (flats) one of which has a CQC registered Well-Being Suite.
- A Strategic Partnership with Somerset Council to develop up to 10 registered Children's Homes, 20 High Needs Foster Placements and a Therapeutic Education School.



Our community says:

"I used to be the top in the county for running away and now I don't at all."

Resident

"I'm looking forward to being able to care for the elderly with respect and dignity, like staff have cared for me."

Resident

"We have to praise staff, they have kept her safe and continued to care for her despite her challenges, they have never given up on her, and many others would."

Parent

"They are supporting [child] to make progression that we didn't think was possible. So many providers do not take this approach to risk and it's refreshing to see."

Social worker

"The progress made by children is truly phenomenal."

Staff member

About our Young People

- Between September 2021-July 2022, 165 young people lived in our homes.
- We have a total of 113 beds in our homes.
- 53% of our young people are male and 47% female.
- 24% of our young people come from an ethnic minority background.
- 38% of our young people have Education Health and Care Plans (EHC Plans).
- 50% of our young people attend a mainstream school.
- 45% of our post-16s have part-time jobs.
- 153 of our children and young people are in education or training.

Jamie and his brother were known to social care from 2006 because of domestic abuse concerns and poor home conditions. They were placed in their grandmother's care when Jamie was 14.

However, Jamie's relationship with his grandmother gradually broke down as he struggled to live within his grandmother's boundaries. He came to live with us in 2018.

Jamie had ups and downs – ricocheting between periods of exceptional engagement, followed by long periods of becoming isolated and rejecting support from our team.

We persevered, helping Jamie build his confidence through sport. Sadly, Jamie lost his grandmother in 2020 and was profoundly affected, but he channelled his grief into raising more than £1,500 for dementia research by completing a sponsored run.

Jamie always aspired to join the Navy as soon as he turned 16 – but his application was declined. After being refused an appeal, Shaw Trust staff challenged this ruling and their support – and a statement from Jamie to support his appeal – saw him being admitted and he started his training in July.

Jamie has developed into a mature and positive role model for our other young people and an inspiration to others.

"I honestly can't say how thankful I am to you and all the staff. I'm so happy to have achieved my dream after such a difficult start. Thank you, especially for just listening to me talk – it means a lot. I get to just be normal."

Jamie 2022

Homes and Horizons

Focussing on the needs of the children and young people who require our in-depth help and support this partnership will enable Shaw Trust and Somerset Council (SC) to:

- Take a long-term, joined-up approach to transforming the county's children's services with a service designed for the needs of the most vulnerable and high need children.
- Create a new way for the public and civil society to work together.
- Create additional social value in the county by reinvesting contract profits into innovative new services.

It will deliver:

- Ten residential children's homes.
- 20 high needs fostering places.
- Therapeutic education.

The approach includes an innovation fund enabling Shaw Trust Foundation to work with SC and young people in Somerset to develop new approaches and pilot services to make young people's transitions into adulthood easier.

The work to develop this strategic partnership with SC is a huge achievement and is a blueprint for innovative, collaborative, place-based and longitudinal work for the future. But it is also vital to remember what it will mean for the children and young people it supports:

"The visit to the furniture manufacturer only reinforced my belief in the philosophy and work of Homes2Inspire as being both pioneering and outstanding. The value they show their young people can be seen in both the relationships of staff and young people and the quality of homes they have. This is what changes a Children's home into a home for children."

Damien Erangey, Somerset Council

Shaw Education Trust

Shaw Education Trust is a multi-academy trust sponsored by Shaw Trust. Founded to improve employment outcomes for disabled children it has grown and now operates 29 primary, secondary and specialist schools across 10 local authority areas.

It remains true to its founding principle ensuring individual's opportunities are not limited by their background, or by their ability.

11,000+
students

29
Academies

45+
extra-curricular clubs

2,500 staff
hours of support
for schools provided
by the customer
services team

100%
of schools retained
or improved their
Ofsted grade

100%
of schools received
judgements in line
with SET's internal
evaluation

100%
of our Directive
Academy Order
schools received
'Good' at next
inspection

100%
residential specialist
schools are good or
outstanding

Ofsted say:

“Staff undertake a range of courses provided by the Shaw Education Trust. Staff appreciate the investment that has been made in their development. As a result of this investment, staff have strong subject knowledge.”

“Leaders, academy councillors and trustees work well together. They take account of staff’s workload and the well-being of staff and pupils.”

“Senior leaders, including trustees and governors, lead this school very well. They are determined to ensure that pupils are provided with a life-enhancing education.”

Our principals’ and teachers’ say:

“I take with me so much inspiration from being part of the Shaw Education Trust community and family. I am really grateful for you believing in our school all those years ago and supporting us all in our incredible journey.”

“As Headteacher, having colleagues who know our school inside out, but also care for our school community is invaluable. As a staff we became invincible. I am very thankful that I am part of such a wonderful trust.”

“I will be forever grateful for the support and opportunities I have been given which have allowed me to progress in my career. I have been at my school for 10 years, and the school is undoubtedly in the best place it has been during that time, since being taken over by Shaw Education Trust.”

Our Institute of Education: Key training statistics and our workforce development programmes

Our Institute of Education (IoE) is a key strand of our organisation and leads on our school improvement, talent management and CPD. The IoE has an excellent reputation for providing superb quality support through our vast network of highly experienced and successful system leaders. We have provided high quality, national awards, externally verified and certified training to teachers and leaders:

National Professional Qualifications: **352**

142 Early Career Frameworks (ECTs and ECMs):

The Trust has a fully developed apprenticeship programme at all levels supporting **108** apprentices.

Our retention rate for apprenticeships is **well above national at 84%**.

Our talent management for teaching staff starts with the ITE programme and we have an **Outstanding SCITT** within SET (Keele and North Staffordshire Teacher Education).

46 subject and thematic hubs for teachers and leaders

71 professional advocates providing support and expertise across Shaw Education Trust

35 in-house training programmes for teaching assistants, teachers, aspiring leaders, middle and senior leaders.



Billy Ellerington wins the Beckwith CARE Young Changemaker Award

With an early diagnosis of ADHD, Tourette’s and associated learning difficulties, Billy found he faced many challenges growing up, including a permanent exclusion from mainstream secondary. He found himself in a specialist setting which in his own words ‘changed his life’ after discovering the power of sport. Billy has used his own experiences to educate and inspire others. He has delivered training for senior school leaders, coached and led sports/fitness sessions for students and recorded a podcast with Professor Barry Carpenter.

Last summer, he fronted a campaign – the Active Summer Challenge - for the Youth Sport Trust, even learning some British Sign Language to make it inclusive for all. He said: “Helping other people reach their goals and really changing a child’s life, not just physically but mentally, with the power of sport is massive. I’ve gained self-management and a lot of confidence which has helped me with my Tourette’s Syndrome and ADHD to stay levelled with everyone around me and stay focused on my challenge ahead.”

Children and Young People's Services

Shaw Trust Children and
Young People's Services delivers
services for those aged 5 years to 24,
focusing on those aged 11 to 18.



Our work covers careers guidance and wrap-around support in schools and with those not in education, employment or training (NEET), management information, supported internships, youth work, youth justice, coaching, self-employment and enterprise, and employability. In 2021/22, we worked with 98,000 children and young people.



Z left sixth form following issues with her peers, including a physical fight. This led to anxiety, low self-esteem, feeling alone, and not wanting to leave her bedroom. We supported her with:

- Seven specialist mentoring sessions using Cognitive Behavioural Therapy (CBT) approaches – to deal with her negative feelings and low mood, boosting her confidence and outlook of the world.
- Regular weekly mentoring sessions to work on her confidence, motivation, preparing her to find a part time job and apply for education.
- Completing the Money Wellbeing course, employability days and master classes.

Z has boosted her self-esteem, confidence, and self-belief and is now doing A levels that support her with her future career goals. She was very lonely when I first met her but now has friends and has become much more sociable.

“For the past few months my life has somewhat spiralled out of control to a point where I felt like I was thinking of ways I could leave this planet. Thankfully after seeing me in this state my father started going everywhere, so he could find me someone who could help me. I began attending CBT and this really challenged and changed my way of thought. One other thing my mentor taught me is that I am one in a million and I should act in this way. Before this programme, I had a weak mindset which led me to making poor decisions. I am proud of how far I’ve come and all my achievements. My mentor really understood me, and I was able to express all of my concerns to her big or little. To say CBT saved my mental health would be an understatement; it also lifted me up from a hole I’ve been digging myself for years. I am very grateful for the opportunity and hope that these new skills I have picked up will stay with me for a lifetime.”

Young Person Z

Our Children and Young People’s Services work with an evaluation partner, University of Northampton, to independently evaluate the impact of our work including our resilience mentoring, cognitive behavioural coaching and health and wellbeing interventions.

Above and beyond

The Gloucester team created Healthy Holidays to address the food poverty families accessing their services were experiencing during school holidays. This includes:

- Delivering a weekly family breakfast pack.
- A healthy one pot recipe card with all the ingredients for the families to make two hot meals.
- On-site activities (like circus skills, and dance) and cooking a healthy meal together.

Since October 2020 the team have provided 27,000 meals to those in need.

Our clients say:

“I would like to thank you for how you have supported us through our family journey. You have spent time nurturing our daughter back from being hardly able to leave the house and suffering terrible anxiety to being able to enjoy a relatively normal life.”

A parent

“My adviser has been fantastic and found me a job at an estate agency as a business administrator. He helped me build my confidence and I am so grateful.”

Young person



Optimus Education

Optimus Education is one of the UK's leading providers of inspiring school improvement services.



Our impact

95% of schools undertaking the Wellbeing Award for Schools agreed it helped reduce mental health stigma.

The percentage of young people unsure about their future dropped from 48% to 20% after participating in an Optimus Education Skills event.

Our customers say:

“The Optimus team are friendly and professional and went out of their way to ensure the best possible outcomes. We can’t recommend Optimus Education highly enough and we hope to continue our partnership with them over the years to come.”

Co-Founder, Chameleon Personal Development Education

“Optimus Education gives us the peace of mind that comes with knowing our safeguarding compliance procedures are sound and up to date. Optimus Education is among a select group of truly indispensable education resources.”

ACS International Schools

“The Leading Parent Partnership Award directly impacted pupil achievement at GCSE level and improved outcomes significantly. This improvement has been most evident for disadvantaged and SEND students.”

Vice Principal, Saint Peter and Paul Catholic High School

Our Optimus Education colleagues say:

“I love supporting the many schools working with us. Working on our awards gives me a great insight into all the good things that they do.”

Denise Thomas, Customer Service Manager

“I love how varied our portfolio is... It’s great that no matter what a school needs, we can always help them!”

Josh Hadrill, Improvement Awards Manager

“There is always someone who’s able to help when you need.”

Sarah Burne, Publications Lead

Lessness Heath School decided to focus on supporting and protecting mental health and wellbeing of the whole-school community – so worked with Optimus Education’s Wellbeing Award for Schools (WAS).

The WAS supports schools to make a mental health action plan that will improve the mental health provision for pupils and staff, created in partnership with the National Children’s Bureau.

Before the intervention, the staff wellbeing audit showed they felt the huge demands of their role caused them to neglect their wellbeing – and that some were considering leaving the teaching profession. It also showed they didn’t know how to recognise or respond to mental health challenges.

By understanding the problem, Lessness Heath School gained a greater understanding of the importance of removing mental health stigma. They made many changes including creating a staff wellbeing notice board, appointing wellbeing ambassadors and delivering termly Continuing Professional Development with a focus on mental health and wellbeing.



5,000+
schools supported

80,000+
school staff
supported in
their professional
development

1.7
million+ pupils
reached

4,200+
hours of support
for schools provided
by the customer
services team

An evaluation of
the Wellbeing Award
for Schools revealed
that of **1,000+**
schools enrolled on
the award:

95%
agreed the award
had improved
pupils’ behaviour

93%
agreed it had
improved
staff wellbeing

93%
agreed it had a large
or medium impact
on parent wellbeing

Learning and Skills

Learning and Skills delivers apprenticeships, advanced learner loans, skills and employability to both unemployed and employed learners wanting to improve their skills.

We also support young people into traineeships, and support and develop learners with special educational needs through supported internships through youth education and skills.

This year:

We have supported
5045 learners, who have achieved
3222 qualifications

629 people have progressed
to employment
or further education



Gavin found Shaw Trust via the job centre after being unemployed for a long time after an extended illness and recovery. He wanted to take some courses that interested him and grabbed his attention, including Level 1 Award Preparing to Work in Adult Social Care and Level 2 Certificate Mental Health Problems.

A Progression Officer supported Gavin with his CV, job applications, mock interviews and job searches; while his tutor who helped with the learning modules, feedback and guidance.

Gavin is now undertaking training for a new role in the Civil Service.

“My qualifications gave me a lot more confidence going back into work and the support I’ve had has made me feel more positive.

It’s only been a couple of years but you can start to lose touch with the jobs market but it helped me get back into work and I am now working with the civil service – it’s not quite what I expected but I am enjoying it and currently in the training part and then I will gradually be eased into the job role and put the learning into practice.

Sometimes things come by that you don’t expect and other ones you have to search a little bit for, but this one came by the job centre and here I am back in at 58 which I didn’t expect.”

Our learners say:

“I found this course really good - I got all the support I needed - I had the best tutor too!”

“I feel the course has helped me understand my strengths and it has given me a bit of my confidence back. Talking on camera to help other people who are not sure of whether to do the course made me realise I can push myself out of my comfort zone and survive.”

“The support was amazing. I feel very positive, and I am excited about starting my new job in the coming weeks. I am very thankful to Laura for her amazing input and pointing out some of my strengths. All of her suggestions I took her up on to see where it led and, in the end, it led me to my new job!”

Our clients say:

“An individual and personalised approach to functional skills and apprenticeship learning has supported our employees to develop. The apprenticeship learners are able to set their own pace, for example, provision has been made for those apprentices who want to work quicker on their apprenticeship to prevent them from becoming disengaged and bored.”

Regional Manager, STERIS

“This was a really well thought out and delivered training programme, which has clearly delivered exactly what we wanted it to, which is 100% start and completion rate. There are lots of job opportunities, so we are really pleased with it.”

**Employment Services Delivery Manager,
London Borough of Camden**

Employability

Shaw Trust Employability is focused on supporting unemployed people with barriers to gaining employment.



The people we work with have barriers to gaining employment including health, disability or other economic or social disadvantage. We offer wraparound support such as health and wellbeing support, training, information, advice and guidance (IAG) and mentoring.

In 2022 we supported 64,539 unemployed people with 30,838 of these either starting a new job or launching their own business.

Our main commissioners are the Department for Work and Pensions (DWP), the West London Alliance (WLA), and the Education and Skills Funding Agency (ESFA).



Our participants say:

“Support has been great - very helpful. Keep it going as the support could help so many people.”
IPES – Digital Coaches participant

“My experience has been so positive, I am going to be able to use all of the techniques and advice I was given to succeed in life.”
IPES - Talking Therapy participant

“I’m so thankful for IPES, it saved my life and gave me the ability to believe in myself. This is down to Antonia and Jaime, without them I honestly believe I would not be here today to write this.”
IPES participant



Going the extra mile

Our West London team has started a mini foodbank in the office with donations from local businesses to support participants impacted by the cost-of-living crisis.

Our advisors in the Birmingham Restart Hub use skills gained in their personal lives to engage and support participants. For example, Rob uses sign-language to ensure one of his participants Glodie gets the most out of the programme.

“Usually, I spend a lot of time typing on my phone to communicate with people. Being able to sign makes it so much quicker for me to explain what I mean. Rob also interprets what is happening in the office for me, so I feel more involved and understand what is going on around me.”
Glodie



Paul was supported by the Intensive Personalised Employment Support (IPES) programme. This DWP programme supports disabled people with complex needs. Here is his story:

After over three years of unemployment, Paul had lost his purpose – he felt lost, devalued, and that his age was stopping him getting into work. His mental health and wellbeing were impacted. He joined IPES to re-build his confidence.

During the 14 months Paul was on IPES we focused on supporting Paul’s health and wellbeing with counselling, health at home interventions, strengthening support networks and occupational health support (resulting in a referral for much needed medical support). He now has a one-to-one care plan and is in much better health.

After 14 months, Paul began to feel like himself again - emotionally and physically. He felt able to look for work again. Paul was successful, and now works as a Compliance Monitoring Manager - using skills and expertise he feared he’d never use again.

Mark was supported through the Work and Health Programme.

Mark started his journey with the Work and Health programme in June 2021. He worked hard to improve his mental health, receiving intensive counselling and regular check-ins with the Shaw Trust Health and Wellbeing Team for further support.

Mark completed training including CV development, writing cover letters and applications, and mock interviews. In addition, he attended life coaching sessions around goal setting and completing tasks.

He engaged with our team extremely well and was able to identify employment opportunities with the NHS in his area of interest, Mark applied for a role, interviewed successfully and was offered the post.

Health and Wellbeing

Shaw Trust's Community Health and Wellbeing approach enables people to cope better with challenges at home, in work and in communities.

13,884
Participants supported

4,944
Kent mental health crisis phone calls answered

1,047
People trained in better mental health and resilience

330
Occupational Therapists trained

374
Shaw Trust colleagues/ stakeholders attended our autism awareness sessions

521
Shaw Trust colleagues supported



We use the biopsychosocial model of support to enable better management of mental and physical health conditions.

The biopsychosocial model is an inter-disciplinary model that looks at the interconnection between biology, psychology, and socio-environmental factors. The model specifically examines how these aspects play a role in topics ranging from health and disease, to human development.

Individual Placement and Support (IPS) supports people with severe mental health difficulties into employment. It involves intensive, individual support, a rapid job search followed by placement in paid employment, and time-unlimited in-work support for both the employee and the employer.

This year we:

Launched five new services:

- Shaw Trust Counselling service to employability participants.
- Shaw Trust Health Assessment service to Work and Health participants.
- Shaw Trust Training service to Work and Health participants.
- Connect for Health service in Suffolk.
- Somerset Family Solutions service in Somerset.

Expanded existing services

- Kent Individual Placement and Support (IPS) service was expanded to include an additional team to support the increased demand.
- Work to Recovery IPS service in Birmingham was expanded to include an additional team to support the increased demand.
- Our Shaw Trust clinical practitioners were expanded into our Children and Young People's Services to work supporting young people with their mental health needs.

When Ben Brazil came to Live Well Kent he said he had no hope for his future. Anxiety meant he found it difficult to leave the house.

Until he was 19, Ben had been a successful judo professional – travelling the world and taking part in tournaments. However, when he was 17 Ben developed Crohn's disease. By 19, his deteriorating health meant giving up judo.

This sent his life on a very different course.

Ben was referred to our counselling service. His confidence grew daily and he learned to accept himself. After completing the course, Ben applied to be a Shaw Trust volunteer - attending groups, sharing his journey, and helping people to believe in themselves again.

Ben has now achieved 8 City and Guilds certificates, he has become a business owner, a qualified mechanic, an MOT examiner and a fully qualified MOT manager.

"When I first came to Live Well Kent I wanted to take my own life. I had nothing and nobody to turn to. I had sessions with Julie and then I was introduced to the 'Living in the Moment' group. I learned so much in the group about myself; I learned to live in the moment and grab every opportunity with both hands, I learned to love myself and all that I am. I have been given the tools to be able to deal with everyday life. My life has changed so much."

Ben raises awareness around mental health and the services available to help by telling his story.

We nominated Ben for a Social Prescribing Award and he won the award for the most inspirational person 2022, sponsored by NHS England.



Key achievements

- IPS Grow Quality Kitemark awarded to **Work to Recovery**.

"We are so pleased with the delivery of the IPS Service and the changes Shaw Trust have implemented. The service has gone from a failing contract by the previous provider to one of best practice being recognised by NHS England and IPS Grow."

Birmingham and Solihull Integrated Care Board

- 101/125 score on **Kent and Medway IPS's** first IPS fidelity review.

"Shaw Trust have an important contribution to make in shaping the Community Mental Health Team offer in Kent & Medway and it is good to know it is in safe hands as you explore new areas to use IPS. Please keep doing what you are doing..."

NHS England

- **Live Well Kent** won the Kent Housing award for excellent partnership working.

"There really couldn't have been a better example of partnership so I'm glad to see the award rightfully came to Live Well Kent".

Kent County Council

- **Silver Covid 19 Response Awards** for our Covid 19 Staff Health and Wellbeing Initiative.
- Shortlisted for **CIPD hugely prestigious Peoples Management Awards** for the Best health and well-being initiative public/ third sector.

Justice

Our work in the justice sector is designed to enable the people we support to contribute positively to society and break the cycle of offending and reoffending.

We work with adults and young people both within custody and in the community supporting them to affect positive change.

300
Young People
Educated at Feltham

1500+
Exams Passed by
Young People at
Feltham

1418
People Supported by
CFO Activity Hubs

2434
Community and
social interventions

72
Interventions and
services to reduce
recidivism

701
People Supported by
CFO3

690
Jobs secured CFO3

Information, Advice
and Guidance
contracts delivered in
16 prisons across the
UK

360+
Colleagues working
in Justice



Our Work

We deliver contracts for the Ministry of Justice, Youth Custodial Services and HMPPS/ CFO (part funded by the ESF) to improve social inclusion among ex-offenders through education, training, Information, Advice and Guidance (IAG) and employment support, both within prisons and upon release. We deliver in 48 custodial establishments and over 114 community locations across England, including seven dedicated CFO Activity Hubs in the West Midlands, East Midlands and East of England each offering a warm welcome, a hot drink and one-to-one with a support worker, group sessions and space for participants to work on their own with our staff available.

Stoke CFO Activity Hub Supports the Poppy Appeal

One of our support workers at our Stoke CFO Activity Hub wanted to do something for the Poppy Appeal, as he is part of the Veteran's Support Network, so decided to stay in for a walk in remembrance for those who have served for us.

Participants and colleagues took turns walking from John O' Groats to Land's End (812 miles) with everyone proudly wearing a poppy. After each person has finished their section of the walk, their poppy is added to the board to demonstrate participation.

Not only did the initiative help improve fitness it led to improved participant engagement in other activities offered at the Hub.

Participants attending activities at our hubs say:

"Great day! So much to offer and what a difference you make. Really informative. Thank you."

"What a fantastic hub, well organised, great staff, good vibe to it...very welcoming!"

"What a lovely space. Great, safe atmosphere and some wonderful, magical work taking place."

Comments from Colleagues

"Throughout my time with Ixion and Shaw Trust, I have always felt that the company truly does put the participants at the centre of all that is done. The work I do gives me great satisfaction, knowing that what I do, genuinely makes a difference to people's lives. I believe that progression within Shaw Trust is important to higher management, including the CEO and that staff are supported with this. I am proud to say that I work for Shaw Trust."

"I find this role extremely rewarding. Every day is different, I am able to feel like I am making a difference to people's lives, and this job challenges me and has given me invaluable skills such as creative problem solving. I work as part of a great team who are very supportive. Seeing the real life impacts our support has for our participants, and how it can change their lives for the better, is very fulfilling."

"Being a community case manager offers me job satisfaction as I enjoy helping people grow and improving their quality of life. Shaw Trust has been very accommodating to my lifestyle as I have a young son. They have granted me flexible working hours which enables me to complete my job role more efficiently. My line manager is wonderful and always helps me where needed."

"I love working for Shaw Trust and I feel that it's refreshing to have a company that truly lives by its values and invests in its people. I feel very proud of my team and the positive effects we make on people's lives, and I feel very passionate about the work we do and what value it brings not only to our participants but to society."

"I joined in 2017 as a community case manager. Since then, I have progressed twice and have really grown in confidence. Joining Shaw Trust has allowed me to get involved with equality and diversity groups and has allowed me to get involved with areas I am passionate about outside of my day-to-day job. Having a management team that really believe in their staff and their purpose makes coming to work much easier."

Feltham Education welcomes ministerial visit

One of the areas where we work supporting young people is at Feltham Young Offenders Institution (YOI). We provide the young peoples' education, and like at any school or college, we employ teachers, prepare lessons and support the young people to take exams including GCSEs, vocational and educational qualifications. But we do it within the prison.

In March Victoria Atkins, Minister of State at the Ministry of Justice and Minister for Afghan Resettlement visited with Helga Swidenbank, Executive Director Youth Custody Service. Both commented positively on the significant improvements in safety, behaviour, engagement, and outcomes for learners at Feltham YOI since early 2020. These improvements have taken place despite the Covid-19 pandemic and were recognised in a recent visit by Ofsted.

Speaking about the visit, and the improvement over the last two years, Patrick Allen, our Head of Education at Feltham YOI said: "Meeting the Minister and Helga and receiving their feedback, where they recognised the hard work done by the Shaw Trust team at Feltham YOI was extremely satisfying. The whole team has come together in building effective partnerships with our HMPPS colleagues, thus enabling the successful implementation of a revised curriculum, a trauma informed approach to behaviour management and a shared learner centred vision of high expectations, which formed the foundations for the significant improvements."

Ixion Innovation

Ixion Innovation helps organisations develop world beating products, processes and services to tackle major societal, environmental and economic challenges.

This year, Ixion Innovation has:

Secured
£12million+
grant funding

Seen a **5-10x**
success rate
compared with the
average applicant

Secured funding
for several UK
companies under
the Horizon Europe
funding programme
(deemed almost
impossible
post-Brexit)

The nearly 20- strong team of scientists, engineers, technologists and business specialists focuses on securing innovation funding to help pay for ambitious projects. Ixion is renowned across Europe as one of the most successful grant acquisition organisations.

Our clients say:

“You have literally changed my life.”
Jason Hill, Managing Director, Dynamiq

Ixion won over £2m of Innovate UK funding to allow Dynamiq to develop a new, high performance, affordable turbine powered helicopter. As a result of our work, they have secured 658 deposits for the aircraft (approximately £60 million).

“It is fantastic, the feedback, the score, the funding, It will enable us to take the next steps. It wouldn’t have been possible without the very skilled Ixion Innovation team.”
Arve Stavrum Tang, CEO, Cemit Digital

Ixion won €1.6m of funding from Eurostars for Cemit Digital, securing the number 1 ranked application across Europe.

“I would like to place on record that I have been very impressed by Ixion’s support and leadership throughout this process – Nice job!”
Martin Coleman, CFO, Metrasens

Ixion won a major Innovate UK grant application for Metrasens to develop a novel security scanner that doesn’t need a person to empty their pockets.

Ixion secured a €1.8m grant and €6m of equity investment for Handiscover.

Handiscover focuses on solutions helping disabled people to navigate and travel. This project focused on the accessibility of hotel accommodation. Handiscover are trailblazers, using sophisticated technology to deliver fast, accurate, automated classification of hotel accommodation.

Our commitment to our colleagues

CEO Shadow Programmes

Shaw Trust offers two CEO Shadow programmes, both offer colleagues an opportunity to learn directly from our Chief Executive Officer, Chris Luck.

CEO Executive Shadow Board

The Shaw Trust CEO's Executive Shadow Board enables colleagues to get involved in the shaping of Shaw Trust and provide suggestions directly to the CEO and senior executives on strategic issues. The purpose is to diversify the perspectives our executives hear and bring a more diverse, non-executive and younger mindset with an alternative viewpoint to strategic issues being discussed by the Executive Board.

"It has given me an insight into how to challenge leaders effectively and changed how I consider and complete tasks within my role."

CEO Shadow

Colleagues follow Chris in his work over a day or a few days. Accompanying him to meetings and observing what it means to be a CEO. Participants grow their insight and experience into how a large organisation operates at the group level, and have one-to-one meetings with the CEO.

Apprenticeships

Blending work experience and academic study, apprenticeships offer Shaw Trust colleagues progression opportunities including learning new skills, gaining experience, achieving qualifications and expanding their network.

At present 6.7% of our workforce are undertaking qualifications. This is ahead of our target of 5% of our workforce.

"This change from mentoring to coaching has helped me develop my skills and expertise, so not only do I have the skills and knowledge from my career, but I'm also equipped now to tackle my new role thanks to this apprenticeship."

Adam Waite

Future Leaders Programme

The Shaw Trust Future Leaders Programme prepares our next generation of leaders with the skills, knowledge and experiences to move into senior leadership positions at the very top of our organisation. Ten colleagues from across our organisation made up the first cohort.

The programme is supported by speakers including the Rt. Hon. Sir David Lidington, KCB, CBE, former minister for the Cabinet Office and Lord High Chancellor and Air Marshal Edward Stringer CB, CBE, who served as Director-General of the Joint Force Development, Strategic Command.

"The Future Leaders programme supported me to hone the skills I will increasingly draw on in my career. I heard from some amazing speakers and ringfenced the time for learning that it is so hard to find within my busy day job. But most importantly, I made connections across Shaw Trust with other future leaders - and I know we will continue to support and champion one another during our careers."

Renata Graver

Policy Interns

This programme enables young people with diverse lived experiences who are often underrepresented and unable to influence government policy, to gain good work experiences and take an important first step on their career journeys.

"After experiencing the negative effects of long-term unemployment, and as a participant on the Work and Health Programme (WHP) I have first-hand experience of accessing employability support. Given the lack of inclusive and accessible employment opportunities, I was delighted that this internship highlights the importance and value of different lived experiences and what that can bring to an organisation."

"My experience in the Policy team has cemented my passion and research interests in improving the employability prospects for disabled people and helping to create evidence-based policy interventions to advocate for a future that is inclusive and enables disabled people to secure, stay and progress in their careers."

Shaw Trust people

Our colleagues and volunteers are our greatest strength.

Each person at Shaw Trust helps us achieve our purpose, define our culture, uphold our values and deliver high-quality programmes. Our people link us to those we support and keep us true.

We empower people to achieve their full potential and we support, value and progress our workforce. Trusting our colleagues to enable young people and adults towards, and into, sustainable, rewarding and meaningful employment. Our colleagues share our vision providing advice, guidance and support to move families out of poverty.

Here are the stories of some of our people.



Clare Gray

I have worked in the disability sector for over 30 years and am Head of Shaw Trust Disability Advocacy. In this role, I inform policy on matters relating to disability and advocate for others to advance equality and future provisions for disabled people, targeted towards work, skills and employment.

I am actively involved in responding to governmental accessibility and inclusion consultations for adults and children and have a leading role in managing relationships and meeting government officials and specialists to represent the views of Shaw Trust participants.

Since 2019, I have grown the Disability Power 100 initiative, now in its seventh year profiling the most influential disabled people in the UK.



Jacqueline Ffrench-Martin

I am a Careers Adviser with Children and Families Services and I am on the Shaw Trust CEO Executive Shadow Board.

The CEO Executive Shadow Board has allowed me to be actively involved in understanding the organisation's Strategic Directive 2030. I had the opportunity to lead my Shadow Board group; to prepare for and to present a Board paper, and have been mentored in chairing meetings with both a guest speaker and an observer.

As part of my development journey, the CEO Executive Shadow Board has been a very inspiring experience.



Anna Marasa

I am an Employment Advisor working for Forth Sector which is a part of Shaw Trust. I've been working in Employability for the last 20 Years (10 years at A4E, 3 years at Shaw Trust, 7 years at Forth Sector).

I carry a caseload of 20 clients delivering AllinEdinburgh Supported Employment. Since Brexit my caseload has been predominantly European and as I am multilingual, I provide support mainly for people coming from different European backgrounds.

I provide additional interpreting support to clients, employers, and other interested parties such as NHS, Welfare Rights Services, Edinburgh Council, Banks etc. A number of my clients have to face additional difficulties due to the new Home Office Legislation introducing Settled and Pre-Settled Status. I upskilled myself so that I could assist my clients to live, work and remain in the UK.



Mel Brown

I am an Enterprise Assistant/Job Coach and have been working at Shaw Trust since September 2015.

My role at Shaw Trust is to look after the plant nursery stock, provide job coaching for our supported employees, interns and learning disabled people – for example, creating instructions on planting, plant care, getting orders together, and training on how to make Christmas wreaths.

I help people to learn new skills, and grow their self-esteem, help them to improve their social skills, enabling them to integrate and feel part of a wider community by providing work experience opportunities.



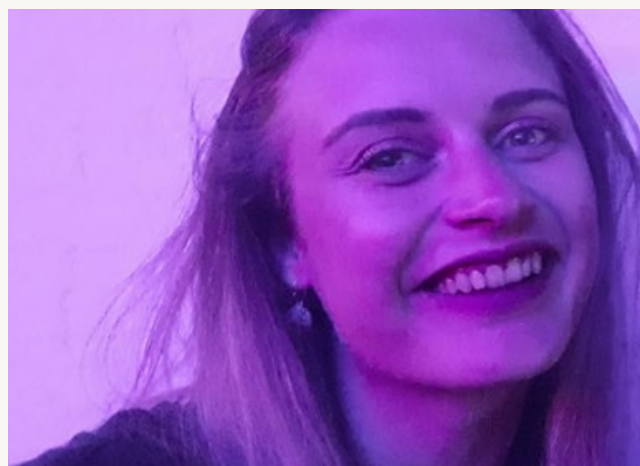
Maysa Tachmedova

I work as a Support Manager on the West London Alliance Work & Health Programme at Shaw Trust. In my role as a Support Manager, I work alongside my colleagues to provide support to participants on the programme and help to equip participants with skills and knowledge to achieve and retain employment. Before joining Shaw Trust, I worked as In-House Recruitment Manager for the Royal Hospital for Neuro-disability in Putney, leading on resourcing and recruitment initiatives across the hospital.

I completed the CIPD Level 7 (Human Resources Management degree at University of West London in 2012). I have a Master's degree in Business Administration (MBA) from University of Wales Institute, Cardiff.

I support participants who are looking for work. I conduct regular review meetings with the participants to review their progress and to set a plan of actions for the next two weeks. I enjoy interacting with people and building rapport with my participants, colleagues and other stakeholders within the business.

I love every part of my job and find it very rewarding to see my participants fulfil their potential and to see them looking forward to the future!



Shelby Rimmer

I am a Home Manager at Lilac House. I was part of the initial team to open the home. I had previously completed a psychology degree and was working in the customer service industry. I knew I wanted a career supporting young people and making a difference to the lives of others but at the time did not have any experience working in residential care homes.

Within my role as home manager, I am responsible for the day to day running and oversight of the home. My responsibilities include maintaining positive relationships with the local authority that places the children in our home and ensuring that objectives are being met for the young people in our care. I work hard to ensure I build and maintain positive relationships with the young people placed at Lilac House to ensure they feel welcomed, accepted and supported throughout their time with us.



Mike Olnier

I am Head of Mobilisations and Closures, in the Shaw Trust Change Team. I've only been in my new role for a few months, previously I worked in operations for our Justice contracts. I joined Ixion as a regional manager in the Midlands, looking after our CFO3 contract, a voluntary programme preparing people to leave custody. After a few of years I was promoted into a Head of Operational Development for the contract, working across Ixion and Shaw Trust, a role I did for four years before my latest role.

All my roles at Shaw Trust have had similarities, they address social exclusion and support people into employment. I've also been involved in setting up contracts which has given me lots of transferrable skills, and this has helped me move roles.

For the last two years I was also Employee Voice chair, and that gave me opportunities to develop my skills and work with different people. It was central to my progression into my current role, as it gave me strategic opportunities. Employee Voice isn't some sort of tick box at Shaw Trust, you have a seat at the table.

Shaw Trust also has so many learning courses on our in-house academy and I've always been keen to do as many of the courses, beyond the mandatory courses as possible – and encouraged my teams to do the same. I feel there is lots of opportunity for horizontal career progression at Shaw Trust if you put yourself forward.



Shamajul Motin (Sham)

I am a Service Manager for Shaw Trust managing the Borough of Havering and I have worked here for five years. Currently I run multiple projects including Careers Guidance Service for schools and colleges, a mentoring initiative for at-risk year 11s.

I love that we help young people make the first step to change: when you don't have the best school / college life you are often forgotten, I feel the support we provide demonstrates there are companies who genuinely care.

Most recently I have seen three young people – now in their 30s – that I used to coach or mentor during my football days. To see them all grown up and to hear that they remember me and say I was a positive influence has really meant a lot to me. Moments like that reassure me that we are needed and vital to support the younger generation.

Volunteering at Shaw Trust

At Shaw Trust, we are deeply grateful for the support of volunteers – whether that’s people who choose to donate their valuable time to Shaw Trust to further our mission, or our colleagues who volunteer at Shaw Trust and elsewhere.



We have 718 volunteers giving their time to Shaw Trust and those we help – here are some of their stories.



Christine Roffey – Live Well Kent & Medway volunteer

Chris helps run 'Living in the Moment' workshops for Shaw Trust – Live Well Kent & Medway, volunteering with one of our partners, Julie Rogers who runs JR Counselling. Currently they are doing this virtually. Chris has been a volunteer for three years. She was recently shortlisted for 'Most Inspiring Person' in the international Social Prescribing Awards.

"Volunteering has really helped me build confidence in myself. I've found it truly amazing to be able to share my experience with others and show them things can change. Supporting and helping others gives me purpose and a real sense of achievement, it's always such a privilege to be part of their journeys and the rewards are amazing."



Paul Storey – Retail volunteer, Seaham

Paul has been volunteering at our Seaham Shaw Trust Shop for around six years and is a very dedicated and valued member of our team. Over the Easter weekend this year, Paul gave up his days off to run the tombola and thoroughly enjoyed raising a whopping £301.

He volunteers because he has free time to give, and he can't think of any other way to spend that time apart from helping others and particularly those with disabilities. He has made many friends while volunteering and he just enjoys every moment of being at the shop.

"My brother is disabled and I have supported him all my life and so I have developed skills that help when working with disabled people. I enjoy helping people and training other volunteers on the day-to-day operations of the shop."



Claire Street – peer support volunteer, Work and Health Programme

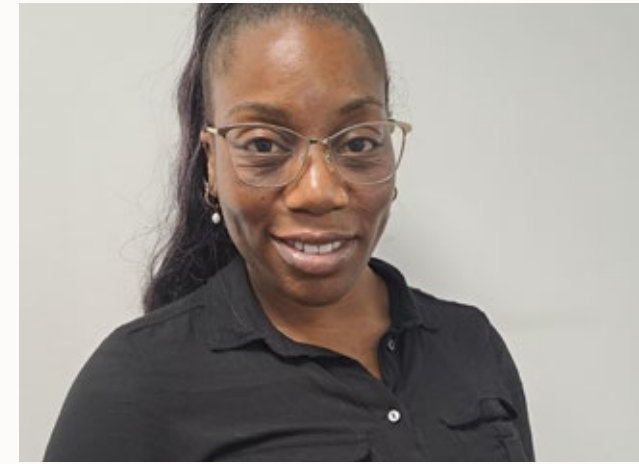
"My journey started in December 2019 as a participant on the Work and Health Programme. Through volunteering for Shaw Trust, I have grown in confidence by pushing myself out of my comfort zone. When I first started with Shaw Trust I wouldn't stand up in front of people and talk to them. Now that I have so much more confidence within me I would definitely do it now. To be accepted and respected by the people I volunteer with is so positive, uplifting, inspirational and rewarding and I feel that I can smile every day knowing how much Shaw Trust has had a personal impact on me."

All our Shaw Trust people have up to two days they can use for volunteering each year. In 2021-2, 153 days were given by Shaw Trust staff. Here are some of their stories.



Mark Earl, Chief People Officer – Berrylands nature reserve volunteer

“Berrylands is my local nature reserve, and depends on volunteers to maintain and enhance the local environment. My children came along with me to help– raising their awareness of the importance of local nature reserves and how they rely on volunteers to maintain them. We helped to water the orchard trees, litter pick and remove invasive weeds. It was great to be able to lend a hand with maintaining our local nature reserve, I intend to carry on volunteering here.”



Serena Laidley, Shaw Trust Restart Programme – Commonwealth Games Volunteer

For Serena, volunteering for the Games was partly about belonging and community. “Two of my grandparents came from Jamaica. To be given an opportunity to contribute to Britain like they did, it was an honour. Being black, being British, being from Brum – these felt like my Commonwealth Games”.

Serena was part of the regional volunteering crew in Birmingham in 2021. Then in March 2022, she was invited to star in adverts. For the Games themselves, Serena led a team of volunteers to make sure guests in the NEC had what they needed. Facing challenges from train strikes to language barriers, Serena’s endless empathy and energy helped her to get through.



Jodie Stevens, Support Manager – Banham Zoo volunteer

“I have volunteered at Banham Zoo previously and decided that I wanted to do it again, this time with my colleagues Kristen Loveday, Rapid Response covering AM Kat Riley, Malgorzata Hernik too.

Upon arrival, we were greeted by the Volunteers Coordinator, Hayley Potter, who took us to meet Becky who we would be working with for two days. We were told we would be painting animal enclosures - the tigers’ enclosure on day 1, and the cheetahs’ enclosure on day 2.

It was a privilege to be where the big cats would socialise and sleep.

The work, although physically demanding, was thoroughly enjoyable, and we have already said that we would like to do it again next year. It was really good spending time with colleagues and getting to know each other.”

The Shaw Trust Foundation

As a charity we add value to everything we do by investing back into the people and communities we support. The Shaw Trust Foundation is a visible and accountable rallying point for Shaw Trust's charitable purpose and activity.

The Foundation receives the surplus revenue generated through our work across Shaw Trust. It uses this profit for a purpose to create change; incubating and growing projects and pilot programmes that support people from childhood to retirement to improve social outcomes.

The Foundation helps create greater impact and generate social value with like-minded organisations.

This year we have:

- Been thought leaders, engaging with government departments, Ministers and local authorities, responding to government consultations and convening stakeholders to develop real world solutions.
- Delivered the Disability Power 100.
- Employed four policy interns.
- Incubated two social enterprises - Dose of Nature and Disability Policy Centre.
- Sponsored the Somerset Council Children and Young People in Care Awards.
- Sponsored the Northamptonshire Children's Trust Children and Young People in Care Awards.
- Supported individuals with charitable donations - an army uniform and equipment; a subscription for Sky TV (during the pandemic) for an ex-care leaver so he could watch sport to help his mental health and avoid isolation.
- Funded a joint post with Shaw Trust Children's Services to work with children in Northamptonshire Children's Trust (evaluated by University of Northampton) to support children living in our children's homes health and mental wellbeing, to improve education overall outcomes.
- Funded an additional Health and Wellbeing post in Northamptonshire to support care experienced young people supported by our Homes2Inspire and NEET (Not in Education, Employment or Training) teams.

Incubator

The Shaw Trust Foundation Incubator model offers a package of support that can contain governance, bid writing, financial planning, policy and compliance, marketing and communications, HR and payroll, helping organisations to grow and increase their impact.

Dose of Nature, a charity promoting the mental health benefits of the natural world, was the first charity to be supported by the Shaw Trust Foundation's incubator programme. This support has enabled Dose of Nature to win a funding bid to support 150 people in Surrey to improve their mental wellbeing through nature prescriptions, group therapy and workshops.

The new Dose of Nature programme will be available through GPs in Surrey, who will be able to prescribe the ten week course as an alternative to drug and other therapies. With a team of clinical psychologists providing support, Dose of Nature volunteers ensure participants spend time outdoors and are guided through the mental health benefits of being in nature and encouraged to visit nature independently.

Shaw Trust Disability Power 100

We're proud to celebrate Britain's most influential disabled people and organisations.





The annual Shaw Trust Disability Power 100 celebrates the most influential disabled people in the UK, nominated by the public and judged by an independent panel. Nationally and internationally recognised, it is the only campaign that shines a light on disabled people at the top of their game and in positions of influence across all sectors of society. It celebrates and recognises that having a disability or health condition is not a barrier to success or a limit on what you can pursue.

More than 20% of people have an impairment and too often society sees disability before capability, unintentionally excluding Disabled People, muting their impact and limiting inclusion. Disabled people navigate an inaccessible world, equipping them with unique perspectives, expertise and experience that is often overlooked.

Top 10

1. Rose Ayling-Ellis, Actor
2. Shani Dhanda, Social Entrepreneur, Disability Inclusion Specialist and Broadcaster
3. Victoria Jenkins, CEO and Founder, Unhidden
4. Anna Landre, The Partnership for Inclusive Disaster Strategies
5. Dr Halima Begum, Chief Executive, the Runnymede Trust
6. Ellie Simmonds, Paralympic Swimmer
7. Kim Tserkezie, Actor, Presenter, Writer, Producer and CEO Scattered Pictures
8. Amy Francis-Smith, Architect, Inclusive Design and Access Consultant
9. Dr Elliott Spaeth, Lecturer in Academic and Digital Development
10. Andrew Miller MBE, Cultural Commentator, Broadcaster and Disability Champion

What people said:

“You and all the wider Shaw Trust team should feel very proud, as this wonderful – and important - occasion in the UK’s disability calendar continues to go from strength to strength.”

Andrew Douglass, CEO Innovision

“To say I came away inspired is an understatement. It was a truly humbling and motivational event and there is no doubt that I’ll be singing the Disability Power 100’s praises to my colleagues.”

Alexander Trusty, Moody’s

“I just wanted to say a huge thank you for a fantastic event yesterday. It was fabulous meeting like-minded people, the venue was brilliantly located and we were very well looked after. The panel discussion was insightful and it was great to see the category winners and to hear from the very inspirational top 10.”

Joanne Austin, HSBC Bank

“A note of thanks to you all and your teams for making yesterday such a tremendous and very accessible event. It felt great to be a part of it - the scale of it was awesome - and being made so welcome. As I said on stage the Power List is a vital annual platform and the only one of its kind, long may it continue!”

Andrew Miller, MBE



753
Disability
Power 100
public nominations

18
Disability leaders
as judges

9
Categories

2
Sponsors, Lloyds
Banking Group
and Indeed

100
Disability Power

100
Influencers selected

5
Rising Stars

3
Judges’ Choice

1
Parliamentary
roundtable

1
Celebratory Event

225
Attendees

Disability Advocacy

Shaw Trust's Disability Advocacy influences positive change for disabled people in the communities we support and in the sectors in which we operate.

Shaw Trust has a bold ambition to drive the impact of Shaw Trust's Disability Advocacy work, boosting our reputation and standing in this area, as well as to drive commercial opportunities.

We will:

Lead the agenda

Convene stakeholders

Conduct and
contribute to research

Engage with government,
associate bodies, representative
groups and advocacy agents



Disability Employment Charter

Shaw Trust Foundation is a founding member of the Disability Employment Charter, launched at the Disability Power 100 2021:

- 120+ signatories.
- Independent and ITV News coverage.
- Institute of Directors endorsement.
- £18 million government funding for supported internships.
- Roundtable at the House of Commons attended by Chloe Smith MP in her capacity as Disability Minister, Dr Lisa Cameron MP and Jeremy Hunt MP.

“A welcome initiative.”

Chloe Smith MP, Minister for Disabled People

Vicky Foxcroft MP, Shadow Minister for Disabled People, called on the government to implement the Charter in its entirety, and with immediate effect.

All-Party Parliamentary Group (APPG) Roundtable

Our joint event with the Disability Policy Centre and APPG for Disability held at Portcullis House, Westminster in June positioned Shaw Trust as an influential voice around issues for disabled people while developing positive and successful new partnerships with leading sector voices:

- High-profile panellist speakers and attendees including Dr Lisa Cameron MP (Chair of APPG for Disability), and Marsha De Cordova MP.
- Panellists included Sophie Morgan (TV presenter and disability advocate), John Horan (barrister) and Andrew Miller MBE (cultural consultant and broadcaster).

“We’re talking about power here... ‘power concedes nothing without a demand.’ It never has done, and it never will do. That is something we – as a disabled community and also our allies – should always be very, very mindful of.”

Marsha de Cordova MP



Read more about the discussions held at this event



Shaw Trust/PurpleSpace Bursary Scheme

We launched the Disability Power 100 Bursary Scheme in partnership with PurpleSpace. It provides support and mentoring for individuals to set up disability peer networks in their own organisations and supports them to build purposeful networks/resource groups. Bursaries have been awarded to people within academia, the armed forces, NHS, police and banking sectors.

“Thank you so much for awarding the place on the Scheme this has just made my year. I am so excited and thankful.”

Jamie Shields, Lead Talent Acquisition Specialist

Engagement

We have worked with senior Cabinet Office officials on Disability in Workplace Reporting and meeting with fellow founding signatories of the Disability Employment Charter to present academic research conducted by Disability@Work and other leading bodies including the APPG for Disability and the Centre for Social Justice Disability Commission.

Shaw Trust was included in an elite list of 77 Business Disability Experts by Valuable 500, a global movement engaging 500 global CEOs of multinational businesses to commit to action on disability inclusion.

Research - Shaw Trust contributed to:

- Inclusion in Business Banking & Credit - the Lending Standards Board.
- The Everyone Economy - the Chartered Management Institute.
- Lived expert advisory panel - NatWest.



Our environmental impact

Shaw Trust is committed to sustainable development, recognising the environmental impact of our operations, and pledging to reduce our ecological footprint.

Our 2030
strategic environment aims:

1

Become carbon neutral

2

Support biodiversity
enhancement

3

Provide traineeships and volunteering
opportunities for our participants

We aim to:

- Contribute to reduced air pollution, specifically particulate emissions, through a Green Transport Programme, encouraging employees to consider their travel management plans, minimising the need to travel.
- Develop a progressive waste management strategy promoting resource efficiency and circular economy solutions.
- Reduce the volumes of waste sent to landfill through waste minimisation, re-use, recycling and recovery verification policies and lifecycle auditing.

In 2020/21 we:

Significantly reduced our carbon intensity ratio from 2019/20 rates by:

- 22% per employee (from 1.47 tCO₂e to 1.14 tCO₂e per employee).
- 36% per participant (12.22 to 7.86 kgCO₂e per participant).

Switched our energy providers to Yu Energy and SSE Gas.



Our awards

This year Shaw Trust was delighted to receive three major awards, and be highly commended or shortlisted in three others.



CIPD best equality, diversity and inclusion initiative — winner

The award recognises employers that are genuinely dedicated to creating an inclusive and diverse workplace.

The CIPD judges were impressed by our holistic approach, celebrating difference and using data to influence decision-making while working with a limited budget during a period of rapid growth.

Shaw Trust colleagues say:

“I believe bringing awareness of the lived experience of Black, Asian and Minority Ethnic staff and users and their experiences of inequality helps to make a better organisation.”

“I feel less isolated knowing there are people with lived experience that I can draw on for advice.”

“Shaw Trust is the first place I have worked where I feel comfortable to share that I am dyslexic.”



Trustee board of the year at the Charity Times awards — winner

Our Trustees align with and support our mission and values, giving their time willingly and voluntarily.

We have recruited an increasingly diverse Trustee board in the last 12 months, going from 20% to 40% female, and from 20% to 36% ethnically diverse.

Our Trustees bring a wide variety of specialist skills to the table, from experience in children and family services, to education and disability advocacy. They attend each Employee Voice, our colleague representative group, hearing directly from colleagues; and visit our operational sites to meet with our colleagues and participants, gaining insights into our services.



Covid 19 response award for best staff support/wellbeing initiative during lockdown — silver

“[Shaw Trust’s] thoughtful, innovative and people-centred approach to support staff, volunteers and the wider community [evidences that Shaw Trust are] a values-driven charity, who care about their own staff and the individuals they support too.”

Judge

CIPD best learning and development initiative award – highly commended

Shaw Trust colleagues say:

“After the programme my desire to help change a young person’s life has intensified. The training was exceptional and really inspiring! It enabled me to further my skills in the mentoring area as well as gain valuable knowledge regarding mental health first aid. A life changing opportunity. Thank you.”

CIPD best health and wellbeing initiative – finalist

Shaw Trust colleagues say:

“The Health and Wellbeing team has been instrumental in painstakingly repairing the psychological fabric of our staff even in instances where that fabric has been ripped apart by personal trauma and tragedy. These successes would never have been possible were it not for their intervention.”

National Equality Standard (NES) - the UK’s leading Diversity, Equality and Inclusion standard – achieved

“I am delighted to say that Shaw Trust has met the level of proficiency required and have therefore been successful in achieving accreditation. It is noticeable that Shaw Trust has put substantial effort into Diversity and Inclusion activities over the last few years, and that this is beginning to have a positive impact on the organisation. A robust strategy driven by the board is driving progress.”

Arun Batra OBE, CEO and co-founder of National Equality Standard.

Charity Times Charity of the Year and Supporting Leader of the Year – shortlisted



Shaw Trust aligns with the UN Sustainable Development Goals

1. No Poverty
2. Zero Hunger
3. Good Health and Wellbeing
4. Quality Education
5. Gender Equality
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and production
13. Climate Action
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals



CYPS	EDULS	Employability	Foundation	Central Pillar

Trustees Report and Strategic report

Future Strategy

The Trust has agreed a 10-year strategy and objectives, outlining our ambition and commitment to deliver high quality services to the people we support and our commissioners.

Sir Kenneth Olisa steps down as chair, having steered Shaw Trust over the last nine years. Olly Benzecry has been appointed as the new Chair. He has been deeply involved with organisations helping to solve under-employment. Most recently, Olly was the chairman and managing director of Accenture UKI.

Our Vision 2030 Strategic Directive defines the short to medium term priorities which must be met to ensure that we have an organisation fit for the next decade. It lays out how we will deploy our skills and services to offer people centred tailored support and how we will work with commercial and charitable partners to meet our commissioners' policy objectives.

The Trust continues to focus on maximising performance on its key contracts and as part of its strategic vision to significantly increase the number of individuals supported, is looking at growing activity in existing and new markets.

After a decade of austerity and the impact of Covid-19, the demand for The Shaw Trust's services is increasing and will drive our plans to respond with increased capacity whilst retaining quality. We will retain employability as our principal specialisation, and we will grow our complementary services to support it in the following areas:

- Education, Learning and Skills.
- Children and Young People's Services.
- Health and Wellbeing.

The Trust has recently re-organised its internal structure into specialised operational divisions, each with individual targets to grow and develop in their own markets, with the benefit of being able to draw upon the breadth of experience from across the Group in order to provide an enhanced range of services to commissioners and clients.

The Trust continues to deliver in line with its Strategy, with divestment of non-core assets and businesses substantially complete and with the clear objective of building up a strategic reserve, including funds with an investment manager.

Although the worst of the Covid-19 pandemic is behind us, ongoing impacts remain, and are assessed and mitigated where appropriate. Financial modelling and scenario analysis has indicated that the Trust has the resources to sustain a period of operational disruption and financial loss as a result of longer-term impacts from this crisis and the challenging economic headwinds.

Objectives and Activities

The objectives of the Trust are as follows:

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, ill-health or because they are offenders, ex-offenders or are at risk of offending:

- The promotion of the health, equality and independence of disabled people; and
- The prevention and relief of poverty.

The Trust aims to further its objectives, in particular by providing education, training, rehabilitation, support, employment opportunities and personal development opportunities.

The Trust will be non-party in politics and non-sectarian in religion.

The strategic aims of the Trust are as follows:

- Maintain a balanced portfolio of services to ensure robustness and resilience across the Group and avoid dependency on a single commissioner or contract.
- Deliver an integrated, blended and seamless portfolio of services and programmes that are locally based and nationally scalable.
- Innovate and continuously improve our offer to include digital-by-design and digital-by-execution where and when appropriate.
- Continue our advocacy work through dialogue with commissioners and government to improve access to and quality of employment for all.

In order to deliver our aims, we will:

- Grow our balanced portfolio to support the national need.
- Expand our employability programmes through the new DWP departmental framework as a partner of choice.
- Examine the requirement and portfolio fit for Early Years interventions.
- Maximise the potential of our Homes2Inspire children's homes.
- Increase our children's services engagement with Youth Offending Teams across the UK.
- Increase our children's services support for looked after children, young offenders and young people who are at risk of becoming Not in Education, Employment or Training (NEET) by expanding our NEET offer.
- Expand our Health and Wellbeing services support using the 'Live Well Kent' model.
- Review and adjust the various Social Enterprises now within The Shaw Trust Group for strategic fit within our growth pathways and layered services.
- Establish The Shaw Trust Foundation and The Shaw Trust Policy Institute.

The Shaw Trust Foundation and Policy Institute give the charity a visible and accountable rallying point for the charitable purpose and activity in our organisation. The Foundation will actively fundraise to support our work and it will house The Shaw Trust Policy Institute, which will champion positive change for the people and communities we support, and the sectors we operate within.

The Foundation aims to create a better tomorrow for more people across the UK by establishing a grant giving programme to offer access to services and support not otherwise available. It will help us further our impact by maximising opportunities to generate social value with likeminded organisations. The Foundation will advance social justice through social value adding programmes, support initiatives that build community and improve individual lives, and champion those with barriers to progression in life, and will build a community

of volunteers and supporters to campaign for and support our charitable mission.

Operational Review

The Trust operates across a number of sectors to achieve its aims and objectives:

Children's Homes and Fostering Services

Our children's homes and fostering services are run out of Homes2Inspire Limited and Fostering to Inspire, we continued to grow and develop the services to meet the needs of our customers (Local Authorities) and thereby improve the outcomes for the children and young people we look after.

Our principal activities are the provision of residential care for looked after children within our Ofsted registered children's homes, the majority of which are in the East Midlands. We currently have 35 Ofsted registered homes which can look after up to 129 children and young people.

We also have a contract to manage Trevone House: 19 flats delivering leaving care services by providing 24-hour support, advice and guidance for some of the most vulnerable young people in making the transition from care to independent living.

Our customers are Local Authorities who place children either through block contract arrangements, framework agreements or on a spot purchase basis.

The direction of travel for our key customers continues to be one of developing children's homes within their own County boundaries for their exclusive use on a block contract, this meets their 'sufficiency and efficiency' strategy and more importantly enables the necessary 'wrap around' services, for example education and Child and Adolescent Mental Health Services to be accessible and available to children and young people.

During the year we agreed a strategic partnership with Somerset Council to develop up to 10 registered children's homes, 20 high needs foster placements and other therapeutic services. Going forward we would like to continue to develop 'Strategic Partnerships' with Local Authorities to move away from Commissioner / Provider contract approach.

In partnership with key customers, we have looked at ways to develop our services to meet the complex needs of children and young people stepping down from Tier 4 mental health provision or from Local Authority secure accommodation on welfare grounds who require residential care. This provides care for those who are hardest to place due to 'matching' and require high levels of support and care.

To meet these challenges, we have continued to develop solo and dual placement homes linked to five-bed homes or 2x2-dual bed homes in close proximity to each other.

All homes have been inspected by Ofsted and 80% are 'Good' or 'Outstanding'. Homes2Inspire has been recognised by Ofsted as being in the top 20 of all Care Home providers.

'Fostering to Inspire', our independent fostering agency, based in Wakefield received an Ofsted 'Good' on its first inspection and continues to grow incrementally year on year. The creative work being undertaken will enable further opportunities to provide an integrated service between fostering and residential care to be developed.

Over the last year we have opened a further seven homes and our growth plan continues in light of an increasing demand for our services. We have a further eight homes under development, some of which will be properties owned by the Local Authorities.

The coming year will continue to present ongoing challenges but also significant opportunities as we strive to meet the needs of our customers and commissioners by developing innovative solutions that provide value for money while authorities continue to review the services they deliver that provide positive outcomes for children and young people.

Education

Shaw Education Trust

Shaw Education Trust (SET) is a Multi Academy Trust, based in North-West England and the Midlands. As at 31 August 2022 SET operated 27 academies, one Specialist Independent College, two teaching schools and a SCITT. These cater for 12,111 pupils aged 2–25 across Staffordshire, Birmingham, Wigan, Wolverhampton, Bury, Stoke-on-Trent, Halton and Derby.

The total comprises 11 specialist provisions (including an Independent Specialist College, Newfriars which caters for young adult learners aged 16-25 years old); seven primary academies and nine secondary academies.

During the year a further two primary schools joined SET and were converted to academies. These are detailed in note 25.

The two mainstream primary schools which joined in the year were Moorhill Primary and Redhill Primary, both on 1 April 2022.

In addition, SET was awarded a Free School (Specialist) in Bury, which is due to open in September 2023.

We work our hardest to improve, accelerate and enable ambitious life goals for all young people. Our 2,000 staff help the pupils realise their potential and achieve their ambitions at academies in all key stages, from Foundation to Key Stage 5 in both special and mainstream education.

Although the impact of Covid-19 had been a major event and posed many challenges to SET, the impact had been well mitigated and has had no major detrimental impact on the finances of the Trust during the year.

Seven Ofsted inspection visits took place during the year, with academies inspected retaining or improving their Ofsted grade. At the year-end 89% of all academies were good or outstanding, including 90% of primary and 81% of secondary.

SETs business plan includes a detailed strategy for further growth from a mid-sized multi academy trust to a large and leading provider of education across several geographical footprints. To include free school applications and maintain school conversions. The priority remains to recruit schools from all sectors, secondary, primary as well as special schools who align with our vision, values and norms. We continue to drive school improvement using a multi-faceted and evolutionary approach with our longer-term priority focusing on reducing the learning disadvantaged gap.

Children's Services

Children and Young People's Services delivers a balanced portfolio of contracts commissioned by local/combined authorities, devolved administrations and schools/colleges to deliver statutory services with a focus on interventions that support the most vulnerable into sustainable learning/work/self-employment.

Services run across the age range of 5 -24, with a focus on 11- to 18-year-olds. Contract base is concentrated in London, Gloucestershire, West Midlands, Yorkshire, and Wales. Contracts fall under 9 categories: careers guidance, NEET/ targeted support, management information, Supported internships, youth work, youth justice, coaching, self-employment/enterprise and employability.

Children and Young People's Services delivered 215,000 interventions (face to face, virtual, one to one, small and large group during the period with 160,000 of these focused on young people from vulnerable groups.

100% of our 17 Targeted NEET contracts were placed in the top two DfE quintiles i.e., the top 60 performing Local Authorities in terms of their statutory duties related to participation in learning, numbers who are NEET or whose destination is unknown. Our London contracts remain the highest performing in terms of NEET and unknown and were all ranked in quintile 1.

There is a growing group of young people choosing employment over learning because of the cost of living and an increased number of post pandemic young people home educated or who disengaged prematurely from post 16 provision. We have collaborated with local authorities to create new solutions to support these young people and their families.

More than 200 schools, colleges, and alternative provision from across the Midlands, Yorkshire, Gloucestershire and London commissioned us to provide statutory and Gatsby Benchmark compliant careers guidance that is independent of the institution.

Our Supported Internship Programme for young people aged 16-24 in receipt of an Education Health Care Plan continued to grow with new sites at Transport for London and

Reading. 70% of our graduates have progressed into paid employment with a further 20% moving into education, training or voluntary work.

The GLA match funded programme Spark Change supported 1,771 16-24-year olds 'entrenched and highly complex' NEET in Brent, Bexley, Hackney, Harrow and Havering with 65% progressing into a positive outcome. The programme uses resilience mentoring, cognitive behavioural coaching and 13 weeks work placements for neurodiverse clients who are overrepresented in NEET groups.

We are contracted to run GLA funded resilience mentoring programmes for young carers, those known to youth justice, care experienced and those with SEND across 25 London boroughs. We have supported 2,500 young people for 15 months with 90% remaining in learning.

We continue to run a successful Youth Support Team across Gloucestershire with the focus on integrated management, delivery, and solutions for young people. Part of the contract includes running the only outsourced Youth Offending Service in England alongside the Youth Service, statutory NEET Team, Health, and packages of support for those young people who go missing from Local Authority care. To support families cope better with the cost of living crisis, we delivered hot meals and wrap around activities to 27,000 families in Gloucestershire through our Healthy Holidays programme.

We are commissioned by the Welsh Government to run the Big Ideas Wales programme which promotes entrepreneurship from Key Stage 1 to postgraduate and provides a small business set-up service for 16-24 year olds. This year, we have engaged 55,000 young people in entrepreneurship and supported over 300 to set up their own business.

Our growth plans for the next five years focus on contract renewals, increasing market share in existing sectors, building on existing and identifying new strategic partnerships with Local Authorities, and modelling new services and products with colleagues across The Shaw Trust Group to fulfil the Child to Career objectives.

Optimus

Optimus Education is an established provider of professional development support and school improvement information for schools, academies, and other educational institutions. We give teachers an opportunity for continuing professional development and offer careers and skills advice and guidance for young people.

We work with over 5,500 schools per year, in the UK and internationally across all phases of education. By doing so we support teachers to improve and maximise the life chances of 1.7m students and young people.

Conferences and events remained one of the largest revenue streams, which, despite being hit by the Covid-19 pandemic, showed a recovery during the year, and we continue with a hybrid mix of face-to-face as well as digital delivery. The Awards business continues to grow with over 1,100 schools signing up towards the Wellbeing Award, the school impact awards launching in 2022. Membership levels have remained in line with budget.

We continue to see organic growth in our key markets as well as through strategic partnerships both in the UK and overseas.

Learning and Skills

The Learning and Skills division continued the delivery of a range of skills and training. These included apprenticeships, traineeships, supported interns, adult learning programmes and Advanced Learner Loans, skills support for the employed and unemployed, Big Lottery which provides employment support and confidence building for vulnerable residents in Stoke. We deliver ex-offender rehabilitation and business start-up programmes for the unemployed as well as welfare to work.

Within the Innovation division, staff bid for and administered multimillion Euro grant funded bids from Horizon 2020 and Innovate UK instruments to support the development of services and products to improve society for the benefit of all residents. This involved supporting commercial clients in consortia across Europe to win innovation and research funding from the European Union and Innovate (EU) UK.

We supported 104,000 people to receive careers information, advice and guidance and helped

27,000 people of all different attainment levels to progress and gain qualifications through Apprenticeships, Higher Apprenticeships and Traineeships, and with qualifications to support those who want to progress within work, or those who want to enter work in addition to Advanced Learner Loans.

Of these, 85% of those learners progressed into a range of employment, education and Apprenticeship opportunities within the Construction, Leadership and Management, Education and Training, Health and Social Care, and Digital and IT sectors.

Revenue streams in the year were from Government Departments including: The Education Skills Funding Agency (ESFA); the European Social Fund (ESF); the Department for Work and Pensions (DWP); the Ministry of Justice (MoJ); the EU and Local Authorities; Horizon 2021 and Innovate UK along with the Big Lottery contracts.

Revenue in the year decreased from the prior year mainly through some of the Government funded contracts coming to an end during the financial year and the significant impact of Covid-19 through the trading year. The Trust has continued to establish a strong track record and reputation of high-quality delivery within Government Commissioners, key stakeholders, and employers.

The focus during the year has been to continue to invest in support services, embedding new technologies that offer efficient scaling to the business in a safe and compliant manner, delivering quality outcomes for our clients from our funding contracts, as well as developing key strategic alliances and collaborations to support business growth for the future.

The impact of the pandemic has resulted in an increased investment to further increase physical support. We have opened new face to face delivery sites to support the most vulnerable in Birmingham and London and have repurposed the North East site to support construction. We have strengthened digital delivery to include MS educator and have invested heavily in staff CPD to ensure staff are equipped to up to date skills post pandemic to enhance teaching, learning and assessment.

An inability to claim all income due from contracts as clients were not able to fully undertake and complete their learning programmes was due to delays from external stakeholders in agreeing the solution to support clients on programmes. There was a continued lag from external stakeholders in agreeing a solution to support clients on programmes, and we worked with them to reengage as many learners as possible in the 2021/22 year once out of pandemic restrictions.

In addition to these factors the decision was taken to further invest in additional resource to support delivery of apprenticeships to those who may have required a break in learning due to the pandemic.

Further investment was put in place in 2022 to ensure that Learning and Skills remained a high-quality provider. We have recently been re-inspected under the new Education Inspection Framework (EIF) and gained “Good” provider status which is a huge achievement post pandemic and secures bids and contracts for the future.

Employment

The employability division consists of a number of contracted services focused on supporting unemployed adults to secure sustainable good work. These contracts require the delivery of a range of services over varying lengths of time to overcome participants’ barriers to employment. The support offered within these contracts includes: diagnostic assessment of needs; careers advice; skills development; support to address barriers such as housing or debt; job matching and in-work support. For some contracts we also deliver integrated health and wellbeing support to overcome barriers preventing people entering or sustaining employment.

The Shaw Trust delivers its contracts through a mixture of direct service delivery and a diverse supply chain. Supply chain partners either work as an end-to-end provider within a set geographical area or as a specialist interventions provider. The supply chain compliments and expands our own services delivery.

We are the largest providers of the Department for Work and Pensions (DWP) Work and Health Programme (WHP) running two significant

contracts across Central England and East of England / Kent. We also run the devolved WHP in West London on behalf of the West London Alliance. With these contracts we hold a 30% market share of this programme. WHP is an employment support programme aimed at unemployed people with health conditions or disabilities to enter sustainable employment. WHP offers up to 15 months of support to gain employment and a further period of continued support once a participant has entered a job.

The WHP contracts delivered by The Shaw Trust saw 16,417 unemployed participants start on the programme in the year to August 2022. These participants were provided with a tailored support package to move them towards employment. In the same period, we helped 7,719 participants enter paid employment as a result of this support.

As part of the Government’s “Plan for Jobs” in response to the pandemic the DWP awarded The Shaw Trust an expansion to the Work and Health Programme with the introduction of “Job Entry: Targeted Support” (JETS). These are significant contract expansions in Central England, East of England / Kent and in West London.

The JETS programme helps people who have been unemployed and in receipt of benefits for at least 13 weeks to find sustained work. JETS provides advice, guidance and job search support via telephone and our digital delivery platform. In the financial year to August 2022 The Shaw Trust has seen 46,618 people start on the JETS scheme and we have already helped 22,161 people back into work. The JETS program will come to an end in mid-2023.

The Trust also delivers the Intensive Personalised Employment Support (IPES) contracts on behalf of DWP across Central England, East of England / Kent and the whole of London. These contracts offer targeted support to unemployed people with disabilities and complex needs. IPES offers one-to-one support from a dedicated advisor for up to 15 months to secure employment. Once in employment, participants continue to receive dedicated support for a further six months.

The level of individual support offered on this contract is significantly higher than other programmes due to the additional support needs of some participants. During the last

financial year, we have supported 1,178 new participants. Due to the success of this programme and the demand for the additional support, DWP agreed to increase the size of the programme by 25%.

As well as supporting unemployed people into jobs we also provide support to people wishing to become self-employed and start their own business. This service is provided through the New Enterprise Allowance scheme commissioned by the DWP. The Shaw Trust business advisors have supported over 5,000 people to become self-employed.

We continue to provide our Restart provision in Birmingham as one of Serco’s selected delivery partners. Restart is another element of the governments “Plan for Jobs” in response to the impact of the Covid-19 pandemic.

Community Health and Wellbeing

The Shaw Trust’s Community Health and Wellbeing division focuses on enabling the better management of mental and physical health conditions using the biopsychosocial model of support. This approach enables improvement in people’s wellbeing and in turn being better able to cope with the challenges they face at home, in work and in their communities. The expansion of the division has continued in 2021/22 with the increasing demand seen as a result of the Covid pandemic.

This year we supported 13,884 participants and trained 1,047 people through our Health and Wellbeing trainers in better mental health and resilience. We also supported 24,944 calls through our sub-contractor delivering a mental health crisis phone line in Kent.

During the year we launched five new services:

- Shaw Trust Counselling Service to employability participants.
- Shaw Trust Health Assessment service to Work and Health participants.
- Shaw Trust Training service to Work & Health participants.
- Connect for Health service in Suffolk.
- Somerset Family Solutions service in Somerset.

And achieved the following extensions:

- Kent Individual Placement and Support (IPS) service.
- Work to Recovery IPS service in Birmingham.

Justice

Work in the Justice sector is designed to enable the people we support to positively contribute to society and break the cycle of reoffending. Education, skills, employment, wellbeing and ongoing support, both within institutions and beyond the gate are all important elements of the rehabilitation process.

The Trust operates seven of the 18 CFO3 contracts for Her Majesty’s Prison and Probation Service. The programme is co-funded by the European Social Fund and is designed to improve social inclusion amongst offenders and ex-offenders, who are considered the hardest to help in the justice system. We do this by helping them get ready for life after prison, turn their back on crime, train and find a job. Many of those we support have multiple and complex needs.

Through these we have helped over 7,011 new offenders, providing specific support, skills, and training to clients in prisons and the community, resulting in over 2,761 accreditations and more than 690 jobs.

In addition to the CFO3 programme, we also operate three CFO Activity Hubs contracts, providing seven dedicated offender facing Hubs, which the commissioner described as ‘the perfect translation of their vision for the programme’. The Hubs provide an opportunity for offenders to gain support and interact with role models and with peers, who are at a similar post-release stage, enabling them to develop plans and ultimately be supported into education, training and employment. Support is provided through a range of activities based around: Human and Citizenship (developing self-worth); Community and Social (improving skills and resilience) and Interventions and Services (reducing recidivism agenda). During the period, we have supported over 1,418 new offenders; 1,426 Human / Citizenship interventions have been delivered, 2,434 community and social interventions and 72 interventions and services to reduce recidivism.

We continue to perform well on our Dynamic Purchasing System (DPS) Information Advice and Guidance (IAG) contracts adding more to our portfolio in the period, including a number in the High Security Estate. In addition, our HMYOI Feltham Education contract provides education, training, careers advice and resettlement support for males ranging from 15-18 years old, delivered on-site within Feltham Young Offenders Institution. An Ofsted revisit during the period reported 'Good' progress against actions, spoke positively of the education management team and stated that our provision at Feltham YOI is on the right trajectory. During the year we worked with more than 300 learners at Feltham, who collectively achieved more than 1,500 accredited qualifications with a high proportion of learners on long term sentences achieving GCSEs for the first time. Enrichment activities with a focus on personal development and social skills were delivered throughout the year, a highlight being a 90% participation rate in our range of Black History Month activities.

Retail and Enterprise

The Retail and Enterprise division comprises four distinct sections:

1. Enterprises: provide opportunities for adults with learning disabilities to work within nature and ecology parks across the UK; funded by Local Authorities. These include: Doncaster Industries; a plastic extrusion business, Palmer and Billing Garden Centres which provide real world work experience and vocational training for learning disabled adults, and Forth Sector Laundry: offering high profile charitable and employability services in Scotland for those with learning difficulties. Through these services we delivered support for over 300 vulnerable adults and young people.
2. Accessibility Services: works with companies to assess the accessibility of their online platforms, employing adults with a range of impairments, with the aim of improving digital access for people with disabilities, working with clients including the NHS, McDonalds and EasyJet.
3. The Disabled Living Foundation (DLF) provides impartial advice and guidance on aids and solutions for independent living

alongside training to the health and social care sector. We offer a programme of CPD accredited courses, suitable for those working with disabled and older people, to ensure that quality person centred care is delivered within best practice guidelines. The DLF is one of the founding members of the Trusted Assessor Framework. During the year we delivered training to over 151 organisations, hosted information on over 10,000 products and worked with over 1,000 suppliers via the Living Made Easy website.

4. Our network of 24 charity retail shops saw an increase in demand for second-hand fashion throughout 2021/22. This was not just down to the rising cost of living but was also driven by shoppers' concerns about sustainability. In addition we supported all of the local communities that our shops are located in with volunteers able to support and upskill themselves and supported over 250 volunteers in the year.

Financial Review

The Shaw Trust consolidated financial statements for 2021/22 are presented in the following pages.

The pandemic had a significant impact on the operations of the Trust. Finances remained resilient throughout this period thanks to growth of several of our core contracts, a change in delivery methodology and careful management of liquidity.

Having adapted quickly to these challenges in 2020/21, the current year has seen a focus on return to more normal operational conditions and working practices in the Trust's services and academies.

Through adopting new ways of working in response to the pandemic the Trust continued to deliver on its many different contracts. As a result of careful financial management and measured growth, the Trust finished the year in a strong financial position and on track with its clear strategy for the future.

The Trust continues to grow along its key operational businesses of Employability, Children's Services and Education, Learning and

Skills, along with continued expansion of its Multi Academy Trust. Strategically this growth is important, enabling the Trust to expand in new and existing markets. It has also facilitated opportunities to optimise the cost base across the Group by maximising the opportunities to integrate property, systems, processes and people, particularly within the areas of central support services.

More recently the organisation has seen a period of integration and consolidation, identifying efficiencies in the business, focusing on its core activities and disposing of non-core assets.

The Trust is progressing in line with its 10-year strategy and growth plan, in anticipation of future opportunities within a rapidly shifting public sector marketplace.

Financial performance, both current and projected, is closely monitored against a key set of KPIs measuring operational performance, liquidity and solvency.

Although the worst of the Covid-19 pandemic is behind us the knock-on impacts remain. Economic conditions in the UK market remain challenging with significantly higher inflation than forecast, driven by energy and supply chain issues combined with an expectation of rising interest rates. These factors, exacerbated by global political uncertainty, are putting increasing pressure on household finances as well as impacting Government and Local Authority budgets.

The impact of cost of living during the year has been significant, putting pressure on contracts as well as creating challenges with recruitment. Extensive risk assessment and modelling has been undertaken to assess the impact of the economic headwinds, in particular inflation, on the Trust's business plan and contingency planning and required mitigation actions taken.

Where possible we have sought to minimise our operating costs, by reducing office costs and overhead expenditure during and post the pandemic. The underlying business remains robust and the Trust has managed to deliver in line with its business plan during the year. We are confident that we will continue to manage the Trust through the ongoing impact of this crisis and the current economic challenges and that

sufficient financial and operational resources are available to operate through any further extended period of disruption.

The Shaw Trust continues to operate two of the Governments six flagship employability contracts, and a significant boost to income was provided with the award of the (DWP) Work and Health Programme – Job Entry: Targeted Support (JETS) contract variation in Autumn 2020, which has now been extended a further year.

Net Movement in Funds

The net movement of funds for the group is £118.6m as summarised below:

	£m
The Shaw Trust Group operations (excluding Shaw Education Trust)	7.4
Deferred tax reversal	(18.4)
Shaw Education Trust	(0.8)
Goodwill amortisation and impairment	(5.7)
Actuarial gains and Net finance return on defined benefit pension scheme	136.1
Net movement in funds	118.6

The net movement in funds for Shaw Education Trust includes the value of assets acquired at the date that new schools joined the Shaw Education Trust, amounting to £7.4m (further details are included in note 25 – Business Combinations).

Net Income and Expenditure

The increase in revenue generated reflects growth in existing and new contracts, particularly in the Employability division as well as an increase in the number of academies operating within Shaw Education Trust. The incoming resources from the activity of the Group increased by £32.5m to £296m. The majority of income was through contracts with

central and local Government increasing with the full year impact of the JETS contract and expansion of children's homes in Homes2Inspire (H2I). £106.7m of income was generated by Shaw Education Trust, of which the addition of academies during the year added £5.7m to income (prior year £19.4m).

The network of 24 shops generated income of £3.2m, a slight increase over the previous year, which was more impacted by the pandemic as shops were closed for extended periods of time in line with guidelines.

No Covid Government grant was claimed during the year, with prior year's reliefs being £2.4m.

During 2021/22 our charitable expenditure totalled £313.1m, up from £234.9m in 2020/2021. The increase reflected growth in income and academies as described above. Expenditure included £5.7m of goodwill (2021: £7.1m) and additionally, the reversal of a deferred tax asset of £18.4m during the year, a direct result of the significant reduction in pension liability.

Operational performance for the Group prior to these one-off adjustments and actuarial movements on pensions, was a surplus of £6.6m, illustrating continued financial improvement with increased efficiency and contract performance.

Overall group net movement on funds has increased significantly, with the actuarial gains on defined pension schemes significantly increasing net reserves, showing a surplus of £118.6m during the year, an increase of £111.8m over the prior year (2021: net surplus of £6.8m).

Balance Sheet

Overall cash, deposits and investments were £55.6m at 31 August 2022, remaining stable to the prior year, and reflects Shaw Trust continuing its careful management of working capital and the build-up of a strategic reserve. In addition, a number of freehold properties were purchased and converted into children's homes. During the year £5m of our cash deposits were placed with an investment manager to be held as a strategic reserve.

At the end of the financial year overall consolidated funds stood at £209.4m compared to £116.8m in the prior year. The significant

increase was largely due to a reduction in net pension liabilities, but also reflected a combination of a number of factors: transfer in of academies, the performance in the year, a revaluation reserve and goodwill amortisation. £191.5m of these reserves were restricted, being the net assets of Shaw Education Trust.

An increase of £11.8m in tangible fixed assets to £199.3m reflected additional schools acquired by SET and several properties purchased in Homes2Inspire and converted into children's homes.

Working capital remained positive and in line with our key KPIs, at £25.8m at year end.

The significant decrease in longer-term liabilities predominantly relate to the decrease in pension provisions, and have decreased to £14.6m, largely due to changes in actuarial assumptions.

Within the cash flow, capital expenditure incurred of £10.1m (2021: £5.8m) was primarily in respect of the costs of building work and improvements undertaken at the Shaw Education Trust's academies, largely funded by successful grant applications, and increases in assets for Homes2Inspire.

Investment powers, policy and performance

An investment manager firm; Brewin Dolphin was appointed during the year following a tender process. The Trust's liquid assets are held as cash and readily realisable investments and cover a strategic reserve and sufficient cash for working capital purposes, and is in line with the reserves policy.

Our investment managers are selected on the basis of reputation and adherence to environment, social and governance issues. The investments are governed by investment policies which are reviewed by Trustees and the portfolio is designed to balance the objective of maximising investment returns against the risk and liquidity of the investments. Investment performance is monitored and reviewed against a number of set benchmarks by the Finance Committee.

The Trust's long-term policy for its 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, while obtaining the best yield that can be generated given the Trust's risk appetite.

Reserves policy

The Trust's free reserves are held to manage the financial and operational risks to which the charity is exposed delivering its activities. The Trustees are jointly and severally responsible for ensuring the charity and legal entities are a going concern and in a financial position to provide reliable services for our beneficiaries, to absorb unforeseen setbacks in the event of a significant financial downturn and to take advantage of opportunities that are in line with our charitable mission.

The reserves policy is reviewed 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. The Trustees have considered whether the definition of free reserves, being the total unrestricted funds less any designated funds, revaluation reserves and pension scheme surpluses or deficits, is appropriate due to the significant pension deficit arising, predominantly from the acquisition of Prospects, although they are now in surplus, only SET remains in deficit. The conclusion of the Trustees was that there was not a significant risk that the pension liability would crystallise in the short to medium term, and that the Trust can meet the required projected further income without significantly impacting the ongoing business.

In addition, due to the relative stability of income through the long-term nature of contracts undertaken, any reduction in contract revenues can be reasonably foreseen and actions taken before there is a significant impact on the Trust's reserves. The Trust therefore continues to calculate its 'free' reserves without setting aside designated reserves to cover its pension liabilities.

As of 31 August 2022, the Trust had free reserves of £8.3m (31 August 2021: £17.5 per below table).

	At 31 Aug 2022 £m	At 31 Aug 2021 £m
Total Reserves	209.4	89.7
Less: Restricted funds	(191.5)	(129.4)
Less: Intangible assets	(1.8)	(7.4)
Less: Tangible assets	(10.9)	(5.8)
Less: Designated funds	(2.7)	(2.2)
Add: Long term liabilities and provisions	5.8	1.8
Add: Pension liability (unrestricted element)	-	70.8
Free Reserves	8.3	17.5

A number of factors have impacted the level of free reserves during the year. A reversal of a deferred tax asset of £18m was a consequence of a significant decrease in pension liabilities. This was countered to some extent by a favourable financial performance in the year. In addition, some of the Trust's free reserves were invested into freehold property to provide children's homes.

In addition to a suggested level of positive free reserves, the Trust's policy stipulates a minimum level of cash holding requirement of £15m to meet the following scenarios, including:

- A delay in collection of receipts.
- Exceptional payments of costs.
- A significant financial impact or loss of a major contract.

The policy was adhered to during the year.

Detailed review of the risk and stress testing has been undertaken to assess the risk of a significant contract loss and the mitigation steps available to management. The Trustees and Executive Team have considered the level of free reserves and minimum cash reserve requirement and consider it appropriate given the current resources and future activities of the Trust.

Pension Schemes

The principal pension scheme available to employees of Shaw Trust is a defined contribution scheme, administered by Standard Life. Contributions to the plan during the year totalled £1.53m (2021: £1.08m).

The Trust also participates in several active final salary pension schemes through its Multi Academy Trust subsidiary. The two principal pension schemes are the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and a number of Local Government Pension Schemes (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

In addition, the Group retains a funding obligation to several smaller final salary schemes, all of which are closed to new entrants. These are detailed in note 24 - Pension Commitments.

The final salary schemes remain subject to a formal triennial funding valuation, with the most recent completed being as at 31 March 2022. This showed a funding surplus of £9.6m, and in the majority of schemes future contributions were nil or had reduced.

Separate annual valuations of the schemes are carried out in accordance with 'FRS 102: Employee Benefits' in which different funding assumptions are applied. The FRS 102 valuation of the Trust's pension schemes at 31 August 2022 showed an overall funding deficit of £14.6m (2020/21 £139.5m). The decrease reflects significant movements in actuarial assumptions, particularly discount rates since the prior year-end.

In accordance with FRS 102, the surplus on individual schemes is not recognised as an asset, on the basis that future economic benefits are not deemed available to the Group.

The Trust monitors the size of the pension deficit and feels that there is sufficient income and cash flow in future years to service the requirement of these schemes. In addition, a significant review of pension exposure and risk is ongoing and continued during the year.

Post year-end the Trust exercised its agreement to exit the London Pensions Fund Authority scheme at the point it became fully funded. This significant final salary scheme had been closed to new and existing members following a detailed review and consultation with members during 2020 and at the time a long-term repayment plan agreed with the provider. This transaction had no detriment to benefits for scheme members and significantly reduced the balance sheet risk and exposure to valuation fluctuations arising from future changes of actuarial assumptions.

Streamlined Energy and Carbon Reporting Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, The Shaw Trust Limited (SHA) continues to be engaged in a process aimed at reducing our energy and greenhouse gas emissions.

The Shaw Trust currently maintain both scope one and two emissions, which are generated from our premises (offices, accommodation, and schools), operational processes and transport, respectively. We maintain transport emissions from leased company cars and "grey fleet" (personal cars used for business purposes, where staff mileage has been reimbursed).

The Shaw Trust previously devised a strategy to reduce our carbon footprint by:

- Encouraging employees to purchase renewable technology cars i.e., hybrids.
- Purchasing energy efficient equipment where appropriate in our premises.
- Replacing HVAC systems with energy-efficient equipment where possible.
- Adopting behavioural change measures where possible.

We continue to take this approach year on year. We have a longstanding commitment to tackling climate change. Our calculated carbon footprint for our current financial year is 6,692.02 tCO₂e, whilst energy consumption was 33,555,959 kWh (33,555.96 MWh).

Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2022 (reference "Introduction guidance").

The reporting period is the financial year 2021/22, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2021 / 2022 Emissions

Scope 1 (natural gas)
Tonnes CO₂ equivalent (tCO₂e)
4,819.92

Scope 1 (company vehicles)
Tonnes CO₂ equivalent (tCO₂e)
192.58

Scope 2 (electricity)
Tonnes CO₂ equivalent (tCO₂e)
1,303.71

Scope 3 (transport)
Tonnes CO₂ equivalent (tCO₂e)
348.94

Scope 3 (electricity transmission and distribution)
Tonnes CO₂ equivalent (tCO₂e)
26.87

Total
6,692.02 tCO₂e

Scopes one, two and three carbon intensity metrics = 1.228 tCO₂e based on our average number of employees (5,448) during the financial year.

Our emissions have reduced slightly since our last report, by 9%.

Efficiency Measures Taken

1. Replaced aging premises equipment with energy-efficient products.
2. Expanded video conferencing and online meetings (as opposed to face-to-face meetings).
3. Upgraded lighting portfolio to LEDs where possible.

Objectives for 2022 / 2023

1. Reduce our baseline electricity and gas consumption year on year.
2. Continual review of existing equipment and company policies.
3. Reviewing supply contracts to determine feasibility of renewable energy.
4. Prepare for our Energy Savings Opportunity Scheme (ESOS) phase 3 compliance.
5. Implementation of carbon reduction towards net zero.
6. Continue with our energy-savings programme.

The Trust will report on progress within our next set of financial accounts.

Statement on going concern

The Trust prepares a detailed annual budget and five-year business plan which indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

Management continues to closely monitor significant risks, and modelling of sensitivities have indicated the Trust has sufficient liquid resources to meet its obligations as they fall due.

The Trust has produced a comprehensive risk assessment framework and monitors and reports on this on a quarterly basis. It continues to drive for performance, carefully manages costs and looks for further opportunities to develop. It seeks to mitigate any ongoing risk by ensuring that it continues to be lean and fit for purpose,

responds to the changing environments and markets in which it operates and continues to engage with commissioners and clients.

The Trustees have reviewed the charity's forecasts, sensitivity analysis and projections and its reserves, and the systems of financial control and risk management. As a result of this review, the Trustees have a reasonable expectation that the charity can manage these risks and has adequate resources to continue in operation for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Principal Risks and uncertainties

Risks and uncertainties are referred to in depth in the Risk Management Framework below.

Risk Management Framework

The Trust's risk appetite is set annually by the Board of Trustees with the goal of aligning risk-taking with the statutory requirements, strategic business objectives and capital planning. The Board of Trustees and the Group Chief Executive Officer (CEO) have key roles in the implementation of the Trust's risk appetite by steering the balanced portfolio, geographical operating areas and markets, and funding and liquidity management.

The purpose of the Risk Assurance Statement (RAS) is to state clearly the general principles for the Trust's risk-taking, to raise risk awareness across the organisation, and to guide the staff regarding accepted and unacceptable behaviour. The RAS is implemented through the Trust's operational policies and procedures, monitoring metrics, limit system and internal controls.

The Trust is subject to national supervision and prudential regulations, including contractual obligations.

The Trust's risk management system and procedures are reviewed and refined on an ongoing basis in order to comply with what the Trust identifies as the relevant standards, recommendations and best practices in the sectors operated in. The objectives of the RAS are:

- To provide a clear articulation of the Trust's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level.
- To create a foundation for effective communication of risk among internal and external stakeholders.
- To increase understanding of the Trust's material risk exposures and raise risk awareness across the organisation.
- To positively impact the defined risk culture of the Trust.
- To support the Board of Trustees and the senior management in planning, formulating and executing strategic business decisions to achieve the long-term targets of the Trust.
- To provide means for the Board of Trustees and senior management to engage in discussions on risk-taking, risk management, and business strategy, and their interlinkages.
- To provide the tools for the Board of Trustees and senior management to continuously monitor and align the Trust's actual risk profile with the risk appetite.

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 Team and Audit and Risk 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 register 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.
- The establishment and maintenance of the 'three lines of defence' model of internal control:

- *Line One:* 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 Two:* Risk management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, an internal Commercial Assurance Team provides assurance in respect of the quality of service provision and compliance with legislation, standards and contractual requirements.
- The Trust's Line Two reports into senior management and the Trustee Board, through the Audit and Risk Committee; and
- *Line Three:* Internal Audit, currently performed by an outsourced provider. Reporting primarily to the Audit and Risk Committee, the internal auditors provide assurance over the effectiveness of corporate governance and the overall control environment including Line Two defences. All reports identify areas of strength and good practice along with areas for improvement. In the case of the latter the Audit and Risk Committee monitors 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 Team and reported to the Audit and Risk 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 in the context of its risk appetite.

Principal Risks and Uncertainties

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

- Inadequate organisational and operational robustness and resilience undermined by inadequate plans, succession and supersession arrangements.
- Inadequate corporate financial robustness and resilience undermined by inadequate reserves.
- Scale, pace and complexity of growth overwhelming the Trust's ability to deliver on strategic objectives or leading to failure.
- Strengthening environmental headwinds individually or in combination impinging on the ability of the Trust to operate profitably.
- Inability to generate sufficient cash or secure necessary growth capital to fund investment in market opportunities and our accelerating growth.
- Cyber Security and Data Protection.
- Failure to deliver carbon neutrality by 2030.
- Loss of market share or strengthened competition resulting in income loss and reduced financial viability.
- Safeguarding, including physical / mental or emotional harm caused to others.
- The inability to provide normal service delivery or deliver to the required educational, pastoral or financial standards.
- Governance Failure.

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

- Build and maintain a strong balance sheet so as to instil confidence of stakeholders and to sustain the future development of the business.
- Build and maintain a strategic reserve to enable the Trust to operate and continue its core activities.
- Invest surplus funds where applicable in order to return a yield consistent with the Group's risk appetite and ensuring sufficient liquidity to meet obligations as they fall due.

The Trust completed a successful tender for an investment manager during the year and funds transferred.

Liquidity risk is managed by carefully forecasting and monitoring the short-term and long-term cash flows and ensuring the Trust has sufficient reserves and liquid investments to cover foreseeable requirements.

Credit risk on amounts owed to the Trust by its customers is low, being mostly Government departments and Local Authorities. Credit risk also arises from cash deposits with banks, and only independently rated parties with a minimum rating of 'A' are accepted.

Interest rate cash flow control risks are mitigated as the Trust is able to place surplus funds on short term deposits.

The Group has to date financed the majority of its operations through its reserves and has not required significant external funding. Loan balances at 31 August 2022 of £1.3m included the external funding held in Forth Sector.

In addition, a £5m Revolving Credit Facility was agreed with National Westminster Bank during the year. As at the year end this had not yet been drawn down.

The Group had a small foreign exchange risk arising from investments in charities operating in Poland. However, this risk is not material and as such has not been hedged and the investment was disposed of during the year.

While 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.

Taking all this information together, the Trustees therefore have a reasonable expectation that the organisation has sufficient resources to continue in operational existence for the foreseeable future and believe that there are no material uncertainties that call into doubt the ability of Shaw Trust and its subsidiaries to continue as a going concern.

Legal Structure and Governance

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

Governance

The Trustees in office during the year, and at the date of signing these financial statements, are set out on page 112. The Trustee Board has overall responsibility for the governance of the Trust which it discharges through three main duties:

1. Ensuring there is a strategy in place; the main strategic goal is to help as many people as possible to adjust to and navigate the complex employability challenges that lie ahead. To achieve this main strategy, Trustees have agreed on different objectives which include organisational growth, maintaining a balanced portfolio of services and programmes that are locally based and nationally scalable, financial and operational stability, compliance and stakeholder's relationships.
2. Monitoring the implementation of the strategy against agreed plans, ensuring adequate resource is available.
3. Ensuring the Trust complies with all necessary statutory and regulatory obligations.

As part of this, the Trustees ensure that there is a robust system of internal control and risk management, as well as an appropriate reporting and oversight structure to ensure that the senior executives to whom the Trustees have delegated the daily management of the Trust are performing to the standards expected.

The Board meets quarterly and, while 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.

The following subcommittees of the Board of Trustees discharged specific aspects of their responsibilities:

The Audit and Risk 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 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 the senior executives.

The Trust uses external consultants and comparison tools available to set the salary level for its key management.

Salary and benchmarks are reviewed regularly to make sure the Trust can attract and retain the best talent.

The Finance Committee is responsible for the Trust's financial performance on behalf of the Board to ensure short and long-term viability and ensure finances are aligned with The Shaw Trust's Strategic Directive.

The Commercial and Performance Committee is responsible for advising the Board in relation to business investment and opportunities for growth (both organic and inorganic) in accordance with the Trust's strategy, and to oversee the operational performance of The Shaw Trust.

The Trustees have delegated the daily management of the Trust to the Group Chief Executive and the Executive Team. The current Chief Executive, Chris Luck CB MBE, was appointed in May 2019, and joined the Trust after a distinguished career in the armed forces.

The Trust manages its activities through three operational divisions and service delivery within each is managed by dedicated business unit teams.

Operational staff are supported by Finance, People and Performance, Business Development, Information Services and Communications 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 period. 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 The 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 the Trust's latest reports and financial statements; a copy of the Code of Practice adopted by the Trustees; details of the Trust's Executive Team and their respective roles, Terms of Reference and reporting lines; details of Board meetings; and the Board papers made available for meetings.

As well as induction, Trustees are able to undertake training in specific areas of the Trust's operations through visits and presentations.

Disabled employees

The Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, religion, sex, race, colour, disability, sexuality 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. To this end, the Trust was delighted to be awarded Disability Confident Leader Status in 2018.

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 achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining and growing its position.

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 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.

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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial

statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015).
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards, comprising FRS 102, 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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.

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.

Disclosure of information to auditors

In so far as the Trustees are aware:

- (a) There is no relevant audit information of which the charitable company's auditor is unaware; and
- (b) The Trustees have taken all the steps that they ought to have taken as a Trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Independent auditors

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

Section 172(1) Statement

General confirmation of Trustees and Directors' duties:

The Trust's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval.

S172(1) (A) "The likely consequences of any decision in the long term"

The Directors completely understand the importance of Charity and long-term impact of its decision on beneficiaries and communities. The Board has developed proper strategies and process to follow for any decision which can have long term impacts.

S172(1) (B) "The interests of the company's employees"

The Directors recognise that The Shaw Trust Limited employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions

on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments and commissioners. The Shaw Trust Limited seeks the promotion and application of certain general principles in such relationships. The Trust supports the government strategy to support SMEs via doing business with them and paying promptly. The Trust recognises the importance of its supply chain partners to deliver its targets and achieve strategic goals. Certain rules and procedures have been developed to maintain the good relationship with them.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

S172(1) (D) "The impact of the company's operations on the community and the environment"

The Board receives information on these topics to both provide relevant information for specific Board decisions e.g., working from home, green energy and carbon footprint policies.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The Board periodically reviews and approves clear frameworks to ensure that its high standards are maintained both within its businesses and the business relationships we maintain. This complements the ways the Board is informed and monitors compliance with relevant governance standards.



Sir Kenneth Olisa, Chairman
11 May 2023

Independent Auditor's Report to the Members and the Trustees of The Shaw Trust Limited

Opinion

We have audited the financial statements of The Shaw Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2022 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2022 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- Adequate and proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 30 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error,

and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing contract income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the

Charity Commission, OSCR, Companies House and ESFA, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor

For and on behalf of Crowe U.K. LLP
Statutory Auditor, London.
Dated: 26 May 2023

The Shaw Trust Limited Group consolidated Statement Of Financial Activities (incorporating income and expenditure account)

For the year ended 31 August 2022	Note	Unrestricted Funds £'000	Restricted Funds £'000	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Income and endowments from:					
Donations and Legacies		50	4,691	4,741	6,060
Charitable activities		184,360	97,916	282,276	232,782
Other Trading Activities	1a	2,379	777	3,156	2,904
Income on investments, interest and dividends		44	-	44	1
Covid related grants		4	-	4	2,374
Other Income		5	-	5	1
Net assets taken on with mergers and transfers	25	-	5,736	5,736	19,381
Incoming resources including share of joint ventures		186,842	109,120	295,962	263,503
Less share of gross incoming resources of joint ventures		-	(111)	(111)	(101)
Group incoming resources	1	186,842	109,009	295,851	263,402
Expenditure on:					
Raising funds	2	(2,325)	-	(2,325)	(2,385)
Goodwill Impairment	7	-	-	-	(568)
Charitable activities	2	(182,685)	(109,743)	(292,428)	(238,296)
Total resources expended		(185,010)	(109,743)	(294,753)	(241,249)
Net income		1,832	(734)	1,098	22,153
Net losses on Fixed Asset investments	10	(208)	-	(208)	-
Transfers between funds	18	1,404	(1,404)	-	-
Net Income before tax		3,028	(2,138)	890	22,153
Taxation	21	(18,370)	-	(18,370)	6,348
Group net income		(15,342)	(2,138)	(17,480)	28,501
Share of net outgoing resources of joint ventures	9	-	(10)	(10)	6
Net income before other recognised gains and losses		(15,342)	(2,148)	(17,490)	28,507
Loss on sale of subsidiaries		(42)	-	(42)	-
Actuarial gains (losses) on defined benefit pension schemes	24	71,804	64,306	136,110	(21,700)
Net movement in funds		56,420	62,158	118,578	6,807
Revaluation reserve		1,113	-	1,113	-
Fund balances brought forward		(39,629)	129,325	89,696	82,889
Fund balances carried forward		17,904	191,483	209,387	89,696

Group and Company Balance Sheets

(Company Reg. Number: 01744121)

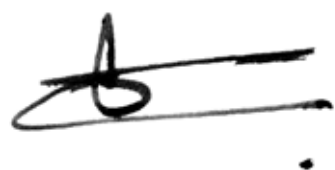
as at 31 August 2022

		Group		Company	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Intangible assets	7	1,756	7,435	240	446
Tangible assets	8	199,326	187,570	4,405	3,466
Investments in subsidiaries	9	-	-	21,355	19,355
Investments in financial securities	10	4,823	-	4,823	-
Investments in joint ventures - investment at cost		-	-	-	-
<i>Gross assets</i>		-	93	-	-
<i>Gross liabilities</i>		-	(41)	-	-
Net assets	9	-	52	-	-
Total fixed assets		205,905	195,057	30,823	23,267
Current assets					
Stocks	12	397	426	365	292
Debtors: Due within one year	13	44,369	33,926	36,966	24,618
Debtors: Due over one year	13b	388	18,768	300	300
Cash at bank and in hand	15	50,853	55,031	8,857	10,616
Total current assets		96,007	108,151	46,488	35,826
Creditors - amounts falling due within one year	16	(71,553)	(71,519)	(43,747)	(32,514)
Net current assets		24,454	36,632	2,741	3,312
Total assets less current liabilities		230,359	231,689	33,564	26,579
Creditors - amounts falling due after one year	16b	(1,034)	(1,293)	-	-
Provision for liabilities and charges	17	(5,347)	(1,231)	(4,356)	(522)
Net assets before pension liability		223,978	229,165	29,208	26,057
Pension liability	24	(14,591)	(139,469)	-	-
Net assets after pension liability		209,387	89,696	29,208	26,057

Group and Company Balance Sheets (continued)
as at 31 August 2022

	Note	Group		Company	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Funds					
Designated funds	18	2,666	2,171	2,461	1,966
Revaluation reserve	18	1,113	-	-	-
General funds	18	14,125	28,959	24,297	20,323
Total unrestricted funds excluding pension liability		17,904	31,130	26,758	22,289
Pension liability		-	(70,759)	-	-
Total unrestricted funds	18	17,904	(39,629)	26,758	22,289
Restricted funds	19	191,483	129,325	2,450	3,768
Total Funds	20	209,387	89,696	29,208	26,057

The Group statement of cashflows, basis of preparation, principal accounting policies and the notes to the financial accounts below are an integral part of these financial statements. The financial statements were approved by the Board of Directors on 11 May 2023 and were signed on its behalf by:



Sir Kenneth Olisa, Chairman

Group statement of cash flows
for the year ended 31 August 2022

		Year ended 31 August 2022 £'000	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000	Year ended 31 August 2021 £'000
	Note				
Net cash inflow from operating activities	A		13,228		28,213
Taxation			-		-
Net cash generated operating activities			13,228		28,213
Cash flow from investing activities					
Capital expenditure and financial investment					
Purchase of tangible assets		(10,068)		(5,589)	
Purchase of intangible assets		(306)		(219)	
Cash inflow on conversion of academies and business combinations		445		1,460	
Net purchase of investments		(5,000)		-	
Investment Income		(31)			
Cash from disposal of fixed assets		-		185	
Investment income received		44		1	
Net cash outflow from capital expenditure and financial investment			(14,915)		(4,162)
Total Net cash (expended) / generated from investing activities			(1,687)		24,051
Cash flow from financing activities					
Interest and charges paid		(236)		(1,324)	
Repayment of loans		(2,255)		(1,193)	
Net cash used in financing activities			(2,491)		(2,517)
Net (decrease) / increase in cash and cash equivalents	B		(4,178)		21,534
Cash and cash equivalents at the beginning of the period at 1 September 2021			55,031		33,497
Cash and cash equivalents at 31 August 2022	C		50,853		55,031

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

	Year ended 31 August 2022	Year ended 31 August 2021
	£'000	£'000
Net incoming resources before other recognised gains	(17,490)	28,507
Donation of net assets arising on acquisition	(5,736)	(19,381)
Pensions - adjustment to net incoming resources	9,119	1,188
Investment income received	(44)	(1)
Bank charges and interest paid	236	1,324
Depreciation and fixed asset write offs	6,761	6,575
Amortisation of goodwill	6,053	6,797
Impairment of goodwill	-	568
Net loss on write off / disposal of tangible fixed assets	-	58
Net loss on write off / disposal of intangible fixed assets	-	21
Intangible assets transfers	(68)	(310)
Tangible assets transfers	68	308
Net loss on disposal of investments	166	-
Decrease in stock	29	122
Increase / (decrease) in debtors	7,936	(9,520)
Decrease / (increase) in value of joint ventures	52	(5)
(Decrease) / Increase in creditors	(6,515)	8,195
Increase in deferred income	8,545	4,660
Increase / (decrease) in provisions for liabilities and charges	4,116	(893)
Net cash inflow from operating activities	13,228	28,213

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

	1 September 2021	Cash Flow	31 August 2022
	£'000	£'000	£'000
Cash pledged as security for guarantee	250	-	250
Unrestricted cash at bank and in hand	54,781	(4,178)	50,603
Total cash at bank and in hand	55,031	(4,178)	50,853

c) Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cash and cash equivalents consist of:				
Cash at bank and in hand	50,853	55,031	8,857	10,616
Total cash at bank and in hand	50,853	55,031	8,857	10,616

Basis of preparation

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 9) made up to 31 August 2022. 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 equity method of accounting.

FRS 102 Exemptions

FRS 102 allows a qualifying entity, certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's Trustees.

The Company has taken advantage of the following exemptions:

- a) From preparing a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated group statement of cash flows, included in these financial statements, includes the company cash flows; and
- b) From preparing a company Statement of Financial Activities (SOFA), on the basis that it is a qualifying entity and the consolidated SOFA, included in these financial statements, includes the company SOFA.

Functional currency

The Group financial statements are presented in pound sterling and rounded to thousands. The company's functional and presentation currency is the pound sterling.

Principal accounting policies

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

Incoming Resources

All incoming resources are recognised in the Statement of Financial Activities when there is an entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Contract income

Where the outcome of a transaction involving the rendering of services via contracts can be estimated reliably, the revenue is recognised by reference to the stage of completion at the end of the reporting period. This is reviewed and, when necessary, revised based on the estimates of revenue and costs as the contract progresses.

Stage of completion is determined using the method that measures most reliably the work performed and assumes use of the straight-line basis unless there is evidence that some other method better represents the stage of completion.

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 deferred and carried forward to the following year, or where income is received in advance of the services being delivered.

Donations and other voluntary income

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

Other voluntary income is recognised when there is entitlement to the funds, any performance conditions attached to the item of income has been met, and where it is probable that the income will be received, and the amount can be measured reliably.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

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 point of sale for both donated and purchased goods.

Donated services from volunteers

Donated services from our volunteers are not included within the financial statements.

The services of volunteers are critical to the Trust, particularly in relation to the operation of our retail shops. These ventures would not be able to continue without the support and time given by our network of volunteers.

Donated goods for resale

The charity receives donated goods for resale in its network of charity shops. Income is recognised at point of sale as the Trustees consider it to be impractical to recognise such gifts on receipt due to the large number of small value items received.

Grants / fees

All revenue grants receivable from the 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 at the reporting date as a result of a past event.
- It is more likely than not that a transfer of economic benefit, often cash, will be required in settlement; and
- When the amount of the obligation can be measured or estimated reliably.

Costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities:

- a) Costs of raising funds are costs incurred in seeking voluntary contributions, operating charity shops and investment management costs.
- b) Charitable activity expenditure relates to the costs of running and supporting the Trust's various charitable activities for furthering its charitable aims for the benefit of its beneficiaries; and
- c) 'Other' relates to costs incurred that are neither related to raising funds nor part of the Trust's expenditure on its charitable activities.

Apportionment of costs

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

Operating leases

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

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 are stated at cost less depreciation.

Land and buildings transferred as part of the Academies Programme to Shaw Education Trust are reflected within freehold or long leasehold fixed assets at the point of transfer. They are recorded at valuation at the point of transfer and are depreciated from that date.

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.

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% (or over the lifetime of the contract if more appropriate).
- Long leasehold buildings 2% (or length of lease if shorter than 50 years).
- Fixtures and fittings 20% (or more if first break clause of lease is within five years).
- Equipment and vehicles 20%.
- Computer equipment 25%; and
- Plant and machinery in Forth Sector 6.75%.

Assets costing less than £3,000 are not capitalised.

Intangible fixed assets – goodwill and computer software

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included

in Intangible Assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

During 2017/18 The Shaw Trust Limited acquired Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited and the intangible fixed assets include goodwill arising on the purchase.

In determining the period of amortisation, management considered the length of the current contracts, the performance of the business and the likelihood of securing additional future business and concluded that five years was a reasonable time over which to amortise the goodwill arising on these acquisitions.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Computer software 25% (or over the lifetime of the contract if more appropriate).

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.

Investments in financial securities

Fixed asset investments are investments held in listed companies, government and corporate bonds and other investments. These investments are stated at mid-price 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.

Investments are carried at 'fair value' and therefore stated at market value as at the balance sheet date. Changes in fair value are recognised in the income and expenditure section of the Statement of Financial Activities.

Investments in subsidiaries jointly controlled entities and associates

These investments are held at cost less impairment.

Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments comprise cash held on term deposits with qualifying financial institutions.

Basic financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of Financial Instruments.

Financial Assets: Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities: Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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 specific fixed assets or contracts 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.

Provisions

Provisions are recognised when the Trust has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

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 The Shaw Trust Limited defined contribution pension scheme, the Trust operates a number of defined benefit pension arrangements, which are detailed in note 24 to the Financial Statements.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to net income / (expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements, and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability / asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The costs to the Trust of funding the schemes are accounted for in accordance with FRS 102. 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 102.

Related party transactions

All related party transactions are disclosed in note 26.

Foreign exchange transactions

Foreign currency transactions are recorded at the spot rate at the transaction date. 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.

Tax and deferred tax

Current tax arising in non-charitable subsidiaries is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and law that have been enacted or substantively enacted by the reporting date that are expected to ally to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Statement on going concern

The charity continues to adopt the going concern basis in preparing its financial statements.

The Trust prepares a detailed annual budget and five-year business plan which indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

Having reviewed the charity's and group's forecasts and its current reserves, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future.

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carry amounts of assets and liabilities within the next financial year are addressed below.

a) Impairment of intangible assets and goodwill (note 7)

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the CGU. This requires estimation of the future cash flows from the

CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. Where it indicates that the net present value of the CGU is lower than its value shown in the financial statements an impairment is taken. In the year ended 31 August 2020 this amounted to an additional write-down in goodwill of £15.9m. An adjustment was required in the year ended 31 August 2022 and amounted to £568k.

b) Provisions (note 17)

Provision is made for dilapidations, asset retirement obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, timing of the cash flows and discount rates used to establish net present value of the obligations require management judgement.

c) Defined benefit pension scheme (note 24)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuation and the corporate bond discount rate. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

Assessing whether the Group controls SET requires judgement. SET is a wholly owned subsidiary of The Shaw Trust Limited, who is also the sponsor company. Through the SET Articles of Association, The Shaw Trust Limited can appoint members and Trustees to the Shaw Education Trust Board, thereby giving control to the decision making and authority for the work of the Academy Trust. The Group considers

that these powers demonstrate that the Group controls SET.

In addition, Trustees have assessed the value of goodwill in the balance sheet and assessed the need for an impairment review. There is a significant judgement to establish the individual Cash Generating Unit (CGUs) for the purpose of impairment and to establish a methodology for the allocation of Goodwill to each CGU.

In the case of the Prospects Group, we determined the CGUs to be the individual trading businesses as the cash flows, assets and liabilities of these businesses are separately identifiable.

Notes to the financial statements

General information

The Shaw Trust Limited (the “Company”) is domiciled in England and Wales with registration number 01744121. The address of its registered office is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The principal activity of the Company during the period is to co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

1. Total incoming resources / material funders

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

	Unrestricted funds	Restricted funds	Year ended 31 August 2022	Unrestricted funds	Restricted funds	Year ended 31 August 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Donation of net assets arising on mergers	-	5,736	5,736	-	19,381	19,381
Donations and Legacies	50	4,691	4,741	148	5,912	6,060
Other Trading Activities (note 1a)	2,379	777	3,156	2,083	821	2,904
Income on investments, interests and dividends	44	-	44	1	-	1
Covid related grants	4	-	4	829	1,545	2,374
Other Income	5	-	5	1	-	1
Incoming resources from generated funds	2,482	11,204	13,686	3,062	27,659	30,721
Contract delivery, social enterprises and other charitable activities	184,360	97,916	282,276	156,775	76,007	232,782
Joint Venture – Intergracja	-	(111)	(111)	-	(101)	(101)
Total	186,842	109,009	295,851	159,837	103,565	263,402

1. Total incoming resources / material funders (continued)

The Trustees consider material funders to be those contributing over 10% of income.

Material funders are The Department of Work and Pensions (DWP) from which a total of £79.1 million (2021: £57.3 million) was earned. Shaw Education Trust received £64.0 million (2021: £57.4 million) general annual grant from the Department for Education.

The fair value of net assets acquired from business combinations are treated as a donation (see note 25).

The results of The Shaw Trust Limited, as required to be disclosed by paragraph 397 of the Charity SORP, are:

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Total income	109,211	80,260
Net outgoing / (incoming) resources	(3,150)	(6,578)

1a. Other Trading Activities

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Income from charitable activities	3,156	2,904
Total income	3,156	2,904

2. Analysis of total resources expended

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Raw Materials and Consumables	17,206	12,629
Staff Costs – salaries, NI and pensions	188,955	155,055
Staff Costs – travel and pension charges	14,015	4,907
Other Operating Costs	61,527	53,394
Depreciation	6,761	6,575
Amortisation and Impairment of Goodwill	6,053	7,365
Finance Charges	236	1,324
Total	294,753	241,249

	Activities undertaken directly £'000	Support costs not directly allocated £'000	2022 Total £'000	2021 Activities undertaken directly £'000	2021 Support costs not directly allocated £'000	2021 Total £'000
Raising Funds						
Fundraising	3	-	3	77	-	77
Charity shops	2,309	-	2,309	2,308	-	2,308
Investment management fees	13	-	13	-	-	-
Total cost of Raising Funds	2,325	-	2,325	2,385	-	2,385
Charitable Activities						
Impairment of goodwill	-	-	-	568	-	568
Contract delivery, social enterprises and other charitable activities	288,782	2,249	291,031	234,660	2,250	236,910
Usage of fundraising funds	1,397	-	1,397	1,386	-	1,386
Total Cost of Charitable Activities	290,179	2,249	292,428	236,614	2,250	238,864
Total Resources Expended	292,504	2,249	294,753	238,999	2,250	241,249

Support costs not directly allocated comprise the following:

Support costs	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Management	681	810
Corporate Governance	316	279
Finance	345	306
Information Technology	597	590
Human Resources	271	237
Communications and Marketing	39	28
Support costs not directly allocated	2,249	2,250

3. Finance costs

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
Bank charges, interest and other finance costs (note 2)	236	1,324
Net finance cost on defined benefit pension scheme (note 24)	2,319	1,929
Total	2,555	3,253

These charges have been reported in the Statement of Financial Activities under Charitable Activities.

4. Net incoming resources

	Year ended 31 August 2022 £'000	Year ended 31 August 2021 £'000
The net incoming resources are stated after charging:	£'000	£'000
Depreciation charge for the year on tangible owned assets	6,761	6,575
Amortisation charge for the year on intangible owned assets	6,053	6,797
Goodwill impairment charge	-	568
Auditors' remuneration: audit services		
- Parent Company and consolidated financial services	73	70
- Audit of the company's subsidiaries	132	128
Auditors' remuneration: other services		
- services relating to taxation	-	-
- all other services	15	-
Operating leases:		
- others	132	146
- property	1,887	1,443
Net loss on write off / disposal of fixed assets	-	79

5. Employees

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

	Year ended 31 August 2022 Average Headcount	Year ended 31 August 2021 Average Headcount
Charitable purposes	5,375	4,707
Retail	55	66
Total	5,430	4,773

Employee costs for the above persons during the year were:

	Year ended 31 August 2022	Year ended 31 August 2021
	£'000	£'000
Wages and salaries	151,054	125,687
Social security costs	14,665	11,571
Other pension costs (note 24)	23,236	17,797
Total	188,955	155,055

Included in the above figures is a figure of £427k (2020-21: £353k) for redundancies, of which £150k was accrued as at the year end.

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

	2022	2021	2022	2021
	Total Emoluments	Total Emoluments	Total Emoluments excl. severance payments	Total Emoluments excl. severance payments
	Number	Number	Number	Number
£60,001 - £70,000	66	56	66	57
£70,001 - £80,000	39	31	39	30
£80,001 - £90,000	11	11	11	11
£90,001 - £100,000	12	13	12	13
£100,001 - £110,000	9	8	9	9
£110,001 - £120,000	4	2	4	2
£120,001 - £130,000	0	1	0	1
£130,000 - £140,000	1	1	1	-
£140,001 - £150,000	2	3	3	4
£170,001 - £180,000	-	3	-	2
£180,001 - £190,000	1	-	1	-
£220,001 - £230,000	1	-	1	-
£250,001 - £260,000	-	1	-	1
£290,001 - £300,000	2	-	1	-
	148	130	148	130

The total pension contributions in respect of the above staff, all of which were made to defined contribution schemes, were £1,422,383 (2021: £1,453,613).

Total emoluments of employees include, where applicable, salary, bonuses, benefits-in-kind, car allowance, payments in lieu of notice and redundancy. Total payments in lieu of notice and redundancy accruing to those employees who earned more than £60,000 during the year was £150,000 (2021: £137,871).

6. Trustees' and senior executives' remuneration

- During 2022 and 2021, no Trustee received any emoluments from the Trust. Incidental travelling costs of £759 (2021: £nil) were reimbursed or paid on behalf of four (2021: Nil) Trustees by the Trust.
- The 'Directorships' outlined on page 94 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.
- Included within the support costs is the amount of £10,651 (2021: £9,055) 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.
- The Key Management Personnel of the Group comprise the Trustees and the Executive Team as listed on page 163. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Group was £1,908,563 (2021: £1,734,045) for the year.

7. Intangible Assets

Group	Goodwill £'000	Computer software £'000	Total £'000
Cost			
At 1 September 2021	53,517	8,540	62,057
Additions	-	306	306
Reclassifications	-	68	68
At 31 August 2022	53,517	8,914	62,431
Accumulated Amortisation			
At 1 September 2021	(46,637)	(7,985)	(54,622)
Charge for the year	(5,708)	(345)	(6,053)
At 31 August 2022	(52,345)	(8,330)	(60,675)
Net book value			
At 31 August 2022	1,172	584	1,756
At 1 September 2021	6,880	555	7,435

The goodwill arose on the acquisition of 100% interest in Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited on 30 May 2017 and 30 November 2017 respectively (see note 26).

The Prospects Group was acquired for £17.4m. Net liabilities at acquisition were £30.7m resulting in a goodwill balance on acquisition of £48.1m being recognised in the Group financial statement on consolidation. This is being amortised over five years such that the remaining goodwill balance at 31 August 2022 was £1.2m.

Ixion Group was acquired for £2m. Net assets at acquisition were £2.2m resulting in a goodwill balance on acquisition of £0.2m being recognised in the Group financial statement on consolidation. This is being amortised over five years such that the remaining goodwill balance at 31 August 2022 was £6k.

Amortisation will occur in line with The Shaw Trust Limited accounting policies commencing on the date of acquisition with adjustments to reflect ongoing valuations of the investments.

Company	Computer software £'000	Total £'000
Cost		
At 1 September 2021	7,225	7,225
Reclassifications intangible fixed assets	68	68
At 31 August 2022	7,293	7,293
Accumulated Amortisation		
At 1 September 2021	(6,779)	(6,779)
Charge for the year	(274)	(274)
At 31 August 2022	(7,053)	(7,053)
Net book value		
At 31 August 2022	240	240
At 1 September 2021	446	446

8. Tangible Assets

Group	Freehold land and buildings £'000	Long leasehold property £'000	Assets under construction £'000	Equipment and vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation						
At 1 September 2021	41,392	160,622	1,233	4,352	10,021	217,620
Acquisitions of academies	-	7,404	-	-	-	7,404
Additions	-	3,081	4,484	120	2,383	10,068
Disposals	-	-	-	-	(7)	(7)
Transfers	-	-	-	(6)	6	-
Revaluations	1,121	-	-	-	-	1,121
Reclassifications	2,227	975	(3,673)	(27)	430	(68)
At 31 August 2022	44,740	172,082	2,044	4,439	12,833	236,138
Accumulated depreciation						
At 1 September 2021	(4,535)	(14,476)	-	(4,013)	(7,026)	(30,050)
Charge for the year	(639)	(4,898)	-	(70)	(1,610)	(7,217)
Effect of re-life of assets	68	377	-	(3)	14	456
Disposals	-	-	-	-	7	7
Transfers	-	-	-	5	(5)	-
Charge on revalued assets	(8)	-	-	-	-	(8)
Reclassifications	-	-	-	10	(10)	-
At 31 August 2022	(5,114)	(18,997)	-	(4,071)	(8,630)	(36,812)
At 31 August 2022	39,626	153,085	2,044	368	4,203	199,326
At 1 September 2021	36,857	146,146	1,233	339	2,995	187,570

Company	Freehold land and buildings	Long leasehold property	Assets under construction	Equipment and vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 September 2021	-	3,152	79	543	6,346	10,120
Additions	-	-	-	-	1,454	1,454
Disposals	-	-	-	-	(7)	(7)
Transfers	-	-	-	-	30	30
Tangible fixed assets	-	-	(68)	-	-	(68)
At 31 August 2022	-	3,152	11	543	7,823	11,529
Accumulated depreciation						
At 1 September 2021	-	(1,488)	-	(534)	(4,632)	(6,654)
Charge for the year	-	(49)	-	(2)	(774)	(825)
Effect of re-life of assets	-	378	-	(7)	-	371
Disposals	-	-	-	-	7	7
Transfers	-	-	-	-	(23)	(23)
At 31 August 2022	-	(1,159)	-	(543)	(5,422)	(7,124)
Net book value						
At 31 August 2022	-	1,993	11	-	2,401	4,405
At 1 September 2021	-	1,664	79	9	1,714	3,466

Land and buildings transferred to Shaw Education Trust (SET) as part of the Academies Programme are reflected within freehold or long leasehold fixed assets at the point of transfer.

The land and buildings transferred as part of the Academies Programme are subject to the provisions of the individual academy funding agreements and the master funding agreement.

These provisions may include preventing the company from selling the land and buildings. Upon termination of a funding agreement, whether as a result of the Secretary of State for Education or SET serving notice, the assets relating to that agreement will return to the Secretary of State.

The value of the land and buildings to which these academy agreements apply is £183,947,000. (2021: £177,809,000).

The value of the transferred assets has been recognised in the Statement of Financial Activities as net assets taken on with mergers and transfers.

Reclassifications relate to software assets formerly shown as tangible assets.

Balances disclosed in the prior year financial statements, have been shown as transfers to better reflect the nature of the balances.

9. Investments in Subsidiary Undertakings and Joint Ventures

Company interests in group undertakings

	2022
	£'000
At 1 September 2021	19,355
Additions	2,000
At 31 August 2022	21,355
Amortisation	
At 1 September 2021	-
Impairment	-
At 31 August 2022	-
Net book value	
At 31 August 2022	21,355
At 1 September 2021	19,355

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	Company Number	Charity Number	Country of incorporation	Percentage of control	Nature of business
Shaw Trust International Partnerships Limited	5859747		England and Wales	100%	Dormant
Disabled Living Foundation	1837993		England and Wales	100%	Dormant
Careers Development Group	1647371		England and Wales	100%	Dormant
Shaw Trust Services Limited	3176328		England and Wales	100%	Dormant
Shaw Trust Enterprises Limited	2521307		England and Wales	100%	Dormant
Shaw Southern Australia Limited	ABN 41 075 242 027		Australia	100%	Dormant
Forth Sector	SC124791	SC016414	Scotland	100%	Charity
Prospects Group 2011 Limited	7708678		England and Wales	100%	Company Limited by Shares
Ixion Holdings (Contracts) Limited	6886337		England and Wales	100%	Company Limited by Guarantee
Shaw Education Trust	9067175	Exempt Charity	England and Wales	100%	Charity
ST07033535 Limited	7033535		England and Wales	100%	Limited by Guarantee

The registered address for all of the above subsidiaries (with the exception of The Shaw Education Trust and Forth Sector) is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The registered address for The Shaw Education Trust is: Kidsgrove Secondary School, Gloucester Road, Kidsgrove, Stoke-on-Trent ST7 4DL.

The registered address for Forth Sector is: Duddingston Yards, Duddingston Park South, Edinburgh, Lothian, EH15 3NT.

The Trust made a further investment in Ixion Holdings (Contracts) Limited in the year, recapitalising its investment with an injection of 2,000,000 shares.

The Shaw Trust share of: 2022	Total assets £'000	Total liabilities £'000	Gross incoming resources £'000	Net surplus / (deficit) of income over expenditure £'000
Forth Sector Limited	3,010	(3,226)	1,066	(49)
Ixion Holdings (Contracts) Limited	8,009	(6,370)	13,733	(859)
Prospect Services	29,489	(7,031)	39,055	59,318
Homes2Inspire Limited	12,747	(17,762)	23,643	(1,009)
Shaw Education Trust	214,757	(25,700)	106,655	63,524
Total	268,012	(60,089)	184,152	120,925
 2021	 £'000	 £'000	 £'000	 £'000
Forth Sector Limited	3,075	(3,241)	1,117	(79)
Ixion Holdings (Contracts) Limited	8,346	(7,848)	12,120	(952)
Prospects Services	54,803	(91,663)	33,496	4,298
Homes2Inspire Limited	7,138	(14,241)	20,477	(221)
Shaw Education Trust	202,330	(76,797)	113,415	6,840
Total	275,692	(193,790)	180,625	9,886

Only the material subsidiaries results have been disclosed. Prospects Services and Homes2Inspire Limited are part of the Prospects Group.

Joint Ventures

Name of joint venture	Company Number	Country of incorporation	Percentage of control	Nature of business
The Integracja Foundation	KRS: 0000144578	Poland	50%	Charity
STAR Skills Limited	10086962	England and Wales	50%	Private Limited Company

The registered address for The Integracja Foundation is: ul. Andersa 13, 00-159 Warszawa, Poland. This investment was disposed of as at 31 August 2022.

The registered address for STAR Skills Limited is: Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG. STAR Skills Limited is a dormant company.

	Intergracja Foundation		Total	
The Shaw Trust Limited share of:	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Total assets	-	93	93	93
Total liabilities	-	(41)	(41)	(41)
Net assets	-	52	52	52
Gross incoming resources	111	101	101	101
Net surplus / (deficit) of income over expenditure	(10)	6	(10)	6

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.

10. Investments in financial securities

As a part of the Trust's investment policy, a portion of funds available for investment is 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 were held for the medium-term and as a result, and in accordance with accounting guidance, these investments were classified as fixed assets.

The movement on the value of the investments during the year is as follows:

Group and company	2022	2021
	£'000	£'000
At 1 September 2021	-	-
Additions to investments at cost	5,000	-
Dividends received	31	-
Interest received	10	-
Management charges paid	(10)	-
Net loss on revaluation	(208)	-
At 31 August 2022	4,823	-

Value of investments

Group and company	2022	2021
	£'000	£'000
Investments listed on a UK recognised stock exchange, or valued by reference to one	1,123	-
Investments listed on a non-UK recognised stock exchange, or valued by reference to one	2,262	-
UK Government and Corporate Bonds	607	-
Other investments	597	-
Cash and settlements pending	234	-
At 31 August 2022	4,823	-

11. 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 The Shaw Trust Limited. The financial results of Palmer Gardens are shown below.

As at 31 August 2022, Palmer Gardens has a Revenue Fund of £Nil (2021: £Nil) and a Capital Fund of £449,000 (2021: £579,000). The income and expenditure account for the Revenue Fund is set out below:

Revenue Fund	2022	2021
	£'000	£'000
Turnover	402	821
Cost of sales	(340)	(292)
Gross Profit	62	529
Selling and distribution	(350)	(251)
Administration	(86)	(60)
Finance	(10)	(12)
Operating (deficit) / surplus	(384)	206
Support costs	(28)	(32)
Depreciation	(4)	(1)
Net (deficit) / surplus	(416)	173
Palmer Gardens Revenue Fund brought forward	-	-
Transfer from capital fund	4	1
Donation from / (to) The Shaw Trust Limited to Palmer Gardens	412	(174)
Balance of restricted revenue reserve (see note 19)	-	-

The assets and liabilities for the Capital Fund are set out below:

Capital Fund	2022	2021
	£'000	£'000
Fixed assets		
Palmer Gardens	449	579
Analysis of net assets:		
Current assets – stock	125	123
Current liabilities - creditors The Shaw Trust Limited	(125)	(123)
Net current assets	-	-
Total assets less current liabilities	449	579
Funds		
Restricted capital funds	449	579
Total (see note 19)	449	579

12. Stocks

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Finished goods				
Plants, shrubs, nursery and books	369	350	337	216
Shop stock	3	41	3	41
Other	25	35	25	35
Total	397	426	365	292

13. Debtors

Amounts falling due within one year:

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	15,597	20,350	5,070	9,737
Amounts due from group undertakings	-	-	16,045	8,620
Loans to group undertakings	-	-	100	100
Deferred tax asset	84	85	-	-
Other debtors	723	291	118	59
Prepayments and accrued income	27,965	13,200	15,633	6,102
Total	44,369	33,926	36,966	24,618

Balances within Prepayments and Accrued Income have risen substantially primarily due to different timing of invoicing.

13b. Debtors greater than one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Deferred tax asset	388	18,768	-	-
Loans to group undertakings	-	-	300	300
Total debtors greater than one year	388	18,768	300	300

14. Deferred Taxation

	2022	2021
	£'000	£'000
Accelerated capital allowances	346	411
Short term timing differences - trading	126	18,442
	472	18,853

Analysed as:

Amount due within one year	84	85
Amount due after more than one year	388	18,768
	472	18,853

Movement in year

Opening balance	18,853	12,492
Changes in deferred tax	(18,381)	6,361
Closing balance	472	18,853

The amount of the net reversal of deferred tax expected to occur next year relating to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on intangible fixed assets is £nil.

The Group have no unrecognised deferred tax assets (2021: £nil).

15. Cash at bank and in hand

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Cash at bank and in hand	50,853	55,031	8,857	10,616

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.

16. Creditors - amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	4,661	5,714	1,571	1,640
Taxation and social security	8,000	15,402	4,118	4,093
Other creditors	8,333	7,122	6,829	4,227
Loans	251	2,247	-	2,000
Accruals	12,307	11,578	4,396	3,493
Deferred income	38,001	29,456	26,833	17,061
Total	71,553	71,519	43,747	32,514

Deferred Income

Group	2022	2021
	£'000	£'000
At 1 September 2021	29,456	24,111
Amounts received in year	91,800	22,903
Amounts used in year	(83,255)	(17,558)
At 31 August 2022	38,001	29,456

Company	2022	2021
	£'000	£'000
At 1 September 2021	17,061	8,627
Amounts received in year	68,036	14,304
Amounts used in year	(58,264)	(5,870)
At 31 August 2022	26,833	17,061

16b. Creditors - amounts falling due after one year

	Group		Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Loans and Borrowings	1,034	1,293	-	-
Total	1,034	1,293	-	-

Loans include a bank loan amounting to £nil (2021: £2.0m) which was secured by a fixed charge on all The Shaw Trust Limited Group assets, excluding Shaw Education Trust.

Interest accrues at a variable margin ranging between 2.25% and 3.25% over LIBOR and is payable over periods ranging between one month and six months, or any other period agreed between the company and the lender.

17. Provision for liabilities and charges

Group	Dilapidations £'000	Other Provisions £'000	Total £'000
At 1 September 2021	1,024	207	1,231
Created during the Year	770	3,971	4,741
Utilised during the year	(69)	(556)	(625)
At 31 August 2022	1,725	3,622	5,347

Company	Dilapidations £'000	Other Provisions £'000	Total £'000
At 1 September 2021	390	132	522
Created during the Year	492	3,967	4,459
Utilised during the year	(69)	(556)	(625)
At 31 August 2022	813	3,543	4,356

The dilapidations provisions relates to the costs that the Trust will possibly incur in reinstating its leased properties to original condition, accrued over the length of the lease. We have estimated the cost at a historic average cost and used the calculation to estimate the future cost. This rate will be reassessed on an annual basis to keep it up to date. Future costs are uncertain hence the provision.

The other provisions are provided for Shaw Trust employability contracts taking into account contractual obligation and clawback rates from the most recent inspections. Some contracts are being inspected now and others will be subject to inspection very soon. The Trust is finalising the details with relevant commissioners.

18. Unrestricted funds

Group	Movement in Funds				At 31 August 2022 £'000
	At 1 September 2021 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	2,171	1,477	(982)	-	2,666
Total designated funds	2,171	1,477	(982)	-	2,666
Revaluation reserve	-	1,121	(8)	-	1,113
General funds	28,959	185,357	(201,595)	1,404	14,125
Total unrestricted funds before pension surplus / (deficit)	31,130	187,955	(202,585)	1,404	17,904
Pension deficit	(70,759)	-	70,759	-	-
Total unrestricted funds	(39,629)	187,955	(131,826)	1,404	17,904

Company	Movement in Funds				At 31 August 2022 £'000
	At 1 September 2021 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	1,966	1,477	(982)	-	2,461
Total designated funds	1,966	1,477	(982)	-	2,461
General funds	20,323	105,381	(102,774)	1,367	24,297
Total unrestricted funds before pension surplus / (deficit)	22,289	106,858	(103,756)	1,367	26,758
Pension deficit	-	-	-	-	-
Total unrestricted funds	22,289	106,858	(103,756)	1,367	26,758

Group	Movement in Funds				At 31 August 2021 £'000
	At 1 September 2020 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	1,511	1,755	(1,095)	-	2,171
Total designated funds	1,511	1,755	(1,095)	-	2,171
General funds	23,555	158,082	(153,034)	356	28,959
Total unrestricted funds before pension surplus / (deficit)	25,066	159,837	(154,129)	356	31,130
Pension deficit	(64,655)	-	(6,104)	-	(70,759)
Total unrestricted funds	(39,589)	159,837	(160,233)	356	(39,629)

Company	Movement in Funds				At 31 August 2021 £'000
	At 1 September 2022 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	1,306	1,755	(1,095)	-	1,966
Total designated funds	1,306	1,755	(1,095)	-	1,966
General funds	14,425	76,111	(70,569)	356	20,323
Total unrestricted funds before pension surplus / (deficit)	15,731	77,866	(71,664)	356	22,289
Pension deficit	(15)	-	15	-	-
Total unrestricted funds	15,716	77,866	(71,649)	356	22,289

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

The pension liability arises from a number of defined benefits schemes that the Trust makes payments to in respect of certain employees to whom the Transfer of Undertakings (Protection of Employment) regulations (TUPE) applied (see note 24).

The pension deficits associated with the Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund Cheshire Pension Fund and Derbyshire Pension Fund are all held within Restricted Funds as they pertain to SET. The transfers comprise transfers to restricted reserves as shown in note 19.

19. Restricted Funds

Group and Company	Movement in funds					At 31 August 2022 £'000
	At 1 September 2021 £'000	Incoming £'000	(Outgoing) £'000	Impact of Foreign Currency Translations £'000	Transfers £'000	
DIG for Dinner	38	-	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	-	250
Palmer Gardens Fund (Capital)	579		(81)	-	(49)	449
Palmer Gardens Fund (Revenue)	-	777	(826)	-	49	-
Employment Action Centre (Capital)	675	-	-	-	15	690
Disability Action Centre (Capital)	519	-	-	-	295	814
Disability Action Centre (Revenue)	3	-	-	-	(3)	-
Shaw Trust Clamp Hill	5	-	-	-	-	5
Aim 4 Work (Building Better Opportunities) North and East London - Delivery	-	939	(851)	-	(88)	-
Aim 4 Work (Building Better Opportunities) South London - Delivery	-	549	(499)	-	(50)	-
Get Back on Track - Islington	-	88	(47)	-	(41)	-
DLF	1,696	-	-	-	(1,495)	201
Other	3	-	-	-	-	3
Total company	3,768	2,353	(2,304)	-	(1,367)	2,450
Shaw Education Trust	125,505	106,656	(43,128)	-	-	189,033
The Integracja Foundation	52	111	(126)	-	(37)	-
Total Group	129,325	109,120	(45,558)	-	(1,404)	191,483

A full review of all restricted capital funds in Shaw Trust was undertaken in the year to ensure that the figures above match the net book value of the assets purchased with those restricted funds, including the re-life of assets of the Employment Action Centre and Disability Action Centre. A similar review was undertaken for DLF resulting in the movement above.

Group and Company	Movement in funds					At 31 August 2021 £'000
	At 1 September 2020 £'000	Incoming £'000	(Outgoing) £'000	Impact of Foreign Currency Translations £'000	Transfers £'000	
The Big Lottery Fund						
DIG for Dinner	38	-	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	-	250
Palmer Gardens Fund (Capital)	547	33	(1)	-	-	579
Palmer Gardens Fund (Revenue)	-	821	(647)	-	(174)	-
Employment Action Centre (Capital)	674	1	-	-	-	675
Disability Action Centre (Capital)	519	-	-	-	-	519
Disability Action Centre (Revenue)	3	-	-	-	-	3
Shaw Trust Clamp Hill	5	-	-	-	-	5
Aim 4 Work (Building Better Opportunities) North and East London - Delivery	-	938	(826)	-	(112)	-
Aim 4 Work (Building Better Opportunities) South London - Delivery	-	505	(448)	-	(57)	-
Get Back on Track - Islington	-	96	(83)	-	(13)	-
DLF	1,725	-	(29)	-	-	1,696
Other	3	-	-	-	-	3
Total company	3,764	2,394	(2,034)	-	(356)	3,768
Shaw Education Trust	118,669	101,171	(94,335)	-	-	125,505
The Integracja Foundation	44	101	(92)	(1)	-	52
Total Group	122,477	103,666	(96,461)	(1)	(356)	129,325

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.

The £250k for the Doncaster Borough Council guarantee relates to a security that has been pledged as 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.

Palmer Gardens is a vocational training centre, and the restricted capital fund comprises £449,000 (2021: £579,000) of re-valued tangible fixed assets relating to the construction of the original training centre and later expansion of the facilities. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

The Employment Action Centre (EAC) 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. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value of the asset.

The Disability Action Centre (DAC) 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. Depreciation is charged in the normal course of business and is initially charged to unrestricted costs and transferred here to reduce the capital value

of the asset. Revenue is not affected so the balance was written off in the year.

Shaw Trust Clamp Hill received donations to contribute towards client activities.

Aim4Work is funded by the European Social Fund and The National Lottery Community Fund under the Building Better Opportunities programme and forms part of their commitment to invest in local projects to tackle the root causes of poverty, promote social inclusion and drive jobs and growth. A portion of grant has been transferred to unrestricted reserves to cover the central overheads and generated surplus which is in-line with grant contractual terms and conditions.

Get Back on Track is a free service offering advice on employment rights to anybody in employment that lives in Islington or is registered with an Islington GP practice and is currently signed off work under a "Fit Note" or medical certificate. Funding from commissioner is restricted to the main cause of the project. A portion of grant has been transferred to unrestricted reserves to cover the central overheads and generated surplus which is in-line with grant contractual terms and conditions.

Disabled Living Foundation (DLF) restricted reserves were acquired on merger in November 2014 and are to be utilised for DLF related activity only. This is reassessed on an annual basis as to the outstanding balance, hence the transfer.

The funds received by The Shaw Education Trust from the Department of Education can only be used to run the organisation and the academies that form part of The Shaw Education Trust.

The funds held by The Integracja Foundation are treated as restricted funds because those funds can only be used for charitable purposes, although this has now ceased.

20. Analysis of net assets between funds

	Designated £'000	Unrestricted (including pension deficit) £'000	Restricted £'000	Total funds 2022 £'000
Group				
Fund balances at 1 September 2021 are represented by:				
Intangible fixed assets	-	1,756	-	1,756
Tangible fixed assets	-	10,915	188,411	199,326
Share of net assets of joint ventures	-	-	-	-
Investments in financial securities	-	4,823	-	4,823
Current assets	2,666	62,334	31,007	96,007
Current liabilities	-	(58,831)	(12,722)	(71,553)
Long-term liabilities	-	(412)	(622)	(1,034)
Provisions for liabilities and charges	-	(5,347)	-	(5,347)
Pension deficit	-	-	(14,591)	(14,591)
Total net assets at 31 August 2022	2,666	15,238	191,483	209,387

	Designated £'000	Unrestricted (including pension surplus) £'000	Restricted £'000	Total funds 2022 £'000
Company				
Fund balances at 1 September 2021 are represented by:				
Intangible fixed assets	-	240	-	240
Tangible fixed assets	-	2,452	1,953	4,405
Investment in joint ventures	-	21,355	-	21,355
Investments in financial securities	-	4,823	-	4,823
Current assets	2,461	43,530	497	46,488
Current liabilities	-	(43,747)	-	(43,747)
Long-term liabilities	-	-	-	-
Provisions for liabilities and charges	-	(4,356)	-	(4,356)
Pension deficit	-	-	-	-
Total net assets at 31 August 2022	2,461	24,297	2,450	29,208

2021 Comparison Group	Designated £'000	Unrestricted (including pension deficit) £'000	Restricted £'000	Total funds 2021 £'000
Fund balances at 1 September 2020 are represented by:				
Intangible fixed assets	-	7,434	1	7,435
Tangible fixed assets	-	5,792	181,778	187,570
Share of net assets of joint ventures	-	-	52	52
Current assets	2,171	79,666	26,314	108,151
Current liabilities	-	(62,153)	(9,366)	(71,519)
Long-term liabilities	-	(549)	(744)	(1,293)
Provisions for liabilities and charges	-	(1,231)	-	(1,231)
Pension deficit	-	(70,759)	(68,710)	(139,469)
Total net assets at 31 August 2021	2,171	(41,800)	129,325	89,696

2021 Comparison Company	Designated £'000	Unrestricted (including pension surplus) £'000	Restricted £'000	Total funds 2021 £'000
Fund balances at 1 September 2020 are represented by:				
Intangible fixed assets	-	446	-	446
Tangible fixed assets	-	1,693	1,773	3,466
Investment in joint ventures	-	19,355	-	19,355
Current assets	1,966	31,865	1,995	35,826
Current liabilities	-	(32,514)	-	(32,514)
Long-term liabilities	-	-	-	-
Provisions for liabilities and charges	-	(522)	-	(522)
Pension deficit	-	-	-	-
Total net assets at 31 August 2021	1,966	20,323	3,768	26,057

21. Taxation

The Trust has no liability to corporation tax as it satisfies the criteria for its income and gains to be exempt from corporation tax / corporate taxation. There is no similar exemption for VAT.

Members of the Group without charitable status are charged corporation tax on their income and gains.

Deferred tax assets recognised by Group companies are shown in note 14.

Tax charges for the year are:

	2022 £'000	2021 £'000
Total current tax	-	27
Deferred tax		
Origination and reversal of timing differences	10,362	1,558
Adjustment in respect of prior periods	629	(972)
Impact of changes in tax rates	-	(4,251)
Total deferred tax	10,991	(3,665)
Tax on profit	10,991	(3,638)
Other comprehensive income items	7,379	(2,710)
Total tax charge (See note 2)	18,370	(6,348)
	2022 £'000	2021 £'000
Profit before taxation	3,883	2,283
Profit before tax multiplied by the UK Corporation Tax rate of 19%	738	434
Expenses not deductible for tax purposes	56	117
Qualifying charitable donations	(768)	-
Losses	-	-
Adjustments in respect of prior periods (current tax)	643	(1)
Adjustments in respect of prior periods (deferred tax)	10,322	17
Other timing differences	-	(4,205)
Tax on profit	10,991	(3,638)

22. Financial commitments

At 31 August 2022 the Group and Company had future minimum lease payments under non-cancellable operating leases expiring as follows:

Group	Property		Other	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	3,454	2,836	320	207
Between one and five years	4,583	5,356	280	367
After five years	1,388	958	-	-
Total	9,425	9,150	600	574

Company	Property		Other	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year	1,430	1,302	65	41
Between one and five years	592	1,559	26	38
After five years	36	52	-	-
Total	2,058	2,913	91	79

Other operating leases relate to motor vehicles and computer equipment.

23. Capital commitments

As at 31 August 2022 the Trust had capital commitments of £1,715k (2021: £1,306k).

24. Pension commitments

The Group had admission agreements, through Prospects Services, with the London Pensions Fund Authority, the City of Bradford Metropolitan District Council responsible for the West Yorkshire Pension Fund, Gloucestershire County Council, Northamptonshire County Council and Wolverhampton City Council responsible for the West Midlands Metropolitan Authorities Pension Fund and Leicestershire County Council all of whom administer funds as part of the Local Government Pension Scheme (LGPS). The LGPS is a multi-employer statutory defined benefit pension scheme, and the scheme members have a statutory right to their accrued benefits.

As noted in note 28, post year end the exit agreement with the London Pensions Fund Authority was exercised and the pension scheme handed back to the provider.

The Trust also makes payments to the South Yorkshire Pension Scheme and the Platinum multi-employer passported scheme.

Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are multi-employer defined benefit schemes.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers

in academies. All teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The five local government pension schemes (LGPS) are operated by Staffordshire Council, the West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund. Derbyshire Pension Fund is new this year. Those schemes are in respect of certain employees to whom The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) applied. The schemes are defined benefit schemes and the assets are held in separately administered funds. The 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.

The Group's assessed share of the fair value of the assets of the schemes were:

	Total Share of scheme assets	Present value of scheme liabilities	Asset ceiling	Net pension deficit
Year ended 31 August 2022	£'000	£'000	£'000	£'000
South Yorkshire Pension Scheme (The Shaw Trust)	3,310	(2,362)	(948)	-
Platinum Pension Scheme (The Shaw Trust)	1,056	(816)	(240)	-
Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund (The Shaw Education Trust)	62,663	(77,254)	-	(14,591)
London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospects Services)	146,572	(138,114)	(8,458)	-
At 31 August 2022	213,601	(218,546)	(9,646)	(14,591)

	Total Share of scheme assets	Present value of scheme liabilities	Asset ceiling	Net pension deficit
Year ended 31 August 2021	£'000	£'000	£'000	£'000
South Yorkshire Pension Scheme (The Shaw Trust)	3,512	(3,165)	(347)	-
Platinum Pension Scheme (The Shaw Trust)	1,530	(1,316)	(214)	-
	57,046	(125,756)	-	(68,710)
London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospects Services)	148,820	(217,362)	(2,217)	(70,759)
At 31 August 2021	210,908	(347,599)	(2,778)	(139,469)

Group	Assets £'000	Liabilities £'000	Asset ceiling £'000	2022 Total £'000
Deficit in the scheme as at 1 September 2021	210,908	(347,599)	(2,778)	(139,469)
Acquired in year	2,149	(4,262)	-	(2,113)
Administration expenses	(146)	-	-	(146)
Benefits paid	(5,563)	5,442	-	(121)
Employer contributions	5,677	-	-	5,677
Contribution from employees	1,270	(1,270)	-	-
Current service cost	(77)	(12,473)	-	(12,550)
Past service costs including curtailments	-	(52)	-	(52)
Settlements	-	-	-	-
Interest income / (expense)	3,497	(5,816)	-	(2,319)
Change in asset ceiling	-	-	(6,868)	(6,868)
Re-measurement gains / losses				
- Actuarial loss	(2,715)	146,412	-	143,697
- Other assumptions	(708)	1,072	-	364
- Return on plan assets excluding interest income	(691)	-	-	(691)
Deficit in the scheme as at 31 August 2022	213,601	(218,546)	(9,646)	(14,591)

Company

Year ended 31 August 2022

	Total Share of scheme assets £'000	Present value of scheme liabilities £'000	Asset ceiling £'000	Net pension (deficit) / surplus £'000
South Yorkshire Pension Scheme	3,310	(2,362)	(948)	-
Platinum Pension Scheme	1,056	(816)	(240)	-
At 31 August 2022	4,366	(3,178)	(1,188)	-

	Total Share of scheme assets £'000	Present value of scheme liabilities £'000	Asset ceiling £'000	Net pension (deficit) / surplus £'000
Year ended 31 August 2021				
South Yorkshire Pension Scheme	3,512	(3,165)	(347)	-
Platinum Pension Scheme	1,530	(1,316)	(214)	-
At 31 August 2021	5,042	(4,481)	(561)	-

2021 comparatives have been restated for the effect of an Actuarial re-measurement of the Defined Benefits pension scheme.

South Yorkshire Pension Scheme

	2022	2021
Expected rate of salary increases	4.35%	3.95%
Expected rate of increase of pensions in payments	3.35%	2.8%
Rate of inflation	3.35%	2.7%
Discount rate	4.25%	1.7%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	87.6	87.5
- Women	90.4	90.3

Longevity at 65 for future pensioners:

- Men	89.1	89.0
- Women	92.3	92.2

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Asset ceiling £'000	Total £'000	2021 £'000
Deficit in the scheme as at 1 September 2021	3,512	(3,165)	(347)	-	(56)
Benefits paid	(147)	148	-	1	-
Employer contributions	3	(3)	-	-	-
Contribution from employees	-	-	-	-	1
Current service cost	-	(23)	-	(23)	(22)
Past service cost	-	-	-	-	-
Interest income / (expense)	58	(53)	-	5	(1)
Change in asset ceiling	-	-	(601)	(601)	(347)
Re-measurement gains / losses					
- Actuarial gain	-	748	-	748	489
- Other assumptions	-	(14)	-	(14)	(64)
- Return on plan assets excluding interest income	(116)	-	-	(116)	-
Surplus in the scheme as at 31 August 2022	3,310	(2,362)	(948)	-	-

Total cost recognised as expense:	2022 £'000	2021 £'000
Current service cost	23	22
Interest (income) / cost	(5)	1
	18	23

	Value at 31 August 2022 £'000	Value at 31 August 2021 £'000
Equities	2,317	1,700
Bonds	662	485
Gilts	-	260
Property	298	302
Cash	33	35
Other	-	730
Total market value of assets	3,310	3,512
Present value of scheme liabilities	(2,362)	(3,165)
Scheme surplus	948	347
Asset ceiling	(948)	(347)
Net pension deficit	-	-

The return on the plan assets was:

	2022 £'000	2021 £'000
Interest income	58	51
Return on pension scheme assets less interest income	(116)	-
Total return on plan assets	(58)	51

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. A formal actuarial valuation was carried out as at 31 December 2016. The results of that valuation have been projected to 31 March 2020 with allowance for the payroll and benefit information which have been provided and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method. The major assumptions used by the actuary for the last two years are:

	2022	2021
Expected rate of salary increases	N/A	N/A
Expected rate of increase of pensions in payments	3.30%	3.15%
Rate of inflation	2.30%	2.15%
Discount rate	4.20%	1.70%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	85.9	87.2
- Women	88.8	89.5

Longevity at 65 for future pensioners:

- Men	87.1	88.5
- Women	90.2	90.9

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Asset ceiling £'000	Total £'000	2021 £'000
Deficit in the scheme as at 1 September 2021 (restated)	1,530	(1,316)	(214)	-	-
Administration expenses	(45)	-	-	(45)	(22)
Benefits paid	(34)	34	-	-	-
Employer contributions	44	-	-	44	100
Interest income / (expense)	26	(22)	-	4	1
Change in asset ceiling	-	-	(26)	(26)	(173)
Re-measurement gains / losses					
- Actuarial gain / (loss)	-	488	-	488	(106)
- Return on plan assets excluding interest income	(465)	-	-	(465)	200
Surplus in the scheme as at 31 August 2022	1,056	(816)	(240)	-	-

The Shaw Trust's assessed share of the fair value of the assets of this scheme were:

	2022 Total £'000	2021 Total Restated £'000
Equities	-	9
Bonds	520	737
Gilts	536	780
Other	-	4
Total market value of assets	1,056	1,530
Present value of scheme liabilities	(816)	(1,316)
Scheme surplus	240	214
Asset ceiling	(240)	(214)
Total pension surplus	-	-

The return on the plan assets was:

	2022 £'000	2021 £'000
Interest income	26	20
Return on pension scheme assets less interest income	(465)	200
Total return on plan assets	(439)	220

Staffordshire Council (LPGS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund form the pension scheme for The Shaw Education Trust.

(The Shaw Education Trust Pension Schemes)

Staffordshire Council (LPGS)

Principal actuarial assumptions:

Expected rate of salary increases	3.45%	3.30%
Expected rate of increase of pensions in payments	3.05%	2.90%
Rate of inflation	3.05%	2.90%
Discount rate	4.25%	1.65%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.2	86.4
- Women	88.8	89.0
Longevity at 65 for future pensioners:		
- Men	87.2	87.5
- Women	90.5	90.7

West Midland Pension Fund

Principal actuarial assumptions:

Expected rate of salary increases	4.05%	3.90%
Expected rate of increase of pensions in payments	3.05%	2.90%
Rate of inflation	3.05%	2.90%
Discount rate	4.25%	1.65%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.2	86.6
- Women	88.6	89.0
Longevity at 65 for future pensioners:		
- Men	87.9	88.4
- Women	90.4	90.8

Greater Manchester Pension Fund

Principal actuarial assumptions:

	2022	2021
Expected rate of salary increases	3.80%	3.65%
Expected rate of increase of pensions in payments	3.05%	2.90%
Rate of inflation	3.05%	2.90%
Discount rate	4.25%	1.65%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	85.3	85.5
- Women	88.2	88.3
Longevity at 65 for future pensioners:		
- Men	86.6	86.9
- Women	90.1	90.3

Cheshire Pension Fund

Principal actuarial assumptions:

Expected rate of salary increases	3.75%	3.60%
Expected rate of increase of pensions in payments	3.05%	2.90%
Rate of inflation	3.05%	2.90%
Discount rate	4.25%	1.65%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.2	86.4
- Women	88.8	89.0
Longevity at 65 for future pensioners:		
- Men	87.1	87.4
- Women	90.5	90.7

Derbyshire Pension Fund

Principal actuarial assumptions:

	2022	2021
Expected rate of salary increases	3.75%	3.60%
Expected rate of increase of pensions in payments	3.05%	3.60%
Rate of inflation	3.05%	2.90%
Discount rate	4.25%	1.65%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.1	86.3
- Women	88.8	88.9
Longevity at 65 for future pensioners:		
- Men	87.2	87.5
- Women	90.6	90.8

Share of assets in the above schemes (Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund) was:

	Value at 31 August 2022 £'000	Value at 31 August 2021 £'000
Equities	43,392	38,684
Corporate bonds	10,956	11,081
Property	5,692	4,086
Cash and other liquid assets	2,623	2,289
Other assets	-	905
Total market value of assets	62,663	57,045
Present value of scheme liabilities	(77,254)	(68,710)
Net pension deficit	(14,591)	(11,665)

Total cost recognised as an expense:

	Value at 31 August 2022 £'000	Value at 31 August 2021 £'000
Current service cost	11,407	8,098
Past service cost	52	11
Interest income	(994)	(765)
Interest cost	2,201	1,650
Total operating charge	12,666	8,994

London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospects Services Pension Schemes)

The actuarial valuations for the Company have been updated to 31 August 2022 by qualified independent actuaries. The major assumptions used across the schemes described above, were:

	2022	2021
Expected rate of salary increases *	3.35 – 4.20%	2.8 – 2.9%
Expected rate of increase of pensions in payments	3.05 – 3.20%	3.2 – 3.9%
Rate of inflation	3.00 – 3.20%	1.9 – 2.0%
Discount rate	4.20 – 4.25%	1.6 – 1.65%

PSS = Promotional salary scale

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	85.9 – 86.7	87.7 – 87.0
- Women	86.8 – 89.1	89.0 – 89.4
Longevity at 65 for future pensioners:		
- Men	87.1 – 88.1	87.9 – 88.7
- Women	90.3 – 90.8	90.1 – 91.1

* London Pensions Fund Authority and Platinum schemes are now closed to active members and therefore the rate on increase in salaries is zero.

Reconciliation of scheme assets and liabilities prior year:

	Assets £'000	Liabilities £'000	Asset ceiling £'000	Total 2022 £'000	Total 2021 £'000
Deficit in the scheme as at 1 September 2021	148,820	(217,362)	(2,217)	(70,759)	(64,640)
Administration expenses	(146)	-	-	(146)	(197)
Benefits paid	(4,834)	4,712	-	(122)	-
Employer contributions	1,038	(2)	-	1,036	695
Contribution from employees	125	(120)	-	5	-
Current service cost	(32)	(1,043)	-	(1,075)	(897)
Past service cost	-	-	-	-	-
Interest income / (expense)	2,419	(3,540)	-	(1,121)	(1,044)
Change in asset ceiling	-	-	(6,241)	(6,241)	3
Re-measurement gains / losses					
- Actuarial gain / (loss)	-	78,155	-	78,155	(20,754)
- Other assumption	(708)	1,086	-	378	1,087
- Return on plan assets excluding interest income	(110)	-	-	(110)	14,988
Surplus in the scheme as at 31 August 2022	146,572	(138,114)	(8,458)	-	(70,759)

The actual return on plan assets over the period ending 31 August 2022 was £12,341,000 (2021: £13,944,000).

25. Business combinations

Academy conversions: The Shaw Education Trust (SET)

SET was incorporated as a wholly owned subsidiary on 2 June 2014 as a Multi Academy Trust to effect the sponsorship of three special schools / academies in Staffordshire.

During the year a further two schools were converted to SET (2020–21: three) The figures are shown in the following table.

1) Moorhill Primary School – transferred 1 April 2022.

2) Redhill Primary School – transferred 1 April 2022.

No cash consideration has been paid to the academies, and so no goodwill adjustments are required. The book values of the assets and liabilities were judged to be at fair value and had been treated in accordance with the Group's accounting principles, therefore no adjustments were required, and the financial activity of SET has been fully consolidated into the Group financial statements from their date of transfer.

The tangible fixed assets relate to property which was valued at the point of transfer and recorded as a donation received in the Group Statement of Financial Activities.

The net assets acquired have been recorded as a donation received in the Group Statement of Financial Activities. This relates to The Shaw Education Trust (SET).

	2022 Total	2021 Total
	£'000	£'000
Fixed assets - tangible fixed assets	7,404	21,421
Cash at bank	445	1,460
Liabilities < one year	-	-
Pension liability	(2,113)	(3,500)
Net assets acquired	5,736	19,381
Acquisition Cost	-	-
Goodwill arising from acquisition	-	-

26. Related Party Transactions

All related party transactions between regulated and non-regulated entities are disclosed below.

All related party transactions with third parties are disclosed below.

Intra-Group Balances	2022	2021
	£'000	£'000
Forth Sector	(2,680)	(2,464)
Forth Sector Development Limited	269	196
Homes2Inspire Limited	(15,786)	(12,774)
Ixion CG Limited	0	1
Ixion Holdings (Contracts) Limited	23	(633)
Ixion Social Enterprise Limited	623	623
Optimus Education Limited	(1,017)	(1,780)
Prospects Education Services Limited	(1,887)	(1,885)
Prospects Group (2011) Limited	(4,785)	(4,783)
Prospects Services	9,478	16,228
The Shaw Trust Limited	16,045	8,620
Shaw Trust Services Limited	(283)	(1,349)

The Trust requires all Trustees to complete a Declaration of Interest. The table below shows all the related parties that have been disclosed and the value of both income and expenditure that the Trust has incurred with these bodies during the period ended 31 August 2022. These transactions were as a result of normal business activity.

Related Party	Value of revenue received from Related Party	Outstanding revenue balance at 31 August 2022	Value of expenditure made to Related Party	Outstanding expenditure balance at 31 August 2022
Upton Primary School	238	-	-	-
Business Services Association	-	-	12,607	-
ERSA (UK) Ltd	-	-	11,000	-
Social Enterprise Coalition CIC	-	-	62,800	-

27. Financial Instruments

	Note	2022 £'000	Group 2021 £'000	Company 2022 £'000	2021 £'000
Financial Assets					
Trade debtors	13	15,597	20,350	5,070	9,737
Intercompany		-	-	16,045	8,620
Other debtors	13	723	291	118	59
Total Financial Assets		16,320	20,641	21,233	18,416
Financial Liabilities					
Trade creditors	16	4,661	5,714	1,571	1,640
Other creditors	16	8,333	7,122	6,829	4,227
Loans	16/16b	1,285	3,540	-	2,000
Accruals	16	12,307	11,578	4,396	3,493
Total Financial Liabilities		26,586	27,954	12,796	11,360

28. Post Balance Sheet Events

The impact of Covid-19 continued to affect some areas of the business, in particular Enterprise and Conferencing, although trading has returned back to pre-Covid levels in most areas, but with a backdrop of challenging economic conditions. Post year end the Trust received agreement and receipt of a total of £2.5m in respect of its Business Interruption Insurance policy it had held with MS Amlin. This covered a proportion of the losses incurred during the policy period which included the first few months of the pandemic.

In addition, effective 21 February 2023, Prospects Services, one of the Companies in the Group, exercised its right to terminate the funding agreement in respect of the London Pension Fund Authority (LPFA) pension due to the scheme becoming fully funded on a minimum risk valuation basis. Previously, in July 2020, an agreement (the 'funding agreement') had been reached with the LPFA to close the scheme to future accrual with a repayment plan agreed, and all active members transferred to The Shaw Trust defined contribution scheme. The assets and liabilities totalling £115m and £113m respectively at 31 August 2022 were handed back to the LPFA, with no detriment to the deferred members of the scheme, whose benefits remained unchanged.

Further restructuring resulted in the exiting of the Integracja Foundation, the joint venture in Poland, effective 31 August 2022. As a result, net assets of £52,000 have been removed from the balance sheet at year end.

Post year end a further two properties were acquired in Homes2Inspire as part of their strategy of growth.

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

Statutory and administrative details of the Shaw Trust Limited

(Registered Company Number: 01744121, Registered Charity Number England and Wales: 287785, Registered Charity Number Scotland: SC039856).

Trustees

Sir Kenneth Olisa OBE, Chairman
(resigned 11 May 2023)

Paul Baldwin * ^ ~

Olly Benzecry (appointed 22 February 2023)

Diane Côté ~ *

Audrey Coutinho * ^

Deborah Dorman ^ (appointed 3 February 2022)

Chanelle Gray ^ (resigned 3 February 2022)

Mike Hawker * (resigned 3 February 2022)

Annamarie Hassall MBE

Peter Holmes • (resigned 3 February 2022)

Paul McGee *

Jeremy Moore CB * • ^ (resigned 21 April 2023)

John Norman ^ (resigned 3 February 2022)

Dr Mike Nussbaum ^ •

Lara Oyesanya ^ ^

Kalm Paul-Christian ^
(appointed 3 February 2022)

Stephen Pegge ~

Steve Shaw ^ (appointed 3 February 2022)

James Stewart ~ ^

^ Member of the Commercial and
Performance Committee

~ Member of the Finance Committee

* Member of the Audit and Risk Committee

^ Member of the HR Committee

• Member of the Performance and
Investment Committee

(The Performance and Investment Committee split its responsibilities between the newly created Commercial and Performance Committee and the Finance Committee).

Executive Management Team

Chris Luck CB MBE
Group Chief Executive Officer

Stephen King
Chief Financial Officer

Scott Miller
Chief Operating Officer

Mark Earl
Chief People Officer

Richard Clifton
Chief Commercial Officer

Jo Morgan
Chief Executive Officer –
The Shaw Education Trust

Company Secretary

Carol McKinley

Registered Office

Black Country House, Rounds Green Road,
Oldbury, West Midlands, B69 2DG

Independent Auditors

Crowe U.K. LLP
2nd Floor, 55 Ludgate Hill, London, EC4M 7JW

Bankers

National Westminster Bank
9th Floor, 280 Bishopsgate, London EC2M 4RB

Solicitors

Brabners LLP Solicitors
55 King Street, Manchester M2 4LQ

Accreditations and Memberships



shaw trust

THE SHAW TRUST LIMITED

England & Wales - Charity number 287785

Accounts

**Trustees Annual Report and Financial
statements for the year ended 31 August 2021**

The Shaw Trust Limited

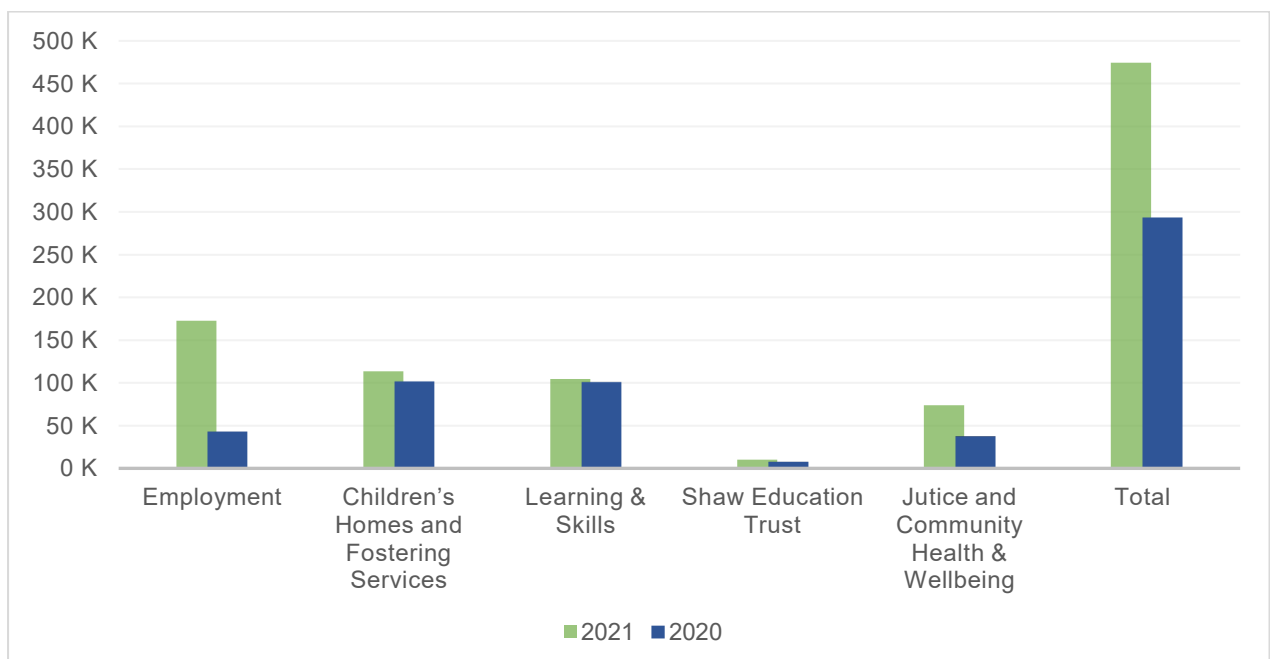
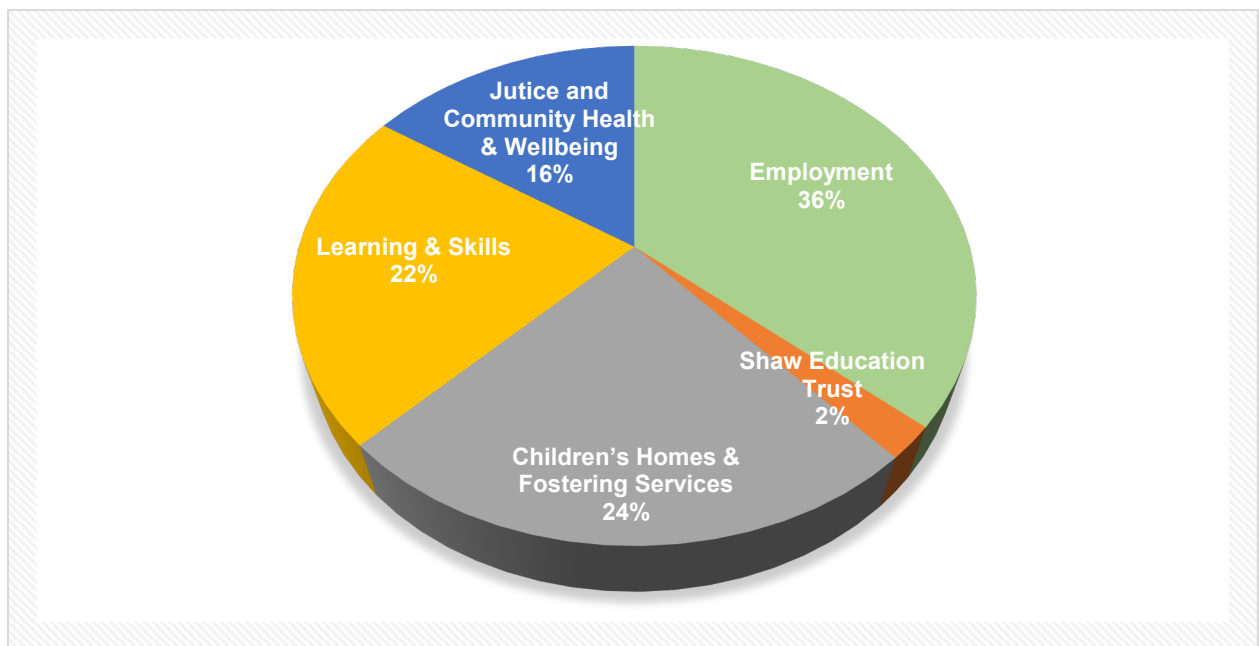
Registered Company Number 01744121
Registered Charity Number in England & Wales 287785
Registered Charity Number in Scotland SC039856
A Company Limited by Guarantee

Trustees Report – Strategic report

1. Overview

Who we are and what we do

We have supported 474,600 people during the year



At Shaw Trust we pride ourselves on our 'charitable heart with a commercial brain' approach to what we do. Our focus is to deliver quality services that also maximise social value and social investment to communities. This approach will allow us to meet:

What we believe

Our Vision

A future where good employment is accessible to all in society irrespective of life circumstances.

Our Mission

To co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

Our Commitment

To focus our experience, skills, advocacy and passion to deliver the highest quality services for the people we support and to improve opportunities and access to work now and for the long term.

Our Values

We believe that who we are and the values we hold directly improves the quality of what we provide to those we support. Our values guide and focus us every day:

We care about people:

We support our staff, our volunteers and the people we work with to realise their potential.

We make a difference:

Making a lasting positive impact for the people we support is the reason we exist. We deliver high performance across our services, helping people to improve their lives.

We are inclusive:

We value the ideas, views and strengths of everyone we work with and support. Everybody is different and everybody is equal.

We are collaborative:

Working together is more effective and efficient. We believe that by working together with those we support and our partners we create better services and solutions.

We are honest:

We are authentic, accountable and transparent in all we do.

The Shaw Trust believes in the right of every person in the United Kingdom to live a decent and dignified life through good employment.

We are a not-for-profit social enterprise that seeks to improve life chances for employment for people who face social and economic challenges, or who may also be disabled or have complex needs.

We know that inequality and barriers to accessing good employment impact significantly on people's income, sense of purpose, social connections and personal agency. These inequalities and barriers often begin early in life, impacting on individuals throughout their school years and into early adulthood.

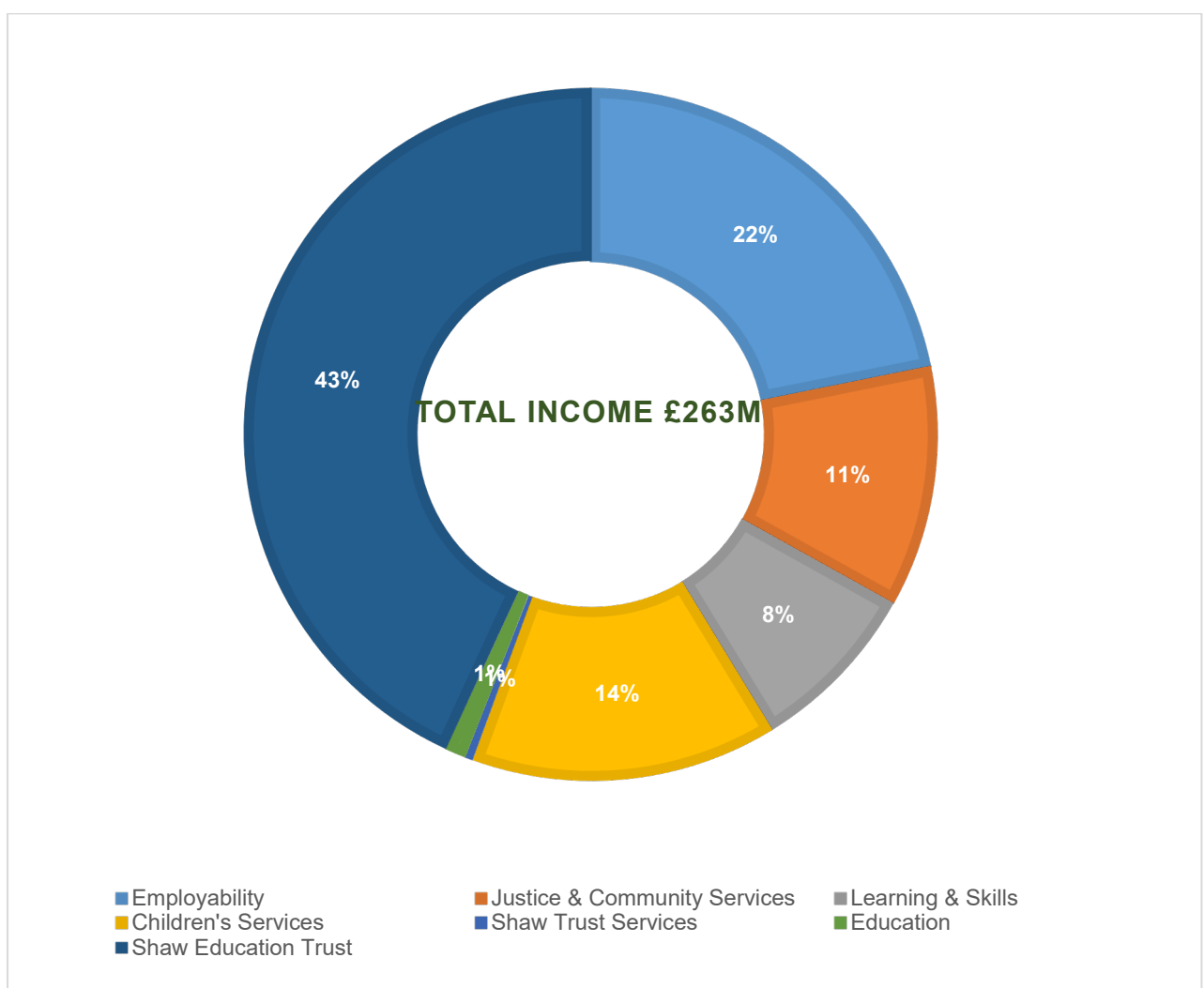
We have grown from humble beginnings. Founded in 1982 as a small charity in the Wiltshire village of Shaw, our initial focus was to find employment for disabled people. Over time and through a combination of organic growth, mergers and acquisitions we have become the UK's largest not-for-profit social enterprise in the employability sector.

Today we are a charity that remains committed to employment as the core pathway to a better life. However, we recognise that access to good employment is critically dependent on what happens in people's formative years and the opportunities they then have.

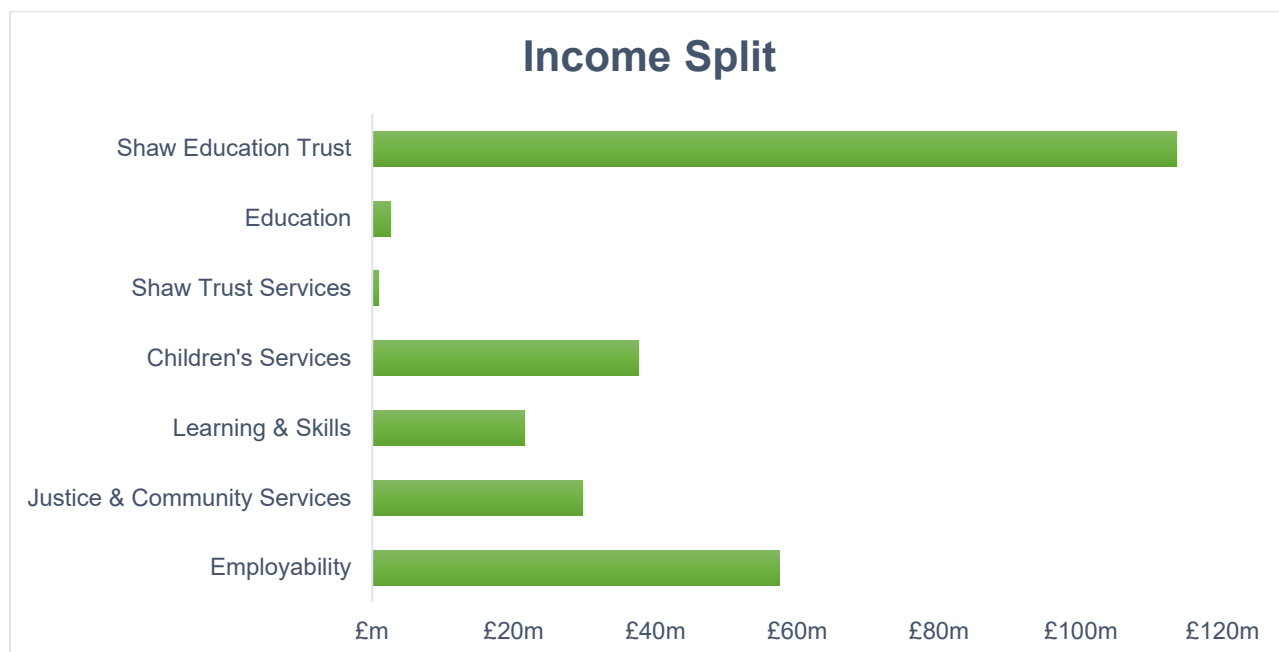
To address this, we provide a broadened framework of complementary services including Education Learning and Skills, Children and Young People's Services, and Health and Wellbeing.

These financial statements provide a summary of our performance during the year and outlines our ongoing ambition and commitment to deliver high quality services to the people we support.

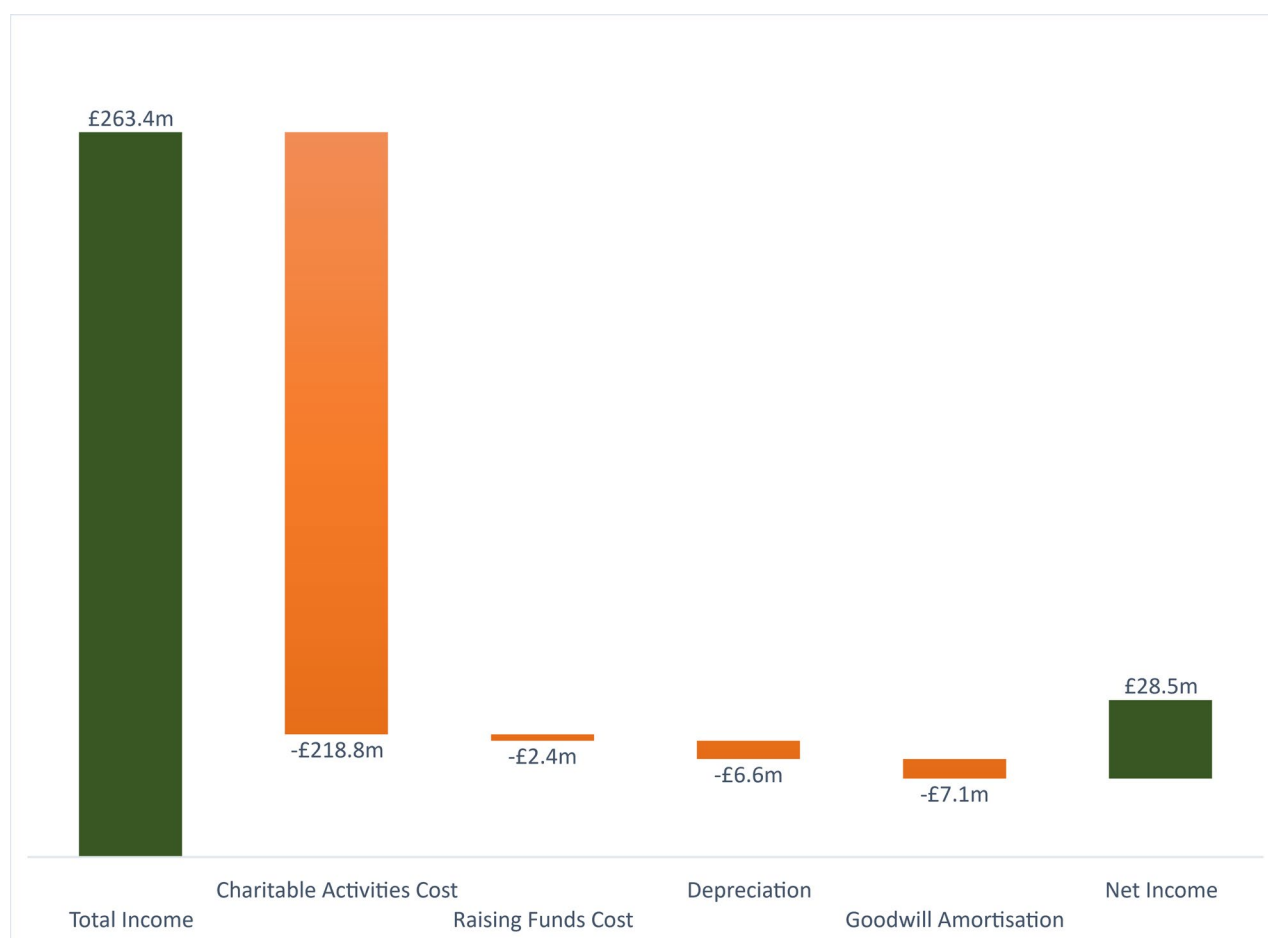
Income & Expenditure Highlights



Income & Expenditure Highlights



Total Income less Expenditure



2. Financial review

The Shaw Trust consolidated financial statements for 2020-21 are presented in the following pages.

The year has been dominated by the impact of the Covid-19 pandemic which has had a significant impact on us all. This has included the operations of the Trust and its activities. The Trust has continued its operations throughout this period, adjusting working practices as appropriate in order to continue the delivery of services to our beneficiaries. The year has seen an adaptation of working practices, careful financial management and measured growth, a result of which the Trust finished the year in a strong financial position and on track with its clear strategy for the future.

The Trust has grown significantly in recent years, along its key operational businesses of Employability, Children's Services and Education, Learning & Skills, along with continued expansion of its Multi Academy Trust. Strategically this growth is important, enabling the Trust to expand in new and existing markets. It has also facilitated opportunities to optimise the cost base across the group by maximising the opportunities to integrate property, systems, processes and people, particularly within the areas of central support services.

More recently the organisation has seen a period of integration and consolidation, identifying efficiencies in the business, focusing on its core activities and disposing of non-core assets.

Under the new management team, the turnaround has been completed and the Trust is progressing in line with its 10-year strategy and growth plan, in anticipation of future opportunities within a rapidly shifting public sector marketplace.

Financial performance, both current and projected, is closely monitored against a key set of KPIs measuring operational performance, liquidity and solvency and revenue growth is on track with the strategic plan.

The impact of Covid-19 during the year has been significant. Extensive risk assessment and modelling was undertaken throughout the pandemic to assess the impact on the Trust's business plan and contingency planning and required mitigation actions taken. These included renegotiation of income streams on major contracts, temporarily furloughing certain employees where necessary, particularly in our retail and enterprise operations due to intermittent lockdowns, and utilising reliefs as appropriate, in particular the temporary extra business rates relief.

In addition, liquidity has been supported through deferral of certain payments under the Government scheme as appropriate, which have now been repaid. Where possible we have sought to minimise our operating costs, by reducing office costs and overhead expenditure. Although in many areas ways of working have had to change, the underlying business remains robust and the Trust has managed to deliver in line with its business plan during the year. We are confident that we will continue to manage the Trust through the ongoing impact of this crisis and the current economic challenges.

Some sectors of the business, in particular the Charity Shops, Enterprise and Garden Centres have seen a higher impact than others with a number of employees having been temporarily furloughed.

2. Financial review (continued)

The Trust continues to perform extensive scenario and contingency planning both on the lasting impact of the pandemic and also the strengthening economic headwinds. It is confident that sufficient financial and operational resources are available to operate through any further extended period of disruption.

Continued support is received from funders and stakeholders, funding arrangements negotiated as appropriate with major customers and working practices adapted in response to the pandemic. This included new funding arrangements with Department for Work and Pensions (DWP), National Careers Service (NCS), Her Majesty's Prison and Probation Service (HMPPS) and Kent County Council during the period of restrictions.

Although the worst of the Covid-19 pandemic is behind us the knock-on impacts remain. Economic conditions in the UK market remain challenging with significantly higher inflation than forecast driven by energy and supply chain issues combined with an expectation of rising interest rates. These factors, exacerbated by global political uncertainty, are putting increasing pressure on household finances as well as impacting Government and Local Authority budgets.

Despite these challenges, The Trust is delivering strong performance across the majority of its contracts. The Shaw Trust continues to operate two of the Governments six flagship employability contracts, Work and Health Programme, which commenced in January 2018 and a further contract in London, commissioned by the West London Alliance. From October 2020 The Shaw Trust commenced the (DWP) Work and Health Programme – Job Entry: Targeted Support contract variation, covering Central England and the Home Counties,

which has now been extended a further year.

The Trust now focuses on its core strategic activities, having divested non-core assets and businesses in the prior year.

Performance since the year end has been favourable against the business plan and cash reserves have been maintained in line with the new reserves policy.

The results of each main legal entity may be summarised as follows:

	£m
The Shaw Trust Group operations (excluding Actuarial losses and amortisation in period)	16.5
Shaw Education Trust	19.1
Goodwill amortisation and impairment	(7.1)
Actuarial losses and Net finance return on defined benefit pension scheme	(21.7)
Net movement in funds	6.8

The net movement in funds for Shaw Education Trust includes the value of assets acquired at the date that new schools joined the Shaw Education Trust, amounting to £19.4m (further details are included in note 25 – Business Combinations).

The increase in turnover reflects growth in contracts, especially in the employability divisions as well as an increase in the number of academy schools. The incoming resources from the activity of the group increased by £40.2m to £263.4m, with a corresponding increase in expenditure to £234.9m.

Overall group net income has improved, showing a surplus of £6.8m during the

2. Financial review (continued)

year, an increase of £6.0m over the prior year. (2020: net surplus of £0.8m).

Within the balance sheet, consolidated reserves at £89.7m have increased by £6.8m, reflecting a combination of transfer in of academies, the performance in the year, increase in pension provisions and goodwill amortisation.

An increase of £19.9m in tangible fixed assets to £187.6m is a reflection of additional schools acquired by SET. The majority of the fixed assets are academies with SET.

Working capital remained positive, showing an increase of £17.1m in the year to £36.6m.

A significant increase of £21.5m in cash and investments to £55.0m at 31 August 2021 reflects Shaw Trust continuing its careful management of working capital and the build-up of a strategic reserve.

Longer-term liabilities predominantly relate to the increase in pension provisions, and have increased to £139.5m, largely due to changes in actuarial assumptions.

Within the cash flow, capital expenditure incurred of £5.8m (2020: £27.6m) was primarily in respect of the costs of building work and improvements undertaken at the Shaw Education Trust's academies, largely funded by successful grant applications.

Investment powers, policy and performance

During the year the Trust held its reserves in cash and short-term deposits. A new investment manager was appointed post year end and transferred funds are being invested in line with the investment policy. The Trust's liquid assets are held as cash and

readily realisable investments and cover a strategic reserve and sufficient cash for working capital purposes, and is in line with the reserves policy, below.

The Trust's long-term policy for its 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, while obtaining the best yield that can be generated given the Trust's risk appetite.

Reserves policy

The Trust's free reserves are held to manage the financial and operational risks to which the charity is exposed delivering its activities. The Trustees are jointly and severally responsible for ensuring the charity and legal entities are a going concern and in a financial position to provide reliable services for our beneficiaries, to absorb unforeseen setbacks in the event of a significant financial downturn and to take advantage of opportunities that are in line with our charitable mission.

The reserves policy is reviewed 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. The Trustees and Executive have considered whether the definition of free reserves, being the total unrestricted funds less any designated funds, revaluation reserves and pension scheme surpluses or deficits, is appropriate due to the significant pension deficit arising, predominantly from the acquisition of Prospects.

The conclusion of the Trustees and Executive was that there was not a significant risk that the pension liability would crystallise in the short to medium term, and that the Trust can meet the required projected further income without

2. Financial review (continued)

significantly impacting the ongoing business.

In addition, due to the relative stability of income through the long-term nature of contracts undertaken, any reduction in contract revenues can be reasonably foreseen and actions taken before there is a significant impact on the Trust's reserves. The Trust therefore continues to calculate its 'free' reserves without setting aside designated reserves to cover its pension liabilities.

As of 31 August 2021, the Trust had free reserves of £18.1m (31 August 2020: £5.1m) as follows:

	At 31 Aug 2021 £m	At 31 Aug 2020 £m
Total reserves	90.0	83.0
Less: restricted funds	(127.3)	(122.5)
Less: intangible assets	(7.4)	(14.3)
Less: tangible assets	(5.8)	(4.3)
Less: Designated funds	(2.2)	(1.5)
Add: Pension liability (unrestricted element)	70.8	64.7
Free reserves	18.1	5.1

The increase in free reserves is predominantly a reflection of a favourable financial performance in the year, net of the amortisation of goodwill created from the acquisition of Prospects and movement in unrestricted reserves.

In addition to a level of free reserves, the Trust's policy stipulates a minimum level of cash holding requirement to meet the following scenarios, including:

- A delay in collection of receipts.
- Exceptional payments of costs.
- A significant financial impact or loss of a major contract.

Detailed review of the risk and stress testing has been undertaken to assess the risk of a significant contract loss and the mitigation steps available to management. The Trustees and Executive have considered the level of free reserves and minimum cash reserve requirement and consider them appropriate given the current resources and future activities of the Trust.

Our policy on free reserves follows the cash reserves policy. Comparing this to the level of free reserves we are currently in excess of our stated policy.

Pension Schemes

The valuation of the Trust's pension schemes at 31 August 2021, for the purposes of FRS102, showed a funding deficit of £139.5m (2019/20 £113.1m). The increase reflects pension liabilities taken on with an additional three academies within Shaw Education Trust, and also a reflection of changes in actuarial assumptions over the prior year, particular sensitivities being a change in the discount rate.

The Trust monitors the size of the pension deficit and feels that there is sufficient income and cash flow in future years to service the requirement of these schemes.

In addition, a significant review of pension exposure and risk was undertaken during the prior year. As a result, the Trust closed the LPFA scheme, a significant final salary scheme, to new and existing members following a detailed review and consultation with members. A long-term repayments plan has been agreed with the provider.

2. Financial review (continued)

The Trust has several final salary pension schemes. SET participates in two principal schemes, the Teachers Pensions Scheme and the Local Government Pension scheme.

In addition, there are a number of smaller final salary schemes. These are detailed in note 24 - Pension Commitments.

Risks and uncertainties

Risks and uncertainties are referred to in depth in the Risk Management Framework section on page 23.

Plans for the future

The Trust has recently agreed a 10-year strategy and objectives, outlining our ambition and commitment to deliver high quality services to the people we support and our commissioners.

Our Vision 2030 Strategic Directive defines the short to medium term priorities which must be met to ensure that we have an organisation fit for the next decade. It lays out how we will deploy our skills and services to offer people centred tailored support and how we will work with commercial and charitable partners to meet our commissioners' policy objectives.

The Trust continues to focus on maximising performance on its key contracts and as part of its strategic vision to significantly increase the number of individuals supported, is looking at growing activity in existing and new markets.

After a decade of austerity and the impact of Covid-19, the demand for The Shaw Trust's services is increasing and will drive our plans to respond with increased capacity whilst retaining quality. We will retain employability as our principal specialisation and we will

grow our complementary services to support it in the following areas:

- Education, Learning and Skills.
- Children and Young People's Services.
- Health and Wellbeing.

The Trust has recently organized its internal structure into specialised operational divisions, each with individual targets to grow and develop in their own markets, with the benefit of being able to draw upon the breadth of experience from across the group in order to provide an enhanced range of services to commissioners and clients.

The Trust continues to outperform against its Business Plan, the divestment programme has completed and a strategic reserve, including funds with an investment manager is being built up.

In addition, the impact and challenges as a result of the Covid-19 pandemic have been extensively investigated, risk assessed and mitigated where appropriate. Financial modelling and scenario analysis has indicated that the Trust has the resources to sustain a period of operational disruption and financial loss as a result of longer-term impacts from this crisis and the challenging economic headwinds.

Objectives and activities of the Trust

The objectives 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, ill-health or because they are offenders, ex-offenders or are at risk of offending:

2. Financial review (continued)

- the promotion of the health, equality and independence of disabled people; and
- the prevention and relief of poverty.

The Trust aims to further its objectives in particular by providing education, training, rehabilitation, support, employment opportunities and personal development opportunities.

The Trust will be non-party in politics and non-sectarian in religion.

The strategic aims of the Trust are as follows:

- Maintain a balanced portfolio of services to ensure robustness and resilience across the Group and avoid dependency on a single commissioner or contract.
- Deliver an integrated, blended and seamless portfolio of services and programmes that are locally based and nationally scalable.
- Innovate and continuously improve our offer to include digital-by-design and digital-by-execution where and when appropriate.
- Continue our advocacy work through dialogue with commissioners and government to improve access to and quality of employment for all.

In order to deliver our aims, we will:

- Grow our balanced portfolio to support the national need.
- Expand our employability programmes through the new DWP departmental framework as a partner of choice.
- Establish a second Multi Academy Trust modelled on the Shaw Education Trust.

Examine the requirement and portfolio fit for Early Years interventions, maximise the potential of our Homes2Inspire children's homes.

- Increase our children's services engagement with Youth Offending Teams across the UK.
- Increase our children's services support for looked after children, young offenders and young people who are at risk of becoming Not in Education, Employment or Training (NEET) by expanding our NEET offer.
- Expand our Health and Wellbeing services support using the 'Live Well Kent' model.
- Review and adjust the various Social Enterprises now within The Shaw Trust Group for strategic fit within our growth pathways and layered services.
- Establish The Shaw Trust Foundation and The Shaw Trust Policy Institute.

The Shaw Trust Foundation and Policy Institute give the charity a visible and accountable rallying point for the charitable purpose and activity in our organisation. The Foundation will actively fundraise to support our work and it will house The Shaw Trust Policy Institute, which will champion positive change for the people and communities we support, and the sectors we operate within.

The Foundation aims to create a better tomorrow for more people across the UK by establishing a grant giving programme to offer access to services and support not otherwise available. It will help us further our impact by maximising opportunities to generate social value with likeminded organisations. The Foundation will advance social justice through social value adding

2. Financial review (continued)

programmes, support initiatives that build community and improve individual lives, and champion those with barriers to progression in life, and will build a community of volunteers and supporters to campaign for and support our charitable mission.

Achievements and performance

The Trust operates across a number of sectors to achieve our aims and objectives as detailed below:

Employment

The employability division consists of a number of contracted services focused on supporting unemployed adults to secure sustainable good work. These contracts require the delivery of a range of services over varying lengths of time to overcome participants' barriers to employment. The support offered within these contracts includes: diagnostic assessment of needs; careers advice; skills development; support to address barriers such as housing or debt; job matching and in-work support. For some contracts we also deliver integrated health and wellbeing support to overcome barriers preventing people entering or sustaining employment.

The Shaw Trust delivers its contracts through a mixture of direct service delivery and through a diverse supply chain. Supply chain partners either work as an end-to-end provider within a set geographical area or a specialist interventions provider. The supply chain complements and expands our own services delivery.

We are the largest providers of the Department for Work and Pensions (DWP) Work and Health Programme (WHP) running two significant contracts across Central England and East of England / Kent. We also run the devolved WHP in West London on behalf of the

West London Alliance. With these contracts we hold a 30% market share of this programme. WHP is an employment support programme aimed at unemployed people with health conditions or disabilities to enter sustainable employment. WHP offers up to 15 months of support to gain employment and a further period of continued support once a participant has entered a job.

The WHP contracts delivered by The Shaw Trust saw 16,417 unemployed participants start on the programme in the year to August 2021. These participants were provided with a tailored support package to move them towards employment. In the same period, we helped 7,719 participants enter paid employment as a result of this support. We continue to run these significant Work and Health Programme contracts and are currently negotiating their extension for a further two years.

As part of the Government's "Plan for Jobs" in response to the pandemic the DWP awarded The Shaw Trust an expansion to the Work and Health Programme with the introduction of "Job Entry: Targeted Support" (JETS). These are significant contracts expansions in Central England, East of England / Kent and in West London.

The JETS programme helps people who have been unemployed and in receipt of benefits for at least 13 weeks to find sustained work. JETS provides advice, guidance and job search support via telephone and our digital delivery platform. In the financial year to August 2021 The Shaw Trust has seen 42,915 people start on the JETS scheme and we have already helped 12,684 people back into work.

The Trust also delivers the Intensive Personalised Employment Support (IPES) contracts on behalf of DWP across Central England, East of England / Kent and the whole of London. These

2. Financial review (continued)

contracts offer targeted support to unemployed people with disabilities and complex needs. IPES offers one-to-one support from a dedicated advisor for up to 15 months to secure employment. Once in employment participants continue to receive dedicated support for a further six months.

The level of individual support offered on this contract is significantly higher than other programmes due to the additional support needs of some participants. During the last financial year, we have supported 1,178 new participants. Due to the success of this programme and the demand for the additional support DWP have agreed to increase the size of the programme by 25%.

As well as supporting unemployed people into jobs we also provide support to people wishing to become self-employed and start their own business. This service is provided through the New Enterprise Allowance scheme commissioned by the DWP. The Shaw Trust business advisors have supported over 5,000 people to become self-employed.

In July 2021 we launched our Restart provision in Birmingham as one of Serco's selected delivery partners. Restart is another element of the governments "Plan for Jobs" in response to the impact of the Covid Pandemic.

Children's Homes and Fostering Services

Our children's homes and fostering services are run out of Homes2Inspire Limited and Fostering to Inspire, we continued to grow and develop the services to meet the needs of our customers (Local Authorities) and thereby improve the outcomes for the children and young people we look after.

Our principal activities are the provision of residential care for looked after children within our Ofsted registered children's homes, the majority of which are in the East Midlands. We currently have 28 homes which can look after up to 110 children and young people.

We also have a contract to manage Trevone House: 19 flats delivering leaving care services by providing 24-hour support, advice and guidance for some of the most vulnerable young people in making the transition from care to independent living. This provision has been visited by a number of other Local Authorities and is being seen as an 'innovative, first of its kind blueprint' to develop similar services elsewhere.

Our customers are Local Authorities who place children either through block contract arrangements, framework agreements or on a spot purchase basis.

82 of the 110 residential children's home places are subject to block contract arrangements for the exclusive use of specific Local Authorities and the leaving care services contracted directly by a Local Authority.

This has been a challenging year due to Covid-19 and the impact on maintaining service provision and developing new services. The staff teams have worked tirelessly to maintain service delivery and support young people within a continuous and ongoing Ofsted regulatory inspection regime.

The direction of travel for our key customers continues to be one of developing children's homes within their own County boundaries for their exclusive use on a block contract, this meets their 'sufficiency and efficiency' strategy and more importantly enables the necessary 'wrap around' services, for example education and CAMHS to be accessible and available to children and young people. Going forward we would like to continue to develop 'Strategic

2. Financial review (continued)

Partnerships' with Local Authorities to move away from Commissioner / Provider contract approach.

In partnership with key customers, we have looked at ways to develop our services to meet the complex needs of children and young people stepping down from Tier 4 mental health provision or from Local Authority secure accommodation on welfare grounds who require residential care. This provides care for those who are hardest to place due to 'matching' and require high levels of support and care.

To meet these challenges, we have continued to develop solo and dual placement homes linked to 5-bed homes or 2x2-dual bed homes in close proximity to each other.

Over the last year we have opened a further three homes and have a further eight homes under development, some of which will be properties owned by the Local Authorities.

We continue to operate 19 leaving care flats for a Local Authority and have opened a second service for a Local Authority but due to Covid-19 delayed the start of mobilisation until the start of 2020, with the service taking its first young person in November 2020 that provides a wider range of services within the provision and will be kept under review as the services develop.

All homes have been inspected by Ofsted and 84% are 'Good' or 'Outstanding' with seven homes achieving an 'Outstanding' rating which acknowledges the dedication of the Home Managers and the staff teams in their work with children and young people. Homes2Inspire has been recognised by Ofsted as being in the top 20 of all Care Home providers.

'Fostering to Inspire', our Independent

fostering agency, based in Wakefield received an Ofsted 'Good' on its first inspection and continues to grow incrementally year on year. The creative work being undertaken will enable further opportunities to provide an integrated service between fostering and residential care to be developed.

The coming year will continue to present ongoing challenges as we come out of Covid-19 but also significant opportunities as we strive to meet the needs of our customers and commissioners by developing innovative solutions that provide value for money while authorities continue to review the services they deliver that provide positive outcomes for children and young people.

Children's Services

Children and Young People's Services carried out 113,000 interventions across England and Wales in 2020-2021. The pandemic enabled us to introduce a hybrid model of delivery of both face-to-face and digital. From September 2020, the vast majority of our delivery has been face-to-face to meet commissioner requirements.

Despite the pandemic, 85% of our 16 Targeted NEET contracts remained in the top two DFE Quintiles i.e., the top 60 performing local authorities in terms of their statutory duties related to participation in learning, numbers who are NEET or whose destination is unknown. Our London contracts remain the highest performing in terms of NEET and unknown, with 90% in Quintile 1 but we have seen improvements in all contract areas, most notably Gloucestershire and Wakefield.

200 schools, colleges and alternative provision from across the Midlands, Gloucestershire and London commissioned us to provide statutory and Gatsby Benchmark compliant careers guidance that is independent of the institution.

2. Financial review (continued)

We have collaborated with Enterprise and Ixion / EDULS to develop a high performing Supported Internship Programme for young people aged 16-24 in receipt of an Education Health Care Plan. Our interns are drawn from London, York and the Enterprise sites across England. 90% of our graduates are either in paid employment, education, training or voluntary work. We have secured ESFA High Needs Provider status which enables us to grow our Supported Internship provision in line with the targets in our five-year plan. One of our higher profile Supported Internships is delivered in partnership with Transport for London (TfL) where they provide the placements, and we provide the learning and job coaching. 30% of graduates are guaranteed a permanent job with TfL at the end of the programme.

Our London and Coventry and Warwickshire teams continue to run EU match funded programmes for NEET and complex young people aged 16-24. These contracts end in the Autumn of 2023. The GLA match funded programme Spark Change supports 16-24-year olds 'entrenched and complex' NEET in LB Brent, Bexley, Hackney, Harrow and Havering. The programme will use resilience mentoring, cognitive behavioural coaching and 13 weeks work placements for neurodiverse clients who are overrepresented in NEET groups.

We are contracted to run GLA funded resilience mentoring programmes for young carers, those known to youth justice, care experienced and those with SEND across 25 London boroughs.

We continue to run a highly successful Youth Support Team across Gloucestershire with the focus on integrated management, delivery and solutions for young people. Part of the contract includes running the only outsourced Youth Offending Service in

England alongside the Youth Service, statutory NEET Team, Health and packages of support for those young people who go missing from Local Authority care.

We are commissioned by the Welsh Government to run the Big Idea Wales programme which promotes entrepreneurship from Key Stage One to postgraduate and provides a small business set-up service for 16-24-year olds. We supported 200 young people to set up their own business last year.

Our growth plans for the next five years focus on contract renewals, increasing market share in our nine existing sectors, developing strategic partnerships with Local Authorities and modelling new services and products with colleagues across The Shaw Trust Group to fulfil the Child to Career objectives.

Learning & Skills:

The Learning and Skills division continues as an Ofsted Grade 1 training organisation and continued the delivery of a range of skills training. These included apprenticeships, traineeships, adult learning programmes and Advanced Learning Loans, skills support for the employed and unemployed, Big Lottery unemployment progress projects and construction programmes across all London boroughs, ex-offender rehabilitation and business start-up programmes for the unemployed as well as welfare to work. Within the Innovation division, staff bid for and administered multimillion Euro grant funded bids from Horizon 2020 and Innovate UK instruments to support the development of services and products to improve society for the benefit of all residents. This involved supporting commercial clients in consortia across Europe to win innovation and research funding from the European Union and Innovate (EU) UK.

We supported 104,000 people to receive careers information, advice and

2. Financial review (continued)

guidance and helped 27,000 people of all different attainment levels to progress and gain qualifications through

Apprenticeships, Higher Apprenticeships and Traineeships, and with qualifications to support those who want to progress within work, or those who want to enter work in addition to advanced learning loans.

Of these, 85% of those learners progressed into or within a range of employment, education and Apprenticeship opportunities within the Construction, Leadership and Management, Education and Training, Health and Social Care, and Digital and IT sectors.

Revenue streams in the year were from Government Departments including: The Education Skills Funding Agency (EFSA); the European Social Fund (ESF); the Department for Work and Pensions (DWP); the Ministry of Justice (MoJ); the EU and Local Authorities; Horizon 2021 and Innovate UK along with the Big Lottery contracts.

Revenue in the year decreased from the prior year mainly through some of the Government funded contracts coming to an end during the financial year and the significant impact of Covid-19 through the trading year. The Trust has continued to establish a strong track record and reputation of high-quality delivery within Government Commissioners, key stakeholders and employers.

The focus during the year has been to continue to invest in support services, embedding new technologies that offer efficient scaling to the business in a safe and compliant manner, delivering quality outcomes for our clients from our funding contracts, as well as developing key strategic alliances and collaborations to support business growth for the future.

The impact of the pandemic has resulted in an increased investment to further increase physical and material digital capacity and resources to support clients. An inability to claim all income due from contracts as clients were not able to fully undertake and complete their learning programmes was due to delays from external stakeholders in agreeing the solution to support clients on programmes. There is a continued lag from external stakeholders in agreeing a solution to support clients on programme, and we are working with them to reengage as many learners as possible in the 21/22 year now that we are out of pandemic restrictions.

In addition to these factors the decision has been to further invest in additional resource to support delivery of apprenticeships to those who may have required a break in learning due to the pandemic.

Ixion, part of the Learning and Skills division, became a Grade 1 Outstanding Provider in November 2017 following an OFSTED inspection.

In 2020/21 the division improved the lives of over 34,000 individuals (2019/20: 30,800).

Education

Shaw Education Trust

Shaw Education Trust (SET) is a Multi Academy Trust, based in the North West and the Midlands. As at 31 August 2021 SET operated 25 academies, one Specialist Independent College, two teaching schools and a SCITT. These cater for 10,640 pupils aged 2–25 across Staffordshire, Birmingham, Wigan, Wolverhampton, Bury, Stoke-on-Trent, Halton and Derby.

The total comprises 11 specialist provisions (including an Independent Specialist College, Newfriars which caters for young adult learners aged

2. Financial review (continued)

16-25 years old); five primary academies and nine secondary academies.

During the year a further two high schools and one primary school joined SET and were converted to academies. These are detailed in note 25.

Two mainstream secondary schools for 11-16year olds joined in the year:

- Woodhey High School on 1 October 2020, and Endon High School on 1 November 2020.
- One mainstream primary school, Waterside Primary School, joined on 1 February 2021.

In addition, SET has been awarded a Free School (Specialist) in Bury, which is due to open in September 2023.

We work our hardest to improve, accelerate and enable ambitious life goals for all young people. Our 2,000 staff help the pupils realise their potential and achieve their ambitions at academies in all key stages, from foundation to key stage five in both special and mainstream education.

The impact of Covid has been a challenge since March 2020 and continued post year end. In response to the pandemic all schools opened in line with expectation and national guidelines, with attendance continuing to be well above national averages by sector and phase. Schools are Covid safe and Quality Assurance checks confirm compliance. All schools have blended and remote learning plans in place.

Challenges remain, with continued Covid cases across the Trust, particularly in the North. Secondary schools are proving the hardest challenge due to scale and the related likelihood of infection. Staffordshire has been hit especially hard, although we have managed to

keep all schools open to date, with student attendance above the national average.

Key priorities have been to continue remote, blended and home learning, with accessibility to home ICT for all students, including Wi-Fi access during Covid. Partial closures are planned for, as matters continue to progress. Securing wellbeing of staff and students, including safeguarding and addressing food poverty and personal care provision.

Although the impact of Covid-19 has been a major event and posed many challenges to SET, the impact has been well mitigated and has had no major detrimental impact on the finances of the Trust during the year.

The Trust's business plan includes a detailed strategy for further growth, including free school applications and maintained school conversions. The priority remains to recruit schools from all sectors, secondary, primary as well as special schools. We continue to drive school improvement using a multi-faceted and evolutionary approach with our longer-term priority focusing on reducing the learning disadvantaged gap.

Optimus

Optimus Education is an established provider of professional development support and school improvement information for schools, academies and other educational institutions. We give teachers an opportunity for continuing professional development and offer careers and skills advice and guidance for young people.

We work with over 5,500 schools per year, in the UK and internationally across all phases of education. By doing so we

support teachers to improve and maximise the life chances of nearly 1.8m students and young people.

2. Financial review (continued)

The largest revenue stream is conferences and events, which has been hit by the Covid-19 pandemic, although significant events have been re-phased, and we have adopted a hybrid mix of face-to-face as well as digital. The Awards business continues to grow with over 1,100 schools signing up towards the Wellbeing Award, the school impact awards launching in 2022. Membership levels have remained in line with budget.

Justice

Work in the Justice sector is designed to enable the people we support to positively contribute to society and break the cycle of reoffending. Education, skills, employment, wellbeing and ongoing support, both within institutions and beyond the gate are all important elements of the rehabilitation process.

The Trust operates seven of the 18 CF03 contracts for Her Majesty's Prison and Probation Service. The programme is co-funded by the European Social Fund and is designed to improve social inclusion amongst offenders and ex-offenders, who are considered the hardest to help in the justice system. We do this by helping them get ready for life after prison, turn their back on crime, train and find a job. Many of those we support have multiple and complex needs.

Through these we have helped over 5,200 new offenders, providing specific support, skills and training to clients in prisons and the community, resulting in over 1,730 accreditations and more than 525 jobs.

During the year, we were awarded three contract areas for the CFO Activity Hubs, and these contracts were mobilised, creating seven dedicated offender facing Hubs, which the commissioner described as 'the perfect translation of their vision for the programme'. The hubs provide an

opportunity for offenders to gain support and interact with role models and with peers, who are at a similar post-release stage, enabling them to develop plans and ultimately be supported into education, training and employment. Support is provided through a range of activities based around: Human and Citizenship (developing self-worth); Community and Social (improving skills and resilience) and Interventions and Services (reducing recidivism agenda). Within this short time since opening, we have supported over 90 new offenders; 50 have been supported with Human / Citizenship interventions, developing a sense of self-worth and 12 have been supported with improving their sense of community and developing social skills, support networks and self-resilience.

We continue to perform well on our IAG contracts despite the impact of Covid-19. In addition, our Feltham contract provides education, training, careers advice and resettlement support for males ranging from 15-18 years old, delivered on-site within Feltham Young Offenders Institution. A revised curriculum and behaviour management policy resulted in significant improvements in attendance, engagement, and learner outcomes. During the year we worked with more than 250 learners at Feltham, who collectively achieved more than 1,400 accredited qualifications with a high proportion of learners on long term sentences achieving GCSEs for the first time. Enrichment activities with a focus on personal development and social skills were delivered throughout the year, the highlight being the artwork of 22 learners on display at the Tate Liverpool.

Community Health & Wellbeing

During 2020 and 2021 the impact of the pandemic on people's mental health and emotional wellbeing became apparent across our services supporting unemployed adults and those on lower incomes. People accessing our services

2. Financial review (continued)

reported lower levels of wellbeing and higher levels of psychological distress, anxiety, depression and loneliness.

The Shaw Trust's Community Health and Wellbeing services focus on enabling the better management of mental and physical health conditions using the biopsychosocial model of support. This approach enables improvement in people's wellbeing and in turn being better able to cope with the challenges they face at home, in work and in their communities. The commitment of our people during this challenging time enabled us to celebrate a number of key successes this year:

The launch of six new contracts:

- Kent and Medway IPS service.
- Work to Recovery IPS service in Birmingham.
- Two new Thrive into Work IPS services in Birmingham and Coventry.
- Live Well Medway.
- Covid Hardship Fund support in Kent.

Extensions achieved on the following:

- Aim4Work contracts in London.
- Get Back on Track retention service in Islington.
- Fast Track IPS service in Hackney.

Our Health and Wellbeing practitioners supported 5,763 participants across our employability programmes and 6,910 people to access health focused interventions from our delivery partners.

Community Wellbeing services such as Live Well Kent and Medway, Connect for

Health, Kent Housing Related Support and our Mental Health phone line supported a total of 8,958 people to improve their emotional wellbeing and mental health. Our health and wellbeing services worked with 30 delivery partners and saw an 85% improvement in participants wellbeing with many moving into meaningful work.

Our Individual Placement and Support (IPS) services (in Kent, Birmingham, Suffolk, London and Coventry) worked with 2,524 people providing support with their mental health while they moved into work with 68% sustaining employment.

Our Health and Wellbeing practitioners delivered 188 Mental Health training courses over the year, attended by 2,291 people. These courses supported managers to have higher quality, more confident conversations with team members about their mental health and wellbeing concerns, raised awareness of mental health and support reducing the stigma attached to it.

Retail and Enterprise

The Retail and Enterprise division comprises four distinct sections:

1. Enterprises - Enterprise projects: provides opportunities for adults with learning disabilities to work within nature and ecology parks across the UK; funded by Local Authorities. Doncaster Industries - a plastic extrusion business employing learning disabled adults. Garden Centres - provide real world work experience and vocational training for learning disabled adults. We exited one garden centre during the year end and continue to focus on Billing and Palmer Gardens. Forth Sector - offers high profile charitable and employability services in Scotland. The flagship project is St Jude's Laundry in Edinburgh, which provides job

2. **Financial review (continued)**

opportunities for people with disabilities, learning difficulties and mental or physical health problems. Despite the challenges from Covid-19, it has continued to operate, although with a more limited capacity. In addition, the Company has rentable office space at its site in Edinburgh.

2. Accessibility Services - works with companies to assess the accessibility of their online platforms, employing adults with a range of impairments, with the aim of improving digital access for people with disabilities, working with clients including the NHS, McDonalds and EasyJet.
3. The Disabled Living Foundation ("DLF") - a separate charity which provides impartial advice for independent living and a marketplace for assistive and adaptable technologies, ranging from specialised clothing to mobility equipment.
4. Our small network of charity shops has experienced a challenging year and been particularly impacted by the Covid-19 pandemic, with temporary store closures and some staff being furloughed.

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.

Governance

The Trustees in office during the year, and at the date of signing these financial statements, are set out on page 32. The Trustee Board has overall responsibility for the governance of the Trust which it

discharges through three main duties:

1. Ensuring there is a strategy in place; the main strategic goal is to help as many people as possible to adjust to and navigate the complex employability challenges that lie ahead. To achieve this main strategy, Trustees have agreed on different objectives which include organisational growth, maintaining a balanced portfolio of services and programmes that are locally based and nationally scalable, financial and operational stability, compliance and stakeholder's relationships.
2. Monitoring the implementation of the strategy against agreed plans, ensuring adequate resource is available.
3. Ensuring the Trust complies with all necessary statutory and regulatory obligations.
4. As part of this, the Trustees ensure that there is a robust system of internal control and risk management, as well as an appropriate reporting and oversight structure to ensure that the senior executives to whom the Trustees have delegated the daily management of the Trust are performing to the standards expected.

The Board meets quarterly and, while 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

2. Financial review (continued)

- Major internal change programmes.

During the year, the Trustee Board reviewed the governance structure of its committees. The Performance and Investment Committee became the Commercial and Performance Committee and a new Finance Committee established. The following subcommittees of the Trustees discharged specific aspects of their responsibilities:

The Audit and Risk 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 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 Trust uses external consultants and comparison tools available to set the salary level for its key management.

Salary and benchmarks are reviewed regularly to make sure the Trust can attract and retain the best talent.

The Finance Committee is responsible for the Trust's financial performance on behalf of the Board to ensure short and long-term viability and ensure finances are aligned with The Shaw Trust's Strategic Directive.

The Commercial and Performance Committee is responsible for advising the Board in relation to business investment and opportunities for growth (both organic and inorganic) in accordance with the Trust's strategy, and to oversee the operational performance of The

Shaw Trust.

The Trustees have delegated the daily management of the Trust to the Group Chief Executive and the Executive Management Team. The current Chief Executive, Chris Luck CB MBE, was appointed in May 2019, and joined the Trust after a distinguished career in the armed forces.

The Trust manages its activities through three operational divisions and service delivery within each is managed by dedicated business unit teams.

Operational staff are supported by Finance, People & Performance, Business Development, Information Services and Communications 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 period. 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 The 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 The Trust's latest reports and financial statements; a copy of the Code of Practice adopted by the Trustees; details of The Trust's senior executives and their respective roles, terms of reference and reporting lines; details of Board meetings; and the Board papers made

2. Financial review (continued)

available for meetings.

As well as induction, Trustees are able to undertake training in specific areas of the Trust's operations through visits and presentations.

Risk Management Framework

The Trust's risk appetite is set annually by the Board of Trustees with the goal of aligning risk-taking with the statutory requirements, strategic business objectives and capital planning. The Board of Trustees and the Group Chief Executive Officer (CEO) have key roles in the implementation of the Trust's risk appetite by steering the balanced portfolio, geographical operating areas and markets, and funding and liquidity management.

The purpose of the Risk Assurance Statement (RAS) is to state clearly the general principles for the Trust's risk-taking, to raise risk awareness across the organisation, and to guide the staff regarding accepted and unacceptable behaviour. The RAS is implemented through the Trust's operational policies and procedures, monitoring metrics, limit system and internal controls.

The Trust is subject to national supervision and prudential regulations, including contractual obligations.

The Trust's risk management system and procedures are reviewed and refined on an ongoing basis in order to comply with what the Trust identifies as the relevant standards, recommendations and best practices in the sectors operated in. The objectives of the RAS are:

To provide a clear articulation of the Trust's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level.

To create a foundation for effective communication of risk among internal

and external stakeholders.

To increase understanding of the Trust's material risk exposures and raise risk awareness across the organisation.

To positively impact the defined risk culture of the Trust.

To support the Board of Trustees and the senior management in planning, formulating and executing strategic business decisions to achieve the long-term targets of the Trust.

To provide means for the Board of Trustees and senior management to engage in discussions on risk-taking, risk management, and business strategy, and their interlinkages.

To provide the tools for the Board of Trustees and senior management to continuously monitor and align the Trust's actual risk profile with the risk appetite.

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 and Risk 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.

2. Financial review (continued)

The establishment and maintenance of the 'three lines of defence' model of internal control:

Line One: 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 Two: Risk management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, an internal Commercial Assurance Team provides assurance in respect of the quality of service provision and compliance with legislation, standards and contractual requirements.

The Trust's Line Two reports into senior management and the Trustee Board, through the Audit and Risk Committee; and

Line Three: Internal Audit, currently performed by an outsourced provider. Reporting primarily to the Audit and Risk Committee, the internal auditors provide assurance over the effectiveness of corporate governance and the overall control environment including Line Two defences. All reports identify areas of strength and good practice along with areas for improvement. In the case of the latter the Audit and Risk Committee monitors 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 and Risk 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 in the context of its risk appetite.

Principal Risks and Uncertainties

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

Inadequate organisational and operational robustness and resilience undermined by inadequate plans, succession and supersession arrangements.

- Inadequate corporate financial robustness and resilience undermined by inadequate reserves.
- Scale, pace and complexity of growth overwhelming the Trust's ability to deliver on strategic objectives or leading to failure.
- Strengthening environmental headwinds individually or in combination impinge on the ability of the Trust to operate profitably.
- Inability to generate sufficient cash or secure necessary growth capital to fund investment in market opportunities and our accelerating growth.
- Failure to deliver carbon neutrality by 2030.

2. Financial review (continued)

- Loss of market share or strengthened competition resulting in income loss and reduced financial viability.
- Governance Failure.

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

- Build and maintain a strong balance sheet so as to instil confidence of stakeholders and to sustain the future development of the business.
- Build and maintain a strategic reserve to enable the Trust to operate and continue its core activities.
- Invest surplus funds where applicable so as to return a yield consistent with the Group's risk appetite and ensuring sufficient liquidity to meet obligations as they fall due.

The Trust had no material investments during the year, although a successful tender for an investment manager was completed post year end and funds have now been transferred.

Liquidity risk is managed by carefully forecasting and monitoring the short term and long-term cash flows and ensuring the Trust has sufficient reserves and liquid investments to cover foreseeable requirements.

Credit risk on amounts owed to the Trust by its customers is low, being mostly Government departments and Local Authorities. Credit risk also arises from cash deposits with banks, and only independently rated parties with a minimum rating of 'A' are accepted.

Interest rate cash flow control risks are mitigated as the Trust is able to place surplus funds on short term deposits.

The group has to date financed the majority of its operations through its reserves and has not required significant external funding. Loan balances as at 31 August 2021 of £3.5m included the Revolving Credit Facility of £2.0m with the balance of external funding held in Forth Sector and SET. Post year end a new loan facility was negotiated with the

National Westminster Bank, the Trust's principal bank, resulting in the repayment of the £2.0m.

The group does have a small foreign exchange risk arising from investments in charities operating in Poland. However, this risk is not material and as such has not been hedged.

While 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.

Streamlined Energy and Carbon Reporting

The Shaw Trust has prepared a report that achieves compliance with the Streamlined Energy and Carbon Reporting (SECR) framework requirements.

Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, the Trust has been engaged in a process aimed at reducing our energy and greenhouse gas emissions.

The Trust currently maintains both scope 1 and 2 emissions, which are generated from our premises (offices, accommodation, and schools), and transport, respectively. We maintain transport emissions from leased company cars and "grey fleet" (personal cars used for business purposes, where staff mileage has been reimbursed).

2. Financial review (continued)

The Trust is currently devising a strategy to reduce our carbon footprint significantly including:

- Encouraging employees to purchase renewable technology cars i.e., hybrids.
- Purchasing energy efficient equipment where appropriate in our premises.
- Replacing HVAC systems with energy-efficient equipment where possible.
- Adopting behavioural change measures where possible.

We have a longstanding commitment to tackling climate change. Our calculated carbon footprint for our current financial year is 4,626 tCO₂e, whilst energy consumption was 20,747,565 kWh (20,747 MWh).

Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020 (reference "Introduction guidance").

The reporting period is the financial year 2020/2021, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2020/2021 Emissions

Scope 1 (natural gas)

Tonnes CO₂ equivalent (tCO₂e) 2,783

Scope 2 (electricity)

Tonnes CO₂ equivalent (tCO₂e) 1,375

Scope 1 (transport)

Tonnes CO₂ equivalent (tCO₂e) 468

Total

Tonnes CO₂ equivalent (tCO₂e) **4,626**

Intensity Ratio

Scope 1 and scope 2 carbon intensity metric based on the number of clients (including pupils) supported by the Trust during the financial year:

4,626 tCO₂e / 292,000 clients = 0.016 tCO₂e per client.

Total Emissions

Efficiency Measures Taken

- 1) Replaced aging premises equipment with energy-efficient products.
- 2) Expanded video conferencing and online meetings (as opposed to face-to-face meetings).
- 3) Upgraded lighting portfolio to LED's where possible.

Objectives for 2021/2022

- 1) Reduce our baseline electricity and gas consumption year on year.
- 2) Continual review of existing equipment and company policies.
- 3) Reviewing supply contracts to determine feasibility of renewable energy.

2. Financial review (continued)

- 4) Implementation and assessment of the Energy Savings Opportunity Scheme (ESOS) recommendations.
- 5) Implementation of carbon reduction towards net zero.
- 6) Continue with our energy savings programme.

The Trust will report on progress within our next set of financial statements.

Disabled employees

The group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of age, religion, sex, race, colour, disability, sexuality 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. To this end, the Trust was delighted to be awarded Disability Confident Leader Status in 2018.

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 achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining and growing its position.

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.

Statement on going concern

The Trust prepares a detailed annual budget and five-year business plan which indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

In light of recent events as a result of the Covid-19 pandemic and ongoing impact the Trust has performed extensive contingency planning and modelling, including mitigations against the risks. The Trust's principal funder has shown continued support during this period with the agreement of a new Revolving Credit Facility.

Management continues to closely monitor significant risks, and modelling of sensitivities have indicated the Trust has sufficient liquid resources to meet its

2. *Financial review (continued)*

obligations as they fall due and to continue operations for at least 12 months from the date of approval of these financial statements.

After reviewing the charity's forecasts, sensitivity analysis and projections and its reserves, the Trustees have a reasonable expectation that the charity can manage these risks and has

adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The Trust has produced a comprehensive risk assessment framework and monitors and reports on this on a quarterly basis. It continues to drive performance and look for further opportunities to develop. It seeks to mitigate any ongoing risk by ensuring that it continues to be lean and fit for purpose, responds to the changing environments and markets in which it operates and continues to engage with commissioners and clients.

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

Trustees

Sir Kenneth Olisa OBE, Chairman

Paul Baldwin * ♦
 Diane Côté ~ (appointed 28 April 2021)
 Audrey Coutinho * (appointed 26 July 2021)
 Deborah Dorman ♦ (appointed 3 February 2022)
 Chanelle Gray ♦ (resigned 3 February 2022)
 Mike Hawker * (resigned 3 February 2022)
 Annamarie Hassall MBE
 Peter Holmes • (resigned 3 February 2022)
 Paul McGee *
 Jeremy Moore CB * • ^
 John Norman ♦ (resigned 3 February 2022)
 Dr Mike Nussbaum ♦ •
 Lara Oyesanya ^ (appointed 28 April 2021)
 Kalm Paul-Christian ^ (appointed 3 February 2022)
 Stephen Pegge ~ (appointed 28 April 2021)
 Steve Shaw ♦ (appointed 3 February 2022)
 James Stewart ~ (appointed 26 July 2021)

^ Member of the Commercial and Performance Committee
 ~ Member of the Finance Committee
 * Member of the Audit and Risk Committee
 ♦ Member of the HR Committee
 • Member of the Performance and Investment Committee

Executive Management Team

Chris Luck CB MBE

Group Chief Executive Officer

Stephen King
Chief Financial Officer

Scott Miller
Chief Corporate Officer

Mark Earl
Chief People Officer

Richard Clifton
Managing Director – Employability

Paul Cook
Managing Director – Children's Services

Jacqueline Oughton
Managing Director - Education Learning and Skills

Andy Canniford
 Commercial Director

Jo Morgan
Chief Executive Officer – Shaw Education Trust

Company Secretary

Carol McKinley

Registered Office

Black Country House, Rounds Green Road,
 Oldbury, West Midlands, B69 2DG

Independent Auditors

Crowe U.K. LLP
 2nd Floor, 55 Ludgate Hill, London, EC4M 7JW

Bankers

National Westminster Bank
 9th Floor, 280 Bishopsgate, London EC2M 4RB

Solicitors

Brabners LLP Solicitors
 55 King Street, Manchester M2 4LQ

A Company Limited by Guarantee Registered Number 01744121

Registered Charity Number in England & Wales 287785

Registered Charity Number in Scotland SC039856

The Shaw Trust Limited is a private company limited by guarantee without share capital and incorporated in England.

4. 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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015).
- Make judgments and estimates that are reasonable and prudent.

- State whether applicable UK Accounting Standards, comprising FRS 102, 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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.

The Trustees are responsible for the maintenance and integrity of 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.

4. Statement of Trustees' responsibilities (continued)

Disclosure of information to auditors

In so far as the Trustees are aware:

- (a) there is no relevant audit information of which the charitable company's auditor is unaware; and
- (b) the Trustees have taken all the steps that they ought to have taken as a Trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Independent auditors

In line with best practice The Shaw Trust Limited are currently undertaking a procurement exercise in relation to the appointment of external auditors. Once this process has completed a resolution proposing the most appropriate audit company as auditor of the Trust will be put to the members.

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.

5. Section 172(1) Statement

General confirmation of Trustees and Directors' duties:

The Trust's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval.

S172(1) (A) "The likely consequences of any decision in the long term"

The Directors completely understand the importance of Charity and long-term impact of its decision on beneficiaries and communities. The Board has developed proper strategies and process to follow for any decision which can have long term impacts.

S172(1) (B) "The interests of the company's employees"

The Directors recognise that The Shaw Trust Limited employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments and commissioners. The Shaw Trust Limited seeks the promotion and application of certain general principles in such relationships. The Trust supports the government strategy to support SMEs via doing business with them and paying promptly. The Trust recognises the importance of its supply chain partners to deliver its targets and achieve strategic goals. Certain rules and procedures have been developed to maintain the good relationship with them.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

S172(1) (D) "The impact of the company's operations on the community and the environment"

The Board receives information on these topics to both provide relevant information for specific Board decisions e.g., working from home, green energy and carbon footprint policies.

**5. Section 172(1) Statement
(continued)**

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The Board periodically reviews and approves clear frameworks to ensure that its high standards are maintained both within its businesses and the business relationships we maintain. This complemented the ways the Board is informed and monitors compliance with relevant governance standards, help assure its decisions are taken.

A handwritten signature in orange ink, consisting of a stylized 'K' followed by a horizontal line and a small dot below it.

Sir Kenneth Olisa, Chairman
10 May 2022

Independent Auditor's Report to the Members and the Trustees of The Shaw Trust Limited

Opinion

We have audited the financial statements of The Shaw Trust Limited ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Independent Auditor's Report to the Members and the Trustees of The Shaw Trust Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 29 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report to the Members and the Trustees of The Shaw Trust Limited

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of contract income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit and the Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing contract income, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Poulter
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor

London

31 May 2022

The Shaw Trust Limited Group statement of financial activities

For the year ended 31 August 2021

	Note	Unrestricted Funds	Restricted Funds	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and Legacies		148	5,912	6,060	25,401
Charitable activities		156,775	76,007	232,782	180,169
Other Trading Activities	1a	2,083	821	2,904	2,929
Income on investments, interest and dividends		1	-	1	14
Covid related grants		829	1,545	2,374	1,050
Other Income		1	-	1	5
Net assets taken on with mergers and transfers	25	-	19,381	19,381	13,674
Incoming resources including share of joint ventures	1	159,837	103,666	263,503	223,242
Less share of gross incoming resources of joint ventures		-	(101)	(101)	(119)
Group incoming resources		159,837	103,565	263,402	223,123
Expenditure on:					
Raising funds	2	(2,385)	-	(2,385)	(3,804)
Goodwill Impairment	7	(568)	-	(568)	-
Charitable activities	2	(147,823)	(84,125)	(231,948)	(213,729)
Total resources expended		(150,776)	(84,125)	(234,901)	(217,533)
Net income		9,061	19,440	28,501	5,590
Net losses on Fixed Asset investments	10	-	-	-	-
Transfers between funds	18	356	(356)	-	-
Group net income		9,417	19,084	28,501	5,590
Share of net outgoing resources of joint ventures	9	-	6	6	(1,013)
Net income before other recognised gains and losses		9,417	19,090	28,507	4,577
Gain on sale of subsidiaries	1b	-	-	-	927
Actuarial losses on defined benefit pension schemes	24	(9,457)	(12,243)	(21,700)	(4,696)
Net movement in funds		(40)	6,847	6,807	808
Fund balances brought forward		(39,589)	122,478	82,889	82,081
Fund balances carried forward		(39,629)	129,325	89,696	82,889

Group and Company Balance Sheets (Registration 01744121) as at 31 August 2021

		Group		Company	
	Note	2021	2020	2021	2020
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	7	7,435	14,292	446	488
Tangible assets	8	187,570	167,686	3,466	3,024
Investments in subsidiaries	9	-	-	19,355	19,355
Investments in joint ventures - investment at cost					
<i>Gross assets</i>		93	78	-	-
<i>Gross liabilities</i>		(41)	(31)	-	-
Net assets	9	52	47	-	-
Total fixed assets		195,057	182,025	23,267	22,867
Current assets					
Stocks	12	426	548	292	323
Debtors: Due within 1 year	13	33,926	30,788	24,618	17,169
Debtors: Due over 1 year	13b	18,768	12,386	300	-
Current asset investments	10	-	-	-	-
Cash at bank and in hand	15	55,031	33,497	10,616	2,462
Total current assets		108,151	77,219	35,826	19,954
Creditors - amounts falling due within one year	16	(71,519)	(57,657)	(32,514)	(19,387)
Net current assets		36,632	19,562	3,312	567
Total assets less current liabilities		231,689	201,587	26,579	23,434
Creditors - amounts falling due after one year	16b	(1,293)	(3,493)	-	(1,961)
Provision for liabilities and charges	17	(1,231)	(2,124)	(522)	(1,978)
Net assets before pension liability		229,165	195,970	26,057	19,495
Pension liability	24	(139,469)	(113,081)	-	(15)
Net assets after pension liability		89,696	82,889	26,057	19,480

Group and company balance sheets (continued)
as at 31 August 2021

		Group		Company	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Funds					
Designated funds	18	2,171	1,511	1,966	1,306
General funds	18	28,959	23,556	20,323	14,425
Total unrestricted funds excluding pension liability		31,130	25,067	22,289	15,731
Pension liability		(70,759)	(64,655)	-	(15)
Total unrestricted funds	18	(39,629)	(39,588)	22,289	15,716
Restricted funds	19	129,325	122,477	3,768	3,764
Total Funds	20	89,696	82,889	26,057	19,480

The notes on pages 42 to 94 are an integral part of these financial statements. The financial statements on pages 36 to 94 were approved by the board of directors on 10 May 2022 and were signed on its behalf by:



Sir Kenneth Olisa, Chairman

Group statement of cash flows

for the year ended 31 August 2021

	Note	Year ended 31 August 2021 £'000	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000	Year ended 31 August 2020 £'000
Net cash inflow from operating activities	A		28,213		38,622
Taxation			-		-
Net cash generated operating activities			28,213		38,622
Cash flow from investing activities					
Capital expenditure and financial investment					
Purchase of tangible assets		(5,589)		(27,304)	
Purchase of intangible assets		(219)		(255)	
Cash inflow on conversion of academies and business combinations		1,460		1,182	
Net sales of investments		-		712	
Cash from disposal of fixed assets		185		7,039	
Investment income received		1		14	
Net cash outflow from capital expenditure and financial investment			(4,162)		(18,612)
Total Net cash generated from investing activities			24,051		20,010
Cash flow from financing activities					
Interest and charges paid		(1,324)		(1,119)	
Repayment of loans		(1,193)		(2,336)	
Net cash used in financing activities			(2,517)		(3,455)
Net increase in cash and cash equivalents	B		21,534		16,555
Cash and cash equivalents at the beginning of the period at 1 September 2020			33,497		16,942
Cash and cash equivalents at 31 August 2021	C		55,031		33,497

Group consolidated statement of cash flows (continued)
for the year ended 31 August 2021

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

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Net incoming resources before other recognised gains	28,507	4,577
Donation of net assets arising on acquisition	(19,381)	(13,674)
Pensions - adjustment to net incoming resources	1,188	6,562
Investment income received	(1)	(14)
Bank charges and interest paid	1,324	1,119
Depreciation and fixed asset write offs	6,575	5,768
Amortisation of goodwill	6,797	8,204
Impairment of goodwill	568	-
Net loss on write off / disposal of tangible fixed assets	58	10,352
Net loss on write off / disposal of intangible fixed assets	21	131
Intangible assets transfers	(310)	-
Tangible assets transfers	308	-
Net loss on disposal of investments	-	427
Decrease in stock	122	201
Increase in debtors	(9,520)	(6,232)
(Increase) / decrease in value of joint ventures	(5)	1,016
Increase in creditors	8,195	15,214
Increase in deferred income	4,660	4,959
Increase / (decrease) in provisions for liabilities and charges	(893)	12
Net cash inflow from operating activities	28,213	38,622

Group consolidated statement of cash flows (continued)
for the year ended 31 August 2021

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

	1 September 2020 £'000	Cash Flow £'000	31 August 2021 £'000
Cash pledged as security for guarantee	250	-	250
Unrestricted cash at bank and in hand	33,247	21,534	54,781
Total cash at bank and in hand	33,497	21,534	55,031

c) Cash and cash equivalents

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash and cash equivalents consist of:				
Cash at bank and in hand	55,031	33,394	10,616	2,359
Short term deposits	-	103	-	103
Total cash at bank and in hand	55,031	33,497	10,616	2,462

Basis of preparation

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 9) made up to 31 August 2021. 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 equity method of accounting.

FRS 102 Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's Trustees.

The Company has taken advantage of the following exemptions:

- a) From preparing a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated group statement of cash flows, included in these financial statements, includes the company cash flows; and
- b) From preparing a company Statement of Financial Activities (SOFA), on the basis that it is a qualifying entity and the consolidated SOFA, included in these financial statements,

includes the company SOFA.

Functional currency

The group financial statements are presented in pounds sterling and rounded to thousands. The company's functional and presentation currency is the pound sterling.

Principal accounting policies

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

Incoming Resources

All incoming resources are recognised in the Statement of Financial Activities when there is an entitlement to the funds, the receipt is probable, and the amount can be measured reliably.

Contract income

Where the outcome of a transaction involving the rendering of services via contracts can be estimated reliably the revenue is recognised by reference to the stage of completion at the end of the reporting period. This is reviewed and, where necessary, revised based on the estimates of revenue and costs as the contract progresses.

**Principal accounting policies
(continued)**

Stage of completion is determined using the method that measures most reliably the work performed and assumes use of the straight-line basis unless there is evidence that some other method better represents the stage of completion.

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.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within donations and capital grant income to the net assets acquired.

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 point of sale for both donated and purchased goods.

Donated services from volunteers

Donated services from our volunteers are not included within the financial statements.

The services of volunteers are critical to the Trust, particularly in relation to the operation of our retail shops. These ventures would not be able to continue without the support and time given by our network of volunteers.

Donated goods for resale

The charity receives donated goods for resale in its network of charity shops. Income is recognised at point of sale as the Trustees consider it to be impractical to recognise such gifts on receipt due to the large number of small value items received.

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 at the reporting date as a result of a past event.
- It is more likely than not that a transfer of economic benefit, often cash, will be required in settlement; and
- When the amount of the obligation can be measured or estimated reliably.

Costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities:

Principal accounting policies (continued)

- a) Costs of raising funds are costs incurred in seeking voluntary contributions, operating charity shops and investment management costs.
- b) Charitable activity expenditure relates to the costs of running and supporting the Trust's various charitable activities for furthering its charitable aims for the benefit of its beneficiaries; and
- c) 'Other' relates to costs incurred that are neither related to raising funds nor part of the Trust's expenditure on its charitable activities.

Apportionment of costs

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

Operating leases

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

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 are stated at cost less depreciation.

Land and buildings transferred as part of the Academies programme to Shaw Education Trust are reflected within freehold or long leasehold fixed assets at the point of transfer. They are recorded at valuation at the point of transfer and are depreciated from that date.

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% (or over the lifetime of the contract if more appropriate).
- Long leasehold buildings 2% (or length of lease if shorter than 50 years).
- Fixtures and fittings 20% (or more if first break clause of lease is within 5 years).
- Equipment and vehicles 20%.
- Computer equipment 25%; and
- Plant and machinery in Forth Sector 6.75%.

**Principal accounting policies
(continued)**

Assets costing less than £3,000 are not capitalised.

Intangible fixed assets – goodwill and computer software

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible Assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

During 2017/18 The Shaw Trust Limited acquired Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited and the intangible fixed assets include goodwill arising on the purchase.

In determining the period of amortisation, management considered the length of the current contracts, the performance of the business and the likelihood of securing additional future business and concluded that five years was a reasonable time over which to amortise the goodwill arising on these acquisitions.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any

goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Computer software 25% (or over the lifetime of the contract if more appropriate).

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.

Investments

Fixed asset investments are investments held in listed companies, government and corporate bonds and other investments. These investments are stated at mid-price market value at the period-end.

Investments that have been liquidated are treated as short term and shown within current assets.

Unrealised gains / (losses) are derived from the movement in market value during the year and are recorded in the Statement of Financial Activities.

Investments are carried at 'fair value' and therefore stated at market value as at the balance sheet date. Changes in fair value are recognised in the income and expenditure section of the Statement of Financial Activities.

Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**Principal accounting policies
(continued)**

Current asset investments

Current asset investments comprise cash held on term deposits with qualifying financial institutions.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of Financial Instruments.

Financial Assets: Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities: Basic financial liabilities, including trade and other payables, bank loans, loans from fellow

group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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 specific 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.

Provisions

Provisions are recognised when the Trust has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

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 The Shaw Trust Limited defined contribution pension scheme, the Trust operates a number of defined benefit pension arrangements, which are detailed in note 24 to the Financial Statements.

***Principal accounting policies
(continued)***

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to net income / (expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability / asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations.

The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The costs to the Trust of funding the schemes are accounted for in accordance with FRS 102. 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 102.

Related party transactions

All related party transactions are disclosed in note 26.

Foreign exchange transactions

Foreign currency transactions are recorded at the spot rate at the transaction date. 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.

Tax and deferred tax

Current tax arising in non-charitable subsidiaries is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and law that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of

**Principal accounting policies
(continued)**

future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Group's accounting policies

Assessing whether the Group controls SET requires judgement. SET is a wholly owned subsidiary of The Shaw Trust Limited, who is also the sponsor company. Through the SET Articles of Association, The Shaw Trust Limited can appoint members and Trustees to the SET Board, thereby giving control to the decision making and authority for the work of the Academy Trust. The Group considers that these powers demonstrate that the Group controls SET.

In addition, Trustees have assessed the value of goodwill in the balance sheet and assessed the need for an impairment review. There is a significant judgement to establish the individual CGUs for the purpose of impairment and to establish a methodology for the allocation of Goodwill to each CGU.

In the case of the Prospects Group, we determined the CGUs to be the individual trading businesses as the cash flows, assets and liabilities of these businesses are separately identifiable.

Statement on going concern

The charity continues to adopt the going concern basis in preparing its financial statements.

The Trust prepares a detailed annual budget and five-year business plan which indicates a positive cash position and operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

Having reviewed the charity's forecasts and its current reserves, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future.

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carry amounts of assets and liabilities within the next financial year are addressed below.

- (i) Impairment of intangible assets and goodwill (note 7).

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the CGU. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. Where it indicates that the Net Present Value of the CGU is lower than its value shown in the financial statements an impairment is taken. In the year ended 31 August 2019 this amounted to an additional write-down in goodwill of

£15.9m. An adjustment was required in the year ended 31 August 2021 and amounted to £568k.

- (ii) Provisions (note 17)

Provision is made for dilapidations, asset retirement obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on

***Principal accounting policies
(continued)***

legislative and contractual requirements. In addition, timing of the cash flows and discount rates used to establish net present value of the obligations require management judgement.

- (iii) Defined benefit pension scheme (note 24).

The group has obligations to pay pension benefits to certain employees. The costs of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuation and the corporate bond discount rate. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Notes to the financial statements

General information

The Shaw Trust Limited (the “Company”) is domiciled in England and Wales with registration number 01744121. The address of its registered office is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The principal activity of the Company during the period is to co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

1. Total incoming resources / material funders

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

	Unrestricted funds	Restricted funds	Year ended 31 August 2021	Unrestricted funds	Restricted funds	Year ended 31 August 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Donation of net assets arising on mergers	-	19,381	19,381	-	13,674	13,674
Donations and Legacies	148	5,912	6,060	49	25,352	25,401
Other Trading Activities (note 1a)	2,083	821	2,904	2,642	287	2,929
Income on investments, interests and dividends	1	-	1	14	-	14
Covid related grants	829	1,545	2,374	1,050	-	1,050
Other Income	1	-	1	5	-	5
Incoming resources from generated funds	3,062	27,659	30,721	3,760	39,313	43,073
Contract delivery, social enterprises and other charitable activities	156,775	76,007	232,782	116,179	63,990	180,169
Joint Venture - Intergracja	-	(101)	(101)	-	(119)	(119)
Total	159,837	103,565	263,402	119,939	103,184	223,123

Notes to the financial statements (continued)

1. Total incoming resources / material funders (continued)

The Trustees consider material funders to be those contributing over 10% of income.

Material funders are The Department of Work and Pensions (DWP) from which a total of £57.3 million (2020: £25.4 million) was earned. Shaw Education Trust received £57.4 million (2020: £43.3 million) general annual grant from the Department for Education.

The fair value of net assets acquired from business combinations are treated as a donation (see note 25).

The results of The Shaw Trust Limited, as required to be disclosed by paragraph 397 of the Charity SORP, are:

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Total income	80,260	40,919
Net outgoing / (incoming) resources	(6,578)	7,133

1a. Other Trading Activities

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Income from Charity Shops	2,904	2,929
Total income	2,904	2,929

1b. Gain on sale of subsidiaries

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Proceeds	-	500
Net Assets divested		
Fixed Assets (see note 8)	-	86
Net current liabilities	-	420
	-	506
Costs incurred to enable the sale	-	(79)
Gain on sale of subsidiaries	-	927

The group disposed of two subsidiaries in the prior year: Gabbitas Limited and 3BM Limited with a gain of £1,166K for Gabbitas and a deficit of £239K for 3BM.

Notes to the financial statements (continued)

2. Analysis of total resources expended

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Raw Materials and Consumables	12,629	12,463
Staff Costs – salaries, NI and pensions	155,055	123,775
Staff Costs – travel and pension charges	4,907	6,153
Other Operating Costs	53,394	61,593
Depreciation	6,575	5,768
Amortisation and Impairment of Goodwill	7,365	8,204
Finance Charges	1,324	1,122
Sub total	241,249	219,078
Tax (note 21)	(6,348)	(1,545)
Total	234,901	217,533

	Activities undertaken directly £'000	Support costs not directly allocated £'000	2021 Total £'000	2020 Activities undertaken directly £'000	2020 Support costs not directly allocated £'000	2020 Total £'000
Raising Funds						
Fundraising	77	-	77	34	-	34
Charity shops	2,308	-	2,308	3,781	-	3,781
Investment management fees	-	-	-	(11)	-	(11)
Total cost of Raising Funds	2,385	-	2,385	3,804	-	3,804
Charitable Activities						
Impairment of goodwill	568	-	568	-	-	-
Contract delivery, social enterprises and other charitable activities	228,312	2,250	230,562	211,828	1,877	213,705
Usage of fundraising funds	1,386	-	1,386	24	-	24
Total Cost of Charitable Activities	230,266	2,250	232,516	211,852	1,877	213,729
Total Resources Expended	232,651	2,250	234,901	215,656	1,877	217,533

Notes to the financial statements (continued)

2. Analysis of total resources expended

Support costs not directly allocated comprise the following:

Support costs	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Management	810	596
Corporate Governance	279	205
Finance	306	246
Information Technology	590	655
Human Resources	237	155
Communications and Marketing	28	20
Support costs not directly allocated	2,250	1,877

3. Finance costs

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Bank charges, interest and other finance costs (note 2)	1,324	1,122
Net finance cost on defined benefit pension scheme (note 24)	1,929	1,546
Total	3,253	2,668

These charges have been reported in Statement of Financial Activities under Charitable Activities.

4. Net incoming resources

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
The net incoming resources are stated after charging:		
Depreciation charge for the year on tangible owned assets	6,575	5,768
Amortisation charge for the year on intangible owned assets	6,797	8,204
Goodwill impairment charge	568	-
Auditors' remuneration: audit services		
- Parent Company and consolidated financial services	70	139
- Audit of the company's subsidiaries	128	219
Auditors' remuneration: other services		
- services relating to taxation	-	19
- all other services	-	119
Operating leases:		
- others	146	216
- property	1,443	2,110
Net loss on write off / disposal of fixed assets	79	10,733

Notes to the financial statements (continued)

5. Employees

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

	Year ended 31 August 2021 Average Headcount	Year ended 31 August 2020 Average Headcount
Charitable purposes	4,707	3,792
Retail	66	106
Total	4,773	3,898

Employee costs for the above persons during the year were:

	Year ended 31 August 2021 £'000	Year ended 31 August 2020 £'000
Wages and salaries	125,687	100,140
Social security costs	11,571	8,166
Other pension costs (note 24)	17,797	15,469
Total	155,055	123,775

Included in the above figures is a figure of £353K (2019-20: £813K) for redundancies.

Notes to the financial statements (continued)

5. Employees (continued)

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

	2021 Total Emoluments	2020 Total Emoluments	2021 Total Emoluments excl. severance payments	2020 Total Emoluments excl. severance payments
	Number	Number	Number	Number
£60,001 - £70,000	56	63	57	63
£70,001 - £80,000	31	25	30	25
£80,001 - £90,000	11	15	11	15
£90,001 - £100,000	13	9	13	9
£100,001 - £110,000	8	3	9	3
£110,001 - £120,000	2	3	2	3
£120,001 - £130,000	1	2	1	2
£130,000 - £140,000	1	2	-	2
£140,001 - £150,000	3	1	4	1
£160,001 - £170,000	-	2	-	2
£170,001 - £180,000	3	-	2	-
£185,001 - £190,000	-	1	-	1
£190,001 - £200,000	-	1	-	1
£250,001 - £260,000	1	-	1	-
	130	127	130	127

The total pension contributions in respect of the above staff, all of which were made to defined contribution schemes, were £664,827 (2020: £903,291).

Total emoluments of employees include, where applicable, salary, bonuses, benefits-in-kind, car allowance, payments in lieu of notice and redundancy. Total payments in lieu of notice and redundancy made to those employees who earned more than £60,000 during the year was £137,871 (2020: £30,000).

Notes to the financial statements (continued)

6. Trustees' and senior executives' remuneration

- a) During 2021 and 2020, no Trustee received any emoluments from the Trust. Incidental travelling costs of £nil (2020: £964) were reimbursed or paid on behalf of nil (2020: 9) Trustees by the Trust.
- b) The 'directorships' outlined on page 28 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 £9,055 (2020: £9,385) 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.
- d) The Key Management Personnel of the Group comprise the Trustees and the Executive Management Team as listed on page 28. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Group was £1,734,045 (2020: £1,509,478) for the year.

Notes to the financial statements (continued)

7. Intangible Assets

Group	Goodwill	Computer software	Total
	£'000	£'000	£'000
Cost			
At 1 September 2020	53,535	7,022	60,557
Additions	-	219	219
Transfers	1,422	764	2,186
Impairments	(1,440)	-	(1,440)
Reclassifications	-	740	740
Disposals	-	(205)	(205)
At 31 August 2021	53,517	8,540	62,057
Accumulated Amortisation			
At 1 September 2020	(39,655)	(6,610)	(46,265)
Charge for the year	(6,300)	(497)	(6,797)
Impairments	872	-	872
Transfers	(1,554)	(633)	(2,187)
Reclassifications	-	(429)	(429)
Disposals	-	184	184
At 31 August 2021	(46,637)	(7,985)	(54,622)
Net book value			
At 31 August 2021	6,880	555	7,435
At 1 September 2020	13,880	412	14,292

The goodwill arose on the acquisition of the majority interest in CDG-WISE Ability Limited in 2016 and the 100% interest in Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited on 30 May 2017 and 30 November 2017 respectively (see note 26). The investment and goodwill in CDG-WISE Ability was disposed of during the year.

The Prospects Group was acquired for £17.4m. Net liabilities at acquisition were £30.7m resulting in a goodwill balance on acquisition of £48.1m being recognised in the group financial statement on consolidation. This was being amortised over five years such that the remaining goodwill balance, after an impairment of goodwill, at 31 August 2021 was £5.6m.

Balances disclosed in the prior year financial statements, have been shown as transfers to better reflect the nature of the balances.

Reclassifications relate to software assets formerly shown as tangible assets.

Notes to the financial statements (continued)

7. Intangible Assets (continued)

Amortisation will occur in line with The Shaw Trust Limited accounting policies commencing on the date of acquisition with adjustments to reflect ongoing valuations of the investments.

Company	Computer software	Total
	£'000	£'000
Cost		
At 1 September 2020	6,885	6,885
Additions	165	165
Transfers	175	175
At 31 August 2021	7,225	7,225
Accumulated Amortisation		
At 1 September 2020	(6,397)	(6,397)
Charge for the year	(380)	(380)
Transfers	(2)	(2)
At 31 August 2021	(6,779)	(6,779)
Net book value		
At 31 August 2021	446	446
At 1 September 2020	488	488

Notes to the financial statements (continued)

8. Tangible Assets

Group	Freehold land and buildings	Long leasehold property	Assets under construction	Equipment and vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 September 2020	41,728	136,337	1,510	5,145	7,115	191,835
Acquisitions of academies	-	21,421	-	-	-	21,421
Additions	-	1,214	1,550	28	2,797	5,589
Transfers	(56)	47	-	(59)	9	(59)
Reclassifications	-	1,603	(1,776)	(733)	167	(739)
Disposals	(280)	-	(51)	(29)	(67)	(427)
At 31 August 2021	41,392	160,622	1,233	4,352	10,021	217,620
Accumulated depreciation						
At 1 September 2020	(4,103)	(10,059)	-	(4,566)	(5,421)	(24,149)
Charge for the year	(577)	(4,370)	-	(134)	(1,494)	(6,575)
Transfers	56	(47)	-	59	(7)	61
Reclassifications	-	-	-	593	(164)	429
Disposals	89	-	-	35	60	184
At 31 August 2021	(4,535)	(14,476)	-	(4,013)	(7,026)	(30,050)
At 31 August 2021	36,857	146,146	1,233	339	2,995	187,570
At 1 September 2020	37,625	126,278	1,510	579	1,694	167,686
Company	Freehold land and buildings	Long leasehold property	Assets under construction	Equipment and vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 September 2020	280	3,105	235	552	4,695	8,867
Additions	-	-	68	-	1,687	1,755
Transfers	-	47	-	-	10	57
Reclassifications	-	-	(173)	-	-	(173)
Disposals	(280)	-	(51)	(9)	(46)	(386)
At 31 August 2021	-	3,152	79	543	6,346	10,120
Accumulated depreciation						
At 1 September 2020	(80)	(1,397)	-	(534)	(3,832)	(5,843)
Charge for the year	(8)	(44)	-	(9)	(829)	(890)
Transfers	-	(47)	-	-	(10)	(57)
Reclassifications	-	-	-	-	-	-
Disposals	88	-	-	9	39	136
At 31 August 2021	-	(1,488)	-	(534)	(4,632)	(6,654)
Net book value						
At 31 August 2021	-	1,664	79	9	1,714	3,466
At 1 September 2020	200	1,708	235	18	863	3,024

Notes to the financial statements (continued)

8. Tangible Assets (continued)

Land and buildings transferred to Shaw Education Trust (SET) as part of the Academies programme are reflected within freehold or long leasehold fixed assets at the point of transfer.

The land and buildings transferred as part of the Academies programme are subject to the provisions of the individual academy funding agreements and the master funding agreement.

These provisions may include preventing the company from selling the land and buildings. Upon termination of a funding agreement, whether as a result of the Secretary of State for Education or SET serving notice, the assets relating to that agreement will return to the Secretary of State.

The value of the land and buildings to which these Academy agreements apply is £177,809,000. (2020: £158,333,000).

The value of the transferred assets has been recognised in the Statement of Financial Activities as Net assets taken on with mergers and transfers.

Reclassifications relate to software assets formerly shown as tangible assets.

Balances disclosed in the prior year financial statements, have been shown as transfers to better reflect the nature of the balances.

9. Investments in Subsidiary Undertakings and Joint Ventures

Company interests in group undertakings

	2021 £'000
At 1 September 2020	19,955
Impairment	(600)
At 31 August 2021	19,355
Amortisation	
At 1 September 2020	(600)
Impairment	600
At 31 August 2021	-
Net book value	
At 31 August 2021	19,355
At 1 September 2020	19,355

Notes to the financial statements (continued)

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

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	Company Number	Charity Number	Country of incorporation	Percentage of control	Nature of business
Shaw Trust International Partnerships Limited	5859747		England and Wales	100%	Dormant
Disabled Living Foundation	1837993		England and Wales	100%	Dormant
Careers Development Group	1647371		England and Wales	100%	Dormant
Shaw Trust Services Limited	3176328		England and Wales	100%	Dormant
Shaw Trust Enterprises Limited	2521307		England and Wales	100%	Dormant
Shaw Southern Australia Limited	ABN 41 075 242 027		Australia	100%	Dormant
Forth Sector	SC124791	SC016414	Scotland	100%	Charity
Prospects Group 2011 Limited	7708678		England and Wales	100%	Company Limited by Shares
Ixion Holdings (Contract) Limited	6886337		England and Wales	100%	Company Limited by Guarantee
Shaw Education Trust	9067175	Exempt Charity	England and Wales	100%	Charity
ST07033535 Limited (formerly CDG-WISE Ability Limited)	7033535		England and Wales	100%	Limited by Guarantee

The registered address for all of the above subsidiaries (with the exception of the Shaw Education Trust and Forth Sector) is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The registered address for Shaw Education Trust is: Kidsgrove Secondary School, Gloucester Road, Kidsgrove, Stoke-on-Trent ST7 4DL.

The registered address for Forth Sector is: Duddingston Yards, Duddingston Park South, Edinburgh, Lothian, EH15 3NT.

Notes to the financial statements (continued)

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

The Shaw Trust share of:	Total assets	Total liabilities	Gross incoming resources	Net surplus / (deficit) of income over expenditure
	£'000	£'000	£'000	£'000
2021				
Forth Sector Limited	3,075	(3,241)	1,117	(79)
Ixion Contracts (Holding) Limited	8,346	(7,848)	12,120	(952)
Prospect Services	54,803	(91,663)	33,496	4,298
Homes2Inspire	7,138	(14,241)	20,477	(221)
Shaw Education Trust	202,330	(76,797)	113,415	6,840
Total	275,692	(193,790)	180,625	9,886
2020				
Forth Sector Limited	2,874	(1,945)	1,560	(303)
Ixion Contracts (Holding) Limited	9,487	(8,037)	14,258	399
Prospect Services	47,122	(59,945)	35,739	177
Homes2Inspire	10,609	(15,770)	16,886	3,334
Shaw Education Trust	174,836	(56,143)	106,329	18,097
Total	244,928	(141,840)	174,772	21,704

Only the material subsidiaries results have been disclosed. Homes2Inspire and Prospect Services are part of the Prospects Group.

Notes to the financial statements (continued)

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

Joint Ventures

Name of joint venture	Company Number	Country of incorporation	Percentage of control	Nature of business
The Integracja Foundation	KRS: 0000144578	Poland	50%	Charity
STAR Skills Limited	10086962	England and Wales	50%	Private Limited Company

The registered address for The Integracja Foundation is: ul. Andersa 13, 00-159 Warszawa, Poland.

The registered address for STAR Skills Limited is: Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG. STAR Skills Limited is a dormant company.

	Motivation Romania Foundation		Intergracja Foundation		Total	
The Shaw Trust Limited share of:	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Total assets	-	-	93	78	93	78
Total liabilities	-	-	(41)	(31)	(41)	(31)
Net assets	-	-	52	47	52	47
Gross incoming resources	-	-	101	119	101	119
Net surplus / (deficit) of income over expenditure	-	(998)	6	(15)	6	(1,013)

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.

Notes to the financial statements (continued)

10. Investments

As a part of the Trust's investment policy, a portion of funds available for investment was 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 were held for the medium-term and as a result, and in accordance with accounting guidance, these investments were classified as fixed assets. These investments had been liquidated in previous years.

The movement on the value of the investments during the year is as follows:

	2021	2020
	£'000	£'000
At 1 September 2020	-	213
Additions to investments at cost	-	-
Disposals at carrying value	-	(213)
Loss on disposal of assets	-	-
Net gain on revaluation	-	-
At 31 August 2021	-	-

Post year end a new Investment Manager was appointed following a detailed tender process and an amount of £5m transferred, to be invested in line with our investment policy.

Notes to the financial statements (continued)

11. 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 The Shaw Trust Limited. The financial results of Palmer Gardens are shown below.

As at 31 August 2021, Palmer Gardens has a Revenue Fund of £Nil (2020: £Nil) and a Capital Fund of £579,000 (2020: £547,000). The income and expenditure account for the Revenue Fund is set out below:

Revenue Fund	2021	2020
	£'000	£'000
Turnover	821	287
Cost of sales	(292)	(249)
Gross Profit	529	38
Selling and distribution	(251)	(301)
Administration	(60)	(68)
Finance	(12)	(1)
Operating surplus / (deficit)	206	(332)
Support costs	(32)	(21)
Depreciation	(1)	(19)
Net surplus / (deficit)	173	(372)
Palmer Gardens Revenue Fund brought forward	-	-
Transfer from capital fund	1	19
Donation (to) / from The Shaw Trust Limited to Palmer Gardens	(174)	353
Balance of restricted revenue reserve (see note 19)	-	-

Notes to the financial statements (continued)

11. Palmer Gardens (continued)

The assets and liabilities for the Capital Fund are set out below:

Capital Fund	2021	2020
	£'000	£'000
Fixed assets		
Palmer Gardens	579	547
Analysis of net assets:		
Current assets – stock	123	121
Current liabilities - creditors The Shaw Trust Limited	(123)	(121)
Net current assets	-	-
Total assets less current liabilities	579	547
Funds		
Restricted capital funds	579	547
Total (see note 19)	579	547

12. Stocks

	Group		Company	
Finished goods	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Plants, shrubs, nursery and books	350	439	216	214
Shop stock	41	68	41	68
Other	35	41	35	41
Total	426	548	292	323

13. Debtors

Amounts falling due within 1 year:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	20,350	11,111	9,737	2,018
Amounts due from group undertakings	-	-	8,620	12,205
Loans to group undertakings	-	-	100	400
Deferred tax asset	85	106	-	-
Other debtors	291	567	59	37
Prepayments and accrued income	13,200	19,004	6,102	2,509
Total	33,926	30,788	24,618	17,169

Notes to the financial statements (continued)

13b. Debtors greater than one year

Balances within Prepayments and Accrued Income have risen substantially primarily due to different timing of invoicing.

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Deferred tax asset	18,768	12,386	-	-
Loans to group undertakings	-	-	300	-
Total debtors greater than one year	18,768	12,386	300	-

14. Deferred Taxation

	2021	2020
	£'000	£'000
Accelerated capital allowances	411	75
Short term timing differences - trading	18,442	12,417
	18,853	12,492
Analysed as:		
Amount due within one year	85	106
Amount due after more than one year	18,768	12,386
	18,853	12,492
Movement in year		
Opening balance	12,492	10,938
Changes in deferred tax	6,361	1,554
Closing balance	18,853	12,492

The amount of the net reversal of deferred tax expected to occur next year is £nil, relating to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on intangible fixed assets.

The group have no unrecognised deferred tax assets (2020: £nil).

15. Cash at bank and in hand

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Cash at bank and in hand	55,031	33,497	10,616	2,462

Notes to the financial statements (continued)

15. Cash at bank and in hand (continued)

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.

16. Creditors - amounts falling due within one year

	Group		Company	
	2021	Restated 2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	5,714	2,683	1,640	894
Taxation and social security	15,402	11,504	4,093	3,427
Other creditors	7,122	3,155	4,227	-
Loans	2,247	1,233	2,000	1,000
Accruals	11,578	14,971	3,493	5,439
Deferred income	29,456	24,111	17,061	8,627
Total	71,519	57,657	32,514	19,387

Employment and Justice Contracts, amongst others, received significant funds in advance of performance which have therefore been deferred into future periods (2021: £29.5m).

Deferred Income

Group	2021	2020
	£'000	£'000
At 1 September 2020	24,111	9,016
Amounts received in year	22,903	26,790
Amounts used in year	(17,558)	(11,695)
At 31 August 2021	29,456	24,111

Company	2021	2020
	£'000	£'000
At 1 September 2020	8,627	4,629
Amounts received in year	14,304	6,076
Amounts used in year	(5,870)	(2,078)
At 31 August 2021	17,061	8,627

Notes to the financial statements (continued)

16b. Creditors - amounts falling due after one year

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Loans and Borrowings	1,293	3,493	-	1,961
Total	1,293	3,493	-	1,961

Loans include a bank loan amounting to £2.0m (2020: £2.9m) which is secured by a fixed charge on all The Shaw Trust Limited Group assets, excluding Shaw Education Trust.

Interest accrues at a variable margin ranging between 2.25% and 3.25% over LIBOR and is payable over periods ranging between one month and six months, or any other period agreed between the company and the lender.

Transaction costs in respect of the refinancing were recognised as part of the interest expense, amortised over the term of the bank loan.

Borrowings by Forth Sector amounting to £0.8m are secured by floating charges and standard securities over the assets of that company.

17. Provision for liabilities and charges

Group	Dilapidations	Other Provisions	Contract Risk	Total
	£'000	£'000	£'000	£'000
At 1 September 2020	174	-	1,950	2,124
Created during the Year	862	207	-	1,069
Unused amounts reversed during the year	-	-	(1,950)	(1,950)
Utilised during the year	(12)	-	-	(12)
At 31 August 2021	1,024	207	-	1,231

Company	Dilapidations	Other Provisions	Contract Risk	Total
	£'000	£'000	£'000	£'000
At 1 September 2020	28	-	1,950	1,978
Created during the Year	374	132	-	506
Unused amounts reversed during the year	-	-	(1,950)	(1,950)
Utilised during the year	(12)	-	-	(12)
At 31 August 2021	390	132	-	522

Notes to the financial statements (continued)

17. Provision for liabilities and charges (continued)

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. Last year provision was utilised for Work Choice and Work Programme offices. Changes in contracts and a reduction in the number of delivery sites means that The Shaw Trust Limited does not need a higher dilapidations provision.

The other provisions are for non-reclaimable cost provisions on contracts.

The contract risk provision related to work undertaken to enhance procedures and compliance within the Trust's historical contracts and as a result the Trustees have made a contract risk provision to cover possible rectification costs that might arise from shortcomings in the record keeping on those contracts.

18. Unrestricted funds

Group	Movement in Funds				At 31 August 2021
	At 1 September 2020	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Current assets fund	1,511	1,755	(1,095)	-	2,171
Total designated funds	1,511	1,755	(1,095)	-	2,171
General funds	23,555	158,082	(153,034)	356	28,959
Total unrestricted funds before pension surplus / (deficit)	25,066	159,837	(154,129)	356	31,130
Pension deficit	(64,655)	-	(6,104)	-	(70,759)
Total unrestricted funds	(39,589)	159,837	(160,233)	356	(39,629)

Company	Movement in Funds				At 31 August 2021
	At 1 September 2020	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Current assets fund	1,306	1,755	(1,095)	-	1,966
Total designated funds	1,306	1,755	(1,095)	-	1,966
General funds	14,425	76,111	(70,569)	356	20,323
Total unrestricted funds before pension surplus / (deficit)	15,731	77,866	(71,664)	356	22,289
Pension deficit	(15)	-	15	-	-
Total unrestricted funds	15,716	77,866	(71,649)	356	22,289

Notes to the financial statements (continued)

18. Unrestricted funds (continued)

Group	Movement in Funds				At 31 August 2020 £'000
	At 1 September 2019 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	1,733	104	(326)	-	1,511
Total designated funds	1,733	104	(326)	-	1,511
General funds	35,429	119,720	(131,241)	(353)	23,555
Total unrestricted funds before pension surplus / (deficit)	37,162	119,824	(131,567)	(353)	25,066
Pension deficit	(60,537)	-	(4,118)	-	(64,655)
Total unrestricted funds	(23,375)	119,824	(135,685)	(353)	(39,589)

Company	Movement in Funds				At 31 August 2020 £'000
	At 1 September 2019 £'000	Incoming £'000	(Outgoing) £'000	Transfer £'000	
Designated funds:					
Current assets fund	1,528	104	(326)	-	1,306
Total designated funds	1,528	104	(326)	-	1,306
General funds	20,612	41,180	(47,014)	(353)	14,425
Total unrestricted funds before pension surplus / (deficit)	22,140	41,284	(47,340)	(353)	15,731
Pension deficit	14	-	(29)	-	(15)
Total unrestricted funds	22,154	41,284	(47,369)	(353)	15,716

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

The pension liability arises from a number of defined benefits schemes that the Trust makes payments to in respect of certain employees to whom the Transfer of Undertakings (Protection of Employment) regulations (TUPE) applied (see note 24).

The pension deficits associated with the Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund Cheshire Pension Fund and Derbyshire Pension Fund are all held within Restricted Funds as they pertain to SET.

The transfers comprise transfers to restricted reserves as shown in note 19.

Notes to the financial statements (continued)

19. Restricted Funds

Group and Company	At 1	Incoming	Movement in funds (Outgoing)	Impact of Foreign Currency Translations	Transfers	At 31
	September 2020					August 2021
	£'000	£'000	£'000	£'000	£'000	£'000
DIG for Dinner	38	-	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	-	250
Palmer Gardens Fund (Capital)	547	33	(1)	-	-	579
Palmer Gardens Fund (Revenue)	-	821	(647)	-	(174)	-
Employment Action Centre (Capital)	674	1	-	-	-	675
Disability Action Centre (Capital)	519	-	-	-	-	519
Disability Action Centre (Revenue)	3	-	-	-	-	3
Shaw Trust Clamp Hill	5	-	-	-	-	5
Aim 4 Work (Building Better Opportunities) North and East London - Delivery	-	938	(826)	-	(112)	-
Aim 4 Work (Building Better Opportunities) South London - Delivery	-	505	(448)	-	(57)	-
Get Back on Track - Islington	-	96	(83)	-	(13)	-
DLF	1,725	-	(29)	-	-	1,696
Other	3	-	-	-	-	3
Total company	3,764	2,394	(2,034)	-	(356)	3,768
Shaw Education Trust	118,669	101,171	(94,335)	-	-	125,505
The Integracja Foundation	44	101	(92)	(1)	-	52
Total group	122,477	103,666	(96,461)	(1)	(356)	129,325

Notes to the financial statements (continued)

19. Restricted Funds (continued)

Group and Company	At 1	Incoming	Movement in funds (Outgoing)	Impact of Foreign Currency Translations	Transfers	At 31
	September 2019					August 2020
	£'000	£'000	£'000	£'000	£'000	£'000
The Big Lottery Fund						
DIG for Dinner	38	-	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	-	250
Palmer Gardens Fund (Capital)	566	-	(19)	-	-	547
Palmer Gardens Fund (Revenue)	-	287	(640)	-	353	-
Employment Action Centre (Capital)	674	-	-	-	-	674
Disability Action Centre (Capital)	519	-	-	-	-	519
Disability Action Centre (Revenue)	3	-	-	-	-	3
Shaw Trust Clamp Hill	5	-	-	-	-	5
DLF	1,742	-	(17)	-	-	1,725
Other	10	-	(7)	-	-	3
Total company	3,807	287	(683)	-	353	3,764
Shaw Education Trust	100,587	102,897	(84,815)	-	-	118,669
The Integracja Foundation	64	119	(135)	(4)	-	44
Motivation Romania Foundation	997	-	(997)	-	-	-
Total group	105,455	103,303	(86,630)	(4)	353	122,477

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.

The £250k for the Doncaster Borough Council guarantee relates to a security that has been pledged as 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.

Notes to the financial statements (continued)

19. Restricted Funds (continued)

Palmer Gardens is a vocational training centre and the restricted capital fund comprises £579,000 (2020: £547,000) 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 (2020: £nil).

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.

Aim4Work is funded by the European Social Fund and The National Lottery Community Fund under the Building Better Opportunities programme and forms part of their commitment to invest in local projects to tackle the root causes of poverty, promote social inclusion and drive jobs and growth.

Get Back on Track is a FREE service offering advice on employment rights to anybody in employment that lives in Islington or is registered with an Islington GP practice and is currently signed off work under a "Fit Note" or medical certificate.

Disabled Living Foundation (DLF) restricted reserves were acquired on merger in November 2014 and are to be utilised for DLF related activity only.

The funds received by Shaw Education Trust from the Department of Education can only be used to run the organisation and the academies that form part of Shaw Education Trust.

The funds held by The Integracja Foundation are treated as restricted funds because those funds can only be used for charitable purposes.

Notes to the financial statements (continued)

20. Analysis of net assets between funds

	Designated	Unrestricted (including pension deficit)	Restricted	Total funds 2021	Total funds 2020
Group	£'000	£'000	£'000	£'000	£'000
Fund balances at 1 September are represented by:					
Intangible fixed assets	-	7,434	1	7,435	14,292
Tangible fixed assets	-	5,792	181,778	187,570	167,686
Share of net assets of joint ventures	-	-	52	52	47
Current assets	2,171	79,666	26,314	108,151	77,219
Current liabilities	-	(62,153)	(9,366)	(71,519)	(57,657)
Long-term liabilities	-	(549)	(744)	(1,293)	(3,493)
Provisions for liabilities and charges	-	(1,231)	-	(1,231)	(2,124)
Pension deficit	-	(70,759)	(68,710)	(139,469)	(113,081)
Total net assets at 31 August 2021	2,171	(41,800)	129,325	89,696	-
Total net assets at 1 September 2020	1,511	(41,127)	122,505	-	82,889

	Designated	Unrestricted (including pension surplus)	Restricted	Total funds 2021	Total funds 2020
Company	£'000	£'000	£'000	£'000	£'000
Fund balances at 1 September are represented by:					
Intangible fixed assets	-	446	-	446	488
Tangible fixed assets	-	1,693	1,773	3,466	3,024
Investment in joint ventures	-	19,355	-	19,355	19,355
Current assets	1,966	31,865	1,995	35,826	19,954
Current liabilities	-	(32,514)	-	(32,514)	(19,387)
Long-term liabilities	-	-	-	-	(1,961)
Provisions for liabilities and charges	-	(522)	-	(522)	(1,978)
Pension deficit	-	-	-	-	(15)
Total net assets at 31 August 2021	1,966	20,323	3,768	26,057	-
Total net assets at 1 September 2020	1,306	14,410	3,764	-	19,480

Notes to the financial statements (continued)

20. Analysis of net assets between funds (continued)

	Designated	Unrestricted (including pension deficit)	Restricted	Total funds 2020	Total funds 2019
Group	£'000	£'000	£'000	£'000	£'000
Fund balances at 1 September are represented by:					
Intangible fixed assets	-	14,277	15	14,292	22,372
Tangible fixed assets	1,511	4,334	161,841	167,686	142,824
Share of net assets of joint ventures	-	-	47	47	1,063
Current assets	-	60,475	16,744	77,219	54,846
Current liabilities	-	(50,807)	(6,850)	(57,657)	(36,425)
Long-term liabilities	-	(2,627)	(866)	(3,493)	(6,888)
Provisions for liabilities and charges	-	(2,124)	-	(2,124)	(2,112)
Pension deficit	-	(64,655)	(48,426)	(113,081)	(93,599)
Total net assets at 31 August 2020	1,511	(41,127)	122,505	82,889	-
Total net assets at 1 September 2019	1,733	(25,118)	105,466	-	82,081

	Designated	Unrestricted (including pension surplus)	Restricted	Total funds 2020	Total funds 2019
Company	£'000	£'000	£'000	£'000	£'000
Fund balances at 1 September are represented by:					
Intangible fixed assets	-	488	-	488	702
Tangible fixed assets	1,306	(22)	1,740	3,024	3,483
Investment in Joint Ventures	-	19,355	-	19,355	19,355
Current assets	-	17,930	2,024	19,954	21,718
Current liabilities	-	(19,387)	-	(19,387)	(11,700)
Long-term liabilities	-	(1,961)	-	(1,961)	(5,499)
Provisions for liabilities and charges	-	(1,978)	-	(1,978)	(2,112)
Pension deficit	-	(15)	-	(15)	14
Total net assets at 31 August 2020	1,306	14,410	3,764	19,480	-
Total net assets at 1 September 2019	1,528	20,626	3,807	-	25,961

Notes to the financial statements (continued)

21. Taxation

The Trust has no liability to corporation tax as it satisfies the criteria for its income and gains to be exempt from corporation tax / corporate taxation. There is no similar exemption for VAT.

Members of the group without charitable status are charged corporation tax on their income and gains.

Deferred tax assets recognised by group companies are shown in note 14.

Tax charge for the year is:

	2021	2020
	£'000	£'000
Total current tax	27	-
Deferred taxation		
Origination and reversal of timing differences	1,558	(208)
Adjustment in respect of prior periods	(972)	282
Impact of changes in tax rates	(4,251)	(810)
Short term timing differences	-	146
Total deferred tax	(3,665)	(590)
Tax on loss	(3,638)	(590)
Other comprehensive income items	(2,710)	(955)
Total tax charge (See note 2)	(6,348)	(1,545)

Notes to the financial statements (continued)

21. Taxation (continued)

	2021	2020
	£'000	£'000
Profit / (loss) before taxation	2,283	(2,346)
Profit / (loss) before tax multiplied by the UK Corporation Tax rate of 19%	434	(446)
Expenses not deductible for tax purposes	117	321
Qualifying charitable donations	-	(76)
Losses	-	(69)
Adjustments in respect of prior periods (current tax)	(1)	260
Adjustments in respect of prior periods (deferred tax)	17	(808)
Other timing differences	(4,205)	228
	(3,638)	(590)

22. Financial commitments

At 31 August 2021 the group and company had annual commitments under non-cancellable operating leases expiring as follows:

Group	Property		Other	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Within one year	2,836	3,116	207	188
Between one and five years	5,356	7,263	367	79
After five years	958	1,664	-	-
Total	9,150	12,043	574	267

Company	Property		Other	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Within one year	1,302	1,039	41	188
Between one and five years	1,559	1,799	38	79
After five years	52	164	-	-
Total	2,913	3,002	79	267

Other operating leases relate to motor vehicles.

Notes to the financial statements (continued)

23. Capital commitments

As at 31 August 2021 the Trust had capital commitments of £1,306k (2020: £684k).

24. Pension commitments

The Trust makes payments to the South Yorkshire Pension Scheme and the Platinum multi-employer passported scheme.

The Group also participates in five local government pension schemes (LGPS), under the umbrella of Shaw Education Trust, operated by Staffordshire Council, the West Midlands Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund. Derbyshire Pension Fund is new this year. Those schemes are in respect of certain employees to whom The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) applied. The schemes are defined benefit schemes and the assets are held in separately administered funds. The 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.

The Group also had admission agreements, through Prospects Services, with the London Pensions Fund Authority, the City of Bradford Metropolitan District Council responsible for the West Yorkshire Pension Fund, Gloucestershire County Council, Northamptonshire County Council and Wolverhampton City Council responsible for the West Midlands Metropolitan Authorities Pension Fund and Leicestershire County Council all of whom administer funds as part of the Local Government Pension Scheme (LGPS). The LGPS is a multi-employer statutory defined benefit pension scheme and the scheme members have a statutory right to their accrued benefits.

The Group's assessed share of the fair value of the assets of the schemes were:

Notes to the financial statements (continued)

24. Pension commitments (continued)

Year ended 31 August 2021	Total Share of scheme assets	Present value of scheme liabilities	Asset ceiling	Net pension deficit
	£'000	£'000	£'000	£'000
South Yorkshire Pension Scheme (The Shaw Trust)	3,512	(3,165)	(347)	-
Platinum Pension Scheme (The Shaw Trust)	1,530	(1,316)	(214)	-
Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund (Shaw Education Trust)	57,046	(125,756)	-	(68,710)
London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospect Services)	148,820	(217,362)	(2,217)	(70,759)
At 31 August 2021	210,908	(347,599)	(2,778)	(139,469)

Year ended 31 August 2020	Total Share of scheme assets	Present value of scheme liabilities	Net pension (deficit) / surplus
	£'000	£'000	£'000
South Yorkshire Pension Scheme (The Shaw Trust)	3,037	(3,093)	(56)
Platinum Pension Scheme (The Shaw Trust)	1,243	(1,202)	41
Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund (Shaw Education Trust)	38,324	(86,750)	(48,426)
London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospect Services)	135,927	(200,567)	(64,640)
At 31 August 2020	178,531	(291,612)	(113,081)

Notes to the financial statements (continued)

24. Pension commitments (continued)

	Assets	Liabilities	Asset ceiling	2021 Total
	£'000	£'000	£'000	£'000
Deficit in the scheme as at 1 September 2020 (restated)	178,531	(289,392)	(2,261)	(113,122)
Acquired in year	4,461	(7,961)	-	(3,500)
Administration expenses	(219)	-	-	(219)
Benefits paid	(5,327)	5,327	-	-
Employer contributions	5,577	(133)	-	5,444
Contribution from employees	930	(929)	-	1
Current service cost	27	(9,044)	-	(9,017)
Past service costs including curtailments	-	(11)	-	(11)
Settlements	288	(484)	-	(196)
Interest income / (expense)	2,948	(4,877)	-	(1,929)
Change in asset ceiling	-	-	(517)	(517)
Re-measurement gains / losses				
- Actuarial loss	8,504	(41,118)	-	(32,614)
- Other assumptions	-	1,023	-	1,023
- Return on plan assets excluding interest income	15,188	-	-	15,188
Deficit in the scheme as at 31 August 2021	210,908	(347,599)	(2,778)	(139,469)

Company

Year ended 31 August 2021

	Total Share of scheme assets	Present value of scheme liabilities	Asset ceiling	Net pension (deficit) / surplus
South Yorkshire Pension Scheme	3,512	(3,165)	(347)	-
Platinum Pension Scheme	1,530	(1,316)	(214)	-
At 31 August 2021	5,042	(4,481)	(561)	-

	Total Share of scheme assets	Present value of scheme liabilities	Asset ceiling	Net pension (deficit) / surplus
Year ended 31 August 2020				
	£'000	£'000	£'000	£'000
South Yorkshire Pension Scheme	3,037	(3,093)	-	(56)
Platinum Pension Scheme	1,243	(1,202)	-	41
At 31 August 2020	4,280	(4,295)	-	(15)

2020 comparatives have been restated for the effect of an Actuarial re-measurement of the Defined Benefits pension scheme.

Notes to the financial statements (continued)

24. Pension commitments (continued)

South Yorkshire Pension Scheme

	2021	2020
Expected rate of salary increases	3.95%	3.65%
Expected rate of increase of pensions in payments	2.8%	2.5%
Rate of inflation	2.7%	2.4%
Discount rate	1.7%	1.7%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	87.5	87.4
- Women	90.3	90.2

Longevity at 65 for future pensioners:

- Men	89.0	88.9
- Women	92.2	92.1

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total	2020
	£'000	£'000	£'000	£'000	£'000
Deficit in the scheme as at 1 September 2020	3,037	(3,093)	-	(56)	(20)
Benefits paid	(69)	69	-	-	-
Employer contributions	3	(3)	-	-	9
Contribution from employees	1	-	-	1	-
Current service cost	-	(22)	-	(22)	(21)
Past service cost	-	-	-	-	(22)
Interest income / (expense)	51	(52)	-	(1)	(1)
Change in asset ceiling	-	-	(347)	(347)	-
Re-measurement gains / losses					
- Actuarial gain	489	-	-	489	59
- Other assumptions	-	(64)	-	(64)	(63)
- Return on plan assets excluding interest income	-	-	-	-	3
Surplus in the scheme as at 31 August 2021	3,512	(3,165)	(347)	-	(56)

Notes to the financial statements (continued)

24. Pension commitments (continued)

Total cost recognised as expense:	2021	2020
	£'000	£'000
Current service cost	22	21
Interest cost	1	1
	23	22

	Value at 31 August 2021	Value at 31 August 2020
	£'000	£'000
Equities	1,700	1,441
Bonds	485	446
Gilts	260	267
Property	302	255
Cash	35	109
Other	730	519
Total market value of assets	3,512	3,037
Present value of scheme liabilities	(3,165)	(3,093)
Scheme surplus / (deficit)	347	(56)
Asset ceiling	(347)	-
Net pension deficit	-	(56)

The return on the plan assets was:

	2021	2020
	£'000	£'000
Interest income	51	54
Return on pension scheme assets less interest income	-	3
Total return on plan assets	51	57

Notes to the financial statements (continued)

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. A formal actuarial valuation was carried out as at 31 December 2016. The results of that valuation have been projected to 31 March 2019 with allowance for the payroll and benefit information which have been provided and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method. The major assumptions used by the actuary for the last two years are:

	2021	2020
Expected rate of salary increases	N/A	N/A
Expected rate of increase of pensions in payments	3.15%	3.0%
Rate of inflation	2.15%	1.9%
Discount rate	1.70%	1.6%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:

- Men	87.2	87.0
- Women	89.5	89.3

Longevity at 65 for future pensioners:

- Men	88.5	88.7
- Women	90.9	91.0

Reconciliation of scheme assets and liabilities:

	Assets £'000	Liabilities £'000	Asset ceiling £'000	Total £'000	2020 Restated £'000
Deficit in the scheme as at 1 September 2020 (restated)	1,243	(1,202)	(41)	-	-
Administration expenses	(22)	-	-	(22)	(21)
Benefits paid	(11)	11	-	-	-
Employer contributions	100	-	-	100	45
Interest income / (expense)	20	(19)	-	1	1
Change in asset ceiling	-	-	(173)	(173)	(7)
Re-measurement gains / losses					
- Actuarial gain / (loss)	-	(106)	-	(106)	15
- Return on plan assets excluding interest income	200	-	-	200	(33)
Surplus in the scheme as at 31 August 2021	1,530	(1,316)	(214)	-	-

Notes to the financial statements (continued)

24. Pension commitments (continued)

The Shaw Trust's assessed share of the fair value of the assets of this scheme were:

	2021 Total	2020 Total Restated
	£'000	£'000
Equities	9	518
Bonds	737	264
Gilts	780	240
Other	4	221
Total market value of assets	1,530	1,243
Present value of scheme liabilities	(1,316)	(1,202)
Scheme surplus	214	41
Asset ceiling	(214)	(41)
Total pension surplus	-	-

The return on the plan assets was:

	2021	2020
	£'000	£'000
Interest income	20	23
Return on pension scheme assets less interest income	200	(33)
Total return on plan assets	220	(10)

2020 comparatives have been restated for the effect of an Actuarial re-measurement of the Defined Benefits pension scheme. Of the resulting £41k gain, all £34k relates to the prior year and results in the consequential restatement of 2020 comparatives throughout these financial statements.

Notes to the financial statements (continued)

24. Pension commitments (continued)

Staffordshire Council (LPGS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund form the pension scheme for Shaw Education Trust.

(Shaw Education Trust Pension Schemes)

Staffordshire Council (LGPS)

Principal actuarial assumptions:

	2021	2020
Expected rate of salary increases	3.30%	2.6%
Expected rate of increase of pensions in payments	2.90%	2.2%
Rate of inflation	2.90%	2.2%
Discount rate	1.65%	1.7%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.4	86.2
- Women	89.0	88.6
Longevity at 65 for future pensioners:		
- Men	87.5	87.1
- Women	90.7	90.0

West Midland Pension Fund

Principal actuarial assumptions:

	2021	2020
Expected rate of salary increases	3.90%	3.3%
Expected rate of increase of pensions in payments	2.90%	2.7%
Rate of inflation	2.90%	2.3%
Discount rate	1.65%	1.6%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.6	86.9
- Women	89.0	89.1
Longevity at 65 for future pensioners:		
- Men	88.4	88.8
- Women	90.8	90.1

Notes to the financial statements (continued)

24. Pension commitments (continued)

Greater Manchester Pension Fund

Principal actuarial assumptions:

	2021	2020
Expected rate of salary increases	3.65%	3.0%
Expected rate of increase of pensions in payments	2.90%	2.1%
Rate of inflation	2.90%	2.2%
Discount rate	1.65%	1.0%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	85.5	85.5
- Women	88.3	88.1
Longevity at 65 for future pensioners:		
- Men	86.9	87.0
- Women	90.3	90.0

Cheshire Pension Fund

Principal actuarial assumptions:

	2021	2020
Expected rate of salary increases	3.60%	2.9%
Expected rate of increase of pensions in payments	2.90%	2.2%
Rate of inflation	2.90%	2.2%
Discount rate	1.65%	1.7%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.4	86.2
- Women	89.0	88.6
Longevity at 65 for future pensioners:		
- Men	87.4	86.9
- Women	90.7	90.0

Notes to the financial statements (continued)

24. Pension commitments (continued)

Derbyshire Pension Fund

Principal actuarial assumptions:

	2021	2020
Expected rate of salary increases	3.60%	2.9%
Expected rate of increase of pensions in payments	3.60%	2.2%
Rate of inflation	2.90%	2.2%
Discount rate	1.65%	1.7%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners:		
- Men	86.3	86.6
- Women	88.9	88.7
Longevity at 65 for future pensioners:		
- Men	87.5	87.6
- Women	90.8	90.1

Share of assets in the above schemes (Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund) was:

	Value at 31 August 2021	Value at 31 August 2020
	£'000	£'000
Equities	38,684	24,681
Corporate bonds	11,081	7,901
Property	4,086	3,040
Cash and other liquid assets	2,289	2,082
Other assets	905	620
Total market value of assets	57,045	38,324
Present value of scheme liabilities	(68,710)	(86,750)
Net pension deficit	(11,665)	(48,426)

Notes to the financial statements (continued)

24. Pension commitments (continued)

Total cost recognised as an expense:

	Value at 31 August 2021	Value at 31 August 2020
	£'000	£'000
Current service cost	8,098	6,319
Past service cost	11	333
Interest income	(765)	(982)
Interest cost	1,650	1,442
Total operating charge	8,994	7,112

London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospects Service Pension Schemes)

The actuarial valuations for the company have been updated to 31 August 2021 by qualified independent actuaries. The major assumptions used across the schemes described above, were:

	2021	2020
Expected rate of salary increases *	2.8 – 2.9%	2.2% - 2.8% plus PSS
Expected rate of increase of pensions in payments	3.2 – 3.9%	1.5% - 3.4%
Rate of inflation	1.9 – 2.0%	2.0% - 2.3%
Discount rate	1.6 – 1.65%	1.6% - 1.7%
PSS = Promotional salary scale		
The mortality assumptions used were as follows:		
Longevity at age 65 for current pensioners:		
- Men	87.7 – 87.0	86.0 - 87.0
- Women	89.0 – 89.4	88.7 - 89.4
Longevity at 65 for future pensioners:		
- Men	87.9 – 88.7	87.3 - 88.7
- Women	90.1 – 91.1	90.1 - 91.1

* London Pensions Fund Authority and Platinum schemes are now closed to active members and therefore the rate on increase in salaries is zero.

Notes to the financial statements (continued)

24. Pension commitments (continued)

Reconciliation of scheme assets and liabilities:

	Assets	Liabilities	Asset ceiling	Total	2020
	£'000	£'000	£'000	£'000	£'000
Deficit in the scheme as at 1 September 2020 (restated)	135,927	(198,347)	(2,220)	(64,640)	(60,551)
Administration expenses	(197)	-	-	(197)	(153)
Benefits paid	(4,755)	4,755	-	-	-
Employer contributions	825	(130)	-	695	1,485
Contribution from employees	(107)	107	-	-	-
Current service cost	27	(924)	-	(897)	(1,668)
Past service cost	-	-	-	-	(1)
Interest income / (expense)	2,112	(3,156)	-	(1,044)	(1,086)
Change in asset ceiling	-	-	3	3	-
Re-measurement gains / losses					
- Actuarial gain loss	-	(20,754)	-	(20,754)	(7,859)
- Other assumption	-	1,087	-	1,087	(1,344)
- Return on plan assets excluding interest income	14,988	-	-	14,988	6,537
Surplus in the scheme as at 31 August 2021	148,820	(217,362)	(2,217)	(70,759)	(64,640)

The actual return on plan assets over the period ending 31 August 2021 was £13,944,000 (2020: £5,484,000).

2020 comparatives have been restated for the effect of an Actuarial re-measurement of the Defined Benefits pension scheme. Of the resulting £2,220k loss, £1,594k relates to the prior year and results in the consequential restatement of 2020 comparatives throughout these financial statements.

25. Business combinations

Academy conversions: Shaw Education Trust (SET)

SET was incorporated as a wholly owned subsidiary on 2 June 2014 as a Multi Academy Trust to affect the sponsorship of three special schools / academies in Staffordshire.

During the year a further three schools were converted to SET (2019–20: four) and another existing academy transferred. The figures are shown in the following table.

- 1) Woodhey High School – transferred 1 October 2020.
- 2) Endon High School – transferred 1 November 2020.
- 3) Waterside Primary School – transferred 1 February 2021.

Notes to the financial statements (continued)

25. Business combinations (continued)

No cash consideration has been paid to the academies and so, no goodwill adjustments are required. The book values of the assets and liabilities were judged to be at fair value and had been treated in accordance with the Group's accounting principles, therefore no adjustments were required and the financial activity of SET has been fully consolidated into the Group financial statements from their date of transfer.

The tangible fixed assets relate to property which was valued at the point of transfer and recorded as a donation received in the group statement of financial activities.

The net assets acquired have been recorded as a donation received in the Group statement of financial activities. This relates to Shaw Education Trust (SET).

	2021 Total	2020 Total
	£'000	£'000
Fixed assets - tangible fixed assets	21,421	20,716
Cash at bank	1,460	1,239
Liabilities < 1 year	-	(57)
Pension liability	(3,500)	(8,224)
Net assets acquired	19,381	13,674
Acquisition Cost	-	-
Goodwill arising from acquisition	-	-

From the date of acquisition, the contribution to the results of the Group was as follows:

	2021 Total	2020 Total
	£'000	£'000
Total incoming resources	10,661	10,132
Outgoing resources	(10,963)	(8,802)
Net incoming resources for the period	(302)	1,330
Donation of net assets	19,381	13,674
Group net incoming resources derived from acquired activities	19,079	15,004

Notes to the financial statements (continued)

26. Related Party Transactions

All related party transactions between regulated and non-regulated entities are disclosed below.

All related party transactions with third parties are disclosed below.

Intra Group Balances	2021 £'000	2020 £'000
Forth Sector	(2,464)	(1,587)
Forth Sector Development Limited	196	252
Homes2Inspire Limited	(12,774)	(13,566)
Ixion CG Limited	1	0
Ixion Contracts (Holdings) Limited	(633)	(1,041)
Optimus Education Limited	(1,780)	(160)
Prospects Education Services Limited	(1,885)	(1,885)
Prospects Group (2011) Limited	(4,783)	(4,783)
Prospects Services	16,228	10,912
The Shaw Trust Limited	8,620	11,666
Shaw Trust Services Limited	(1,349)	(431)
Ixion Social Enterprises	623	623
	-	-

Notes to the financial statements (continued)

26. Related Party Transactions (continued)

The Trust requires all Trustees to complete a declaration of interests. The table below shows all the related parties that have been disclosed and the value of both income and expenditure that the Trust has incurred with these bodies during the period ended 31 August 2021. These transactions were as a result of normal business activity.

Related Party	Value of revenue received from Related Party	Outstanding revenue balance at 31 August 2021	Value of expenditure made to Related Party	Outstanding expenditure balance at 31 August 2021
Brookfield Special School (relating to V Blakeman – school governor)	594	594	-	-

27. Financial Instruments

	Note	Group 2021 £'000	2020 £'000	Company 2021 £'000	2020 £'000
Financial Assets					
Trade debtors	13	20,350	11,111	9,737	2,018
Intercompany		-	-	8,620	12,205
Other debtors	13	291	567	59	37
Total Financial Assets		20,641	11,678	18,416	14,260
Financial Liabilities					
Trade creditors	16	5,714	2,683	1,640	894
Other creditors	16	7,122	3,155	4,227	-
Loans	16/16b	3,540	4,726	2,000	2,961
Accruals	16	11,578	25,105	3,493	5,439
Total Financial Liabilities		27,954	35,669	11,360	9,294

Notes to the financial statements (continued)

28. Post Balance Sheet Events

During the year and continuing post year end Covid-19 has had a significant impact on the operations of the Trust and its activities. In particular the Charity Shops, Garden Centres and Enterprise operations have seen a higher impact than others with a number of employees having been furloughed in these areas, although this relief has since ended. The Trust continues to outperform its business plan and is confident that it has sufficient financial and operational resources to operate through the ongoing impact of this period of disruption.

THE SHAW TRUST LIMITED

England & Wales - Charity number 287785

Accounts

**Trustees Annual Report and Financial
statements for the year ended 31 August 2020**

Shaw Trust Limited

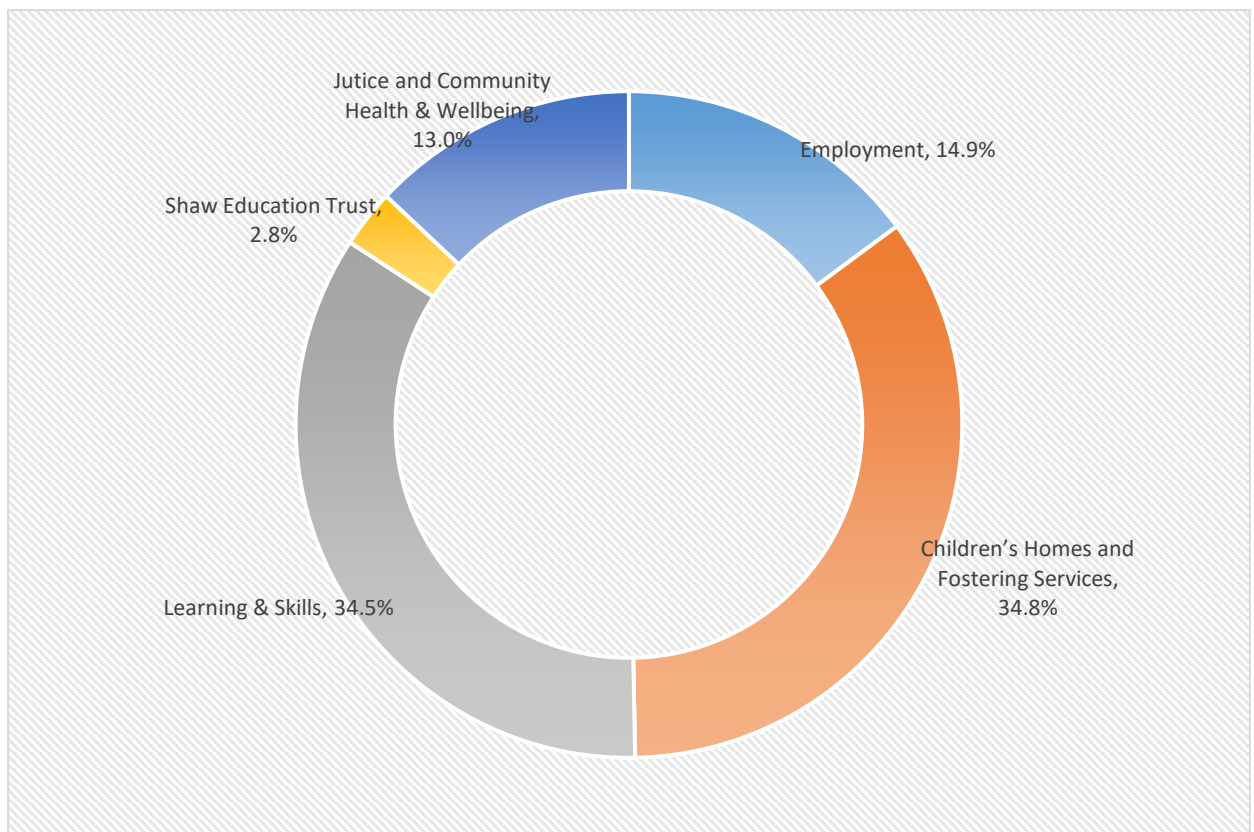
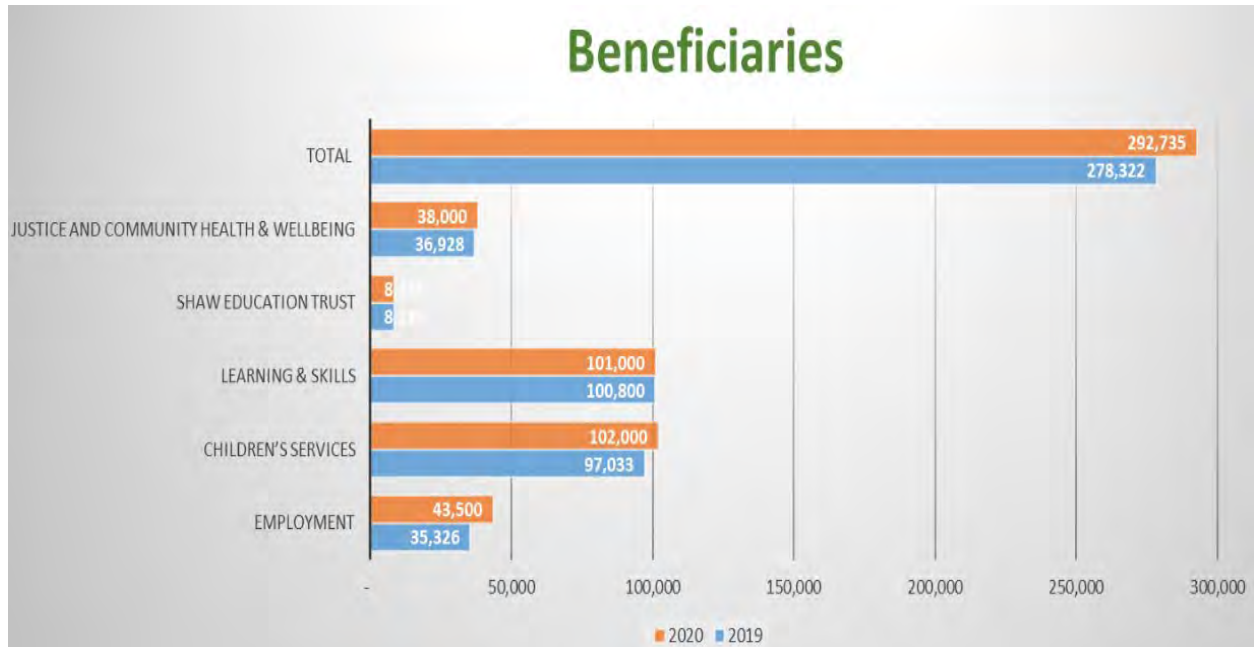
Registered Company Number 01744121
Registered Charity Number in England & Wales 287785
Registered Charity Number in Scotland SC039856
A Company Limited by Guarantee

Trustees Report – Strategic report

1. Overview

Who we are and what we do

We have supported 292,735 people during the year



At Shaw Trust we pride ourselves on our 'charitable heart with a commercial brain' approach to what we do. Our focus is to deliver quality services that also maximise social value and social investment to communities. This approach will allow us to meet:

What we believe

Our Vision

A future where good employment is accessible to all in society irrespective of life circumstances.

Our Mission

To co-create and deliver high quality employability programmes and complementary services for people with complex needs, challenging life circumstances or other barriers that impact on access to work.

Our Commitment

To focus our experience, skills, advocacy and passion to deliver the highest quality services for the people we support and to improve opportunities and access to work now and for the long term.

Our Values

We believe that who we are and the values we hold directly improves the quality of what we provide to those we support. Our values guide and focus us every day:

We care about people;
We support our staff, our volunteers and the people we work with to realise their potential.

We make a difference;
Making a lasting positive impact for the people we support is the reason we exist. We deliver high performance across our services, helping people to improve their lives.

We are inclusive;
We value the ideas, views and strengths of everyone we work with and support. Everybody is different and everybody is equal.

We are collaborative;
Working together is more effective and efficient. We believe that by working together with those we support and our partners we create better services and solutions.

We are honest;
We are authentic, accountable and transparent in all we do.

Shaw Trust believes in the right of every person in the United Kingdom to live a decent and dignified life through good employment.

We are a not-for-profit social enterprise that seeks to improve life chances for employment for people who face social and economic challenges, or who may also be disabled or have complex needs.

We know that inequality and barriers to accessing good employment impact significantly on people's income, sense of purpose, social connections and personal agency. These inequalities and barriers often begin early in life, impacting on individuals throughout their school years and into early adulthood.

We have grown from humble beginnings. Founded in 1982 as a small charity in the Wiltshire village of Shaw, our initial focus was to find employment for disabled people. Over time and through a combination of organic growth, mergers and acquisitions we have become the UK's largest not-for-profit social enterprise in the employability sector.

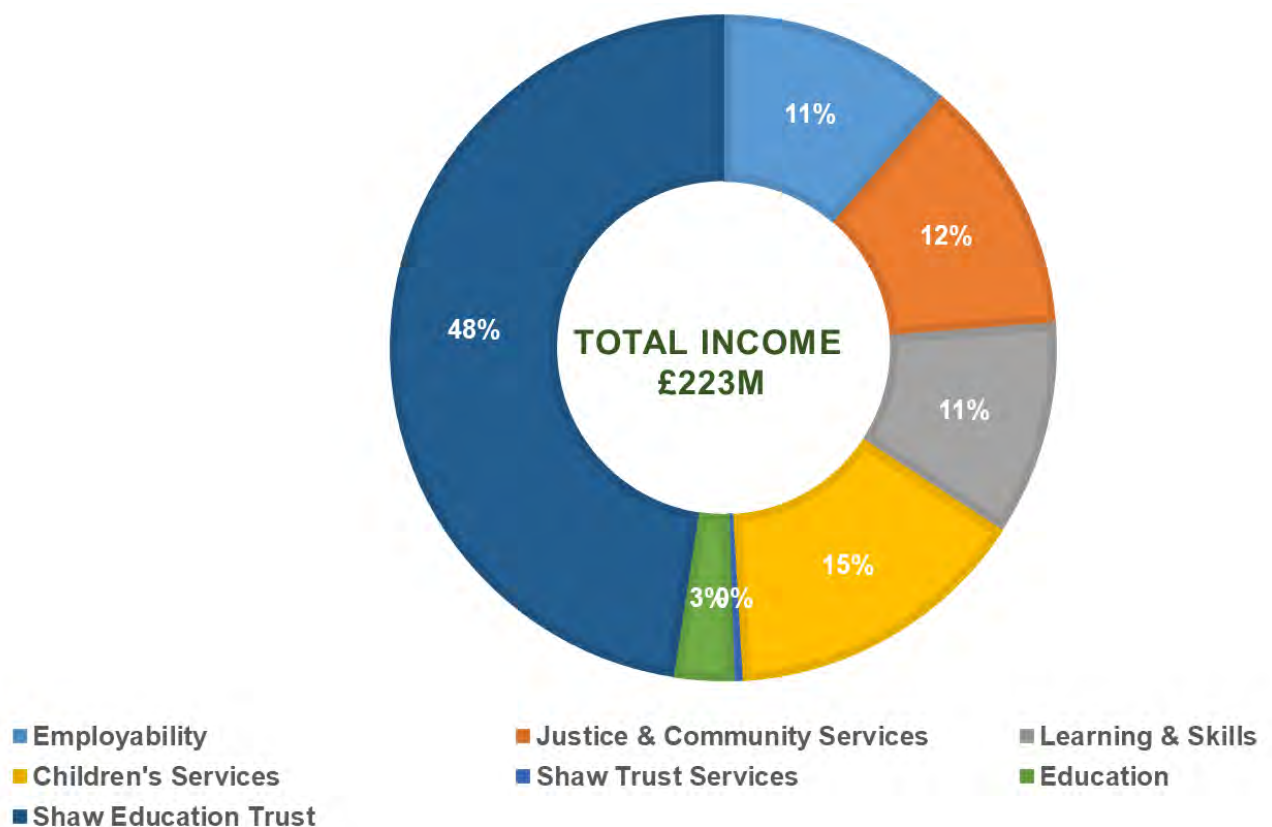
Today we are a charity that remains committed to employment as the core pathway to a better life. However, we

recognise that access to good employment is critically dependent on what happens in people's formative years and the opportunities they then have.

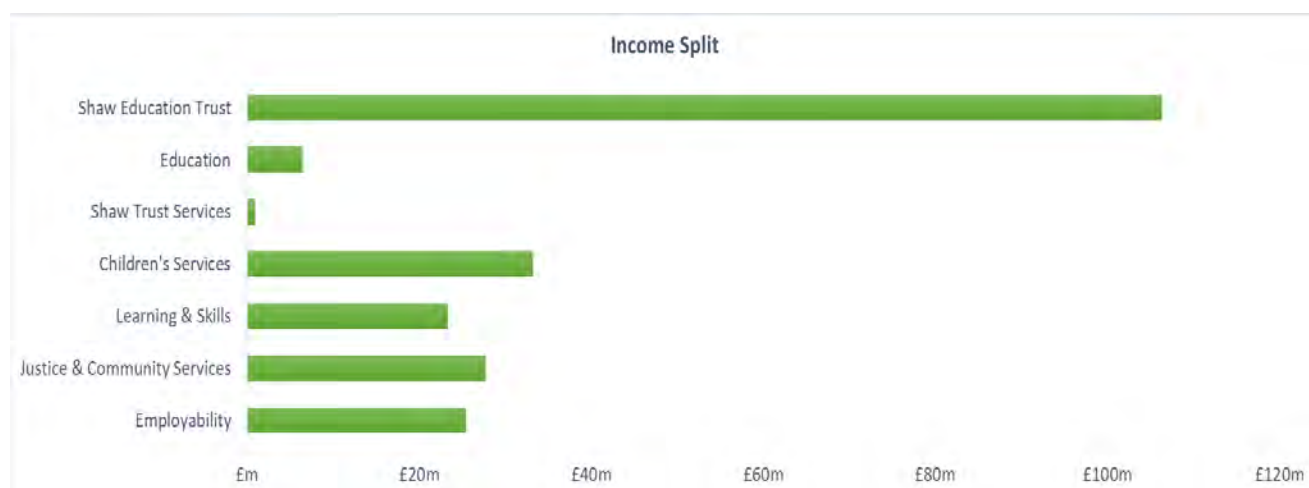
To address this, we provide a broadened framework of complementary services including; Education and Skills, Children and Young People's Services, Health and Wellbeing.

These financial statements provide a summary of our performance during the year and outlines our ongoing ambition and commitment to deliver high quality services to the people we support.

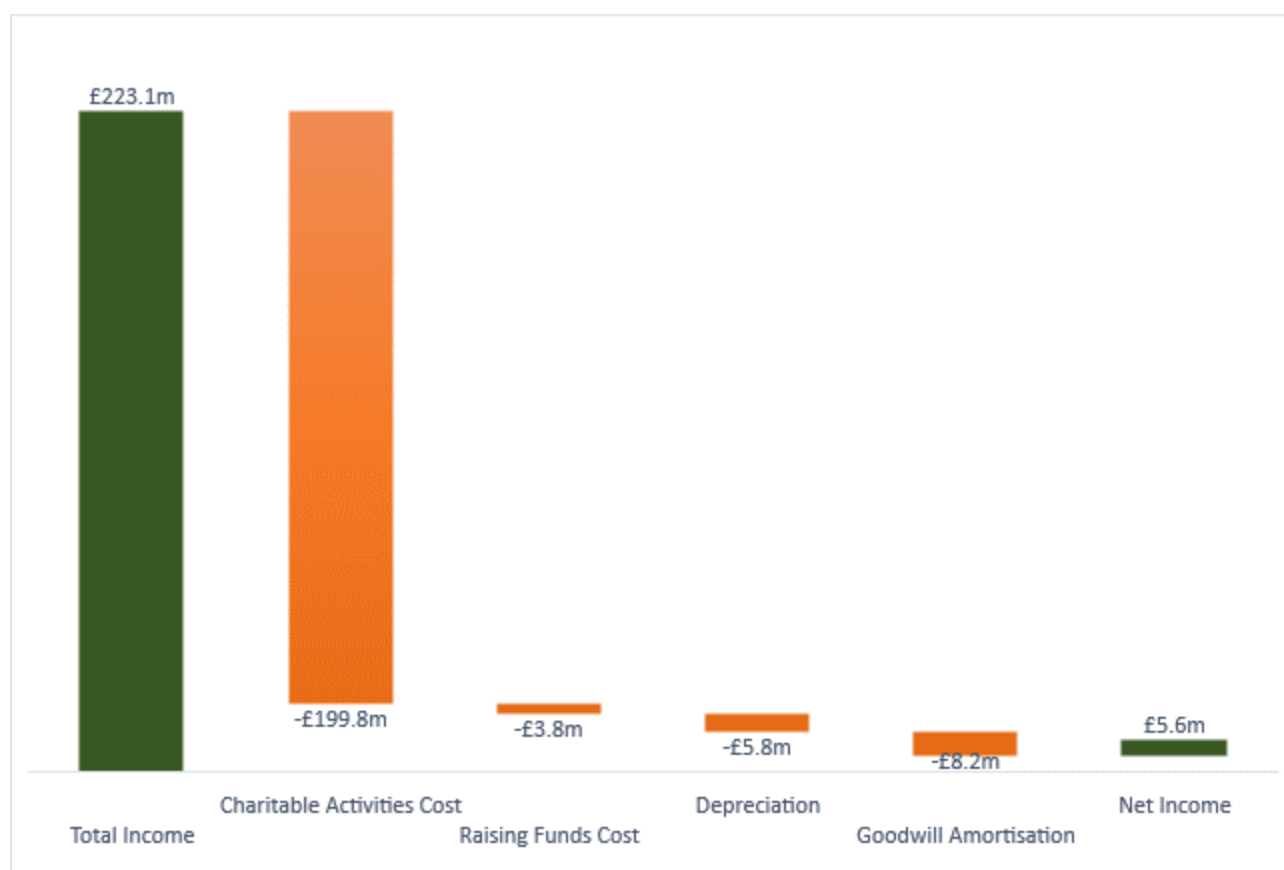
Income & Expenditure Highlights



Income & Expenditure Highlights



Total Income less Expenditure



2. Financial review

The Shaw Trust consolidated financial statements for 2019-20 are presented in the following pages.

The Trust has grown significantly in recent years, with the establishment of a multi academy Trust and acquisitions of the Ixion and Prospects Groups. Strategically this growth is important and has enabled the Trust to grow in new and existing markets. It has also facilitated opportunities to optimise the cost base across the group by maximising the opportunities to integrate property, systems, processes and people, particularly within the areas of central support services.

More recently the organisation has seen a period of integration and consolidation in anticipation of future opportunities within a rapidly shifting public sector marketplace.

The new management team formed in 2019 has continued the restructure programme for the business, including the approval and implementation of a three-year financial plan, which has been approved by the Trustees and has the full support of funders and other stakeholders.

The Trust has been in a year of transition and completed its first year of a 3-year turnaround plan. A restructuring exercise during this period has significantly reduced the cost base. Detailed operational reviews have driven better margin performance, and repositioned the Trust for its future development.

The first half of the year saw a period of consolidation, focusing on the core activities and disposing of non-core assets and business, and the identification of efficiencies within the business

The second half of the year was dominated by the impact of the Covid-19 pandemic which has had a significant impact on the operations of the Trust and its activities. Extensive risk assessment and modelling has been undertaken to assess the impact on our business plan and contingency planning and actions undertaken. This has included renegotiation of income streams on major contracts, furloughing certain employees where necessary, particularly in our retail and enterprise operations which had to shut down during the lockdown period, and we have also benefitted from temporary extra business rates relief.

In addition, liquidity has been supported through deferral of certain payments under the Government scheme as appropriate. Where possible we have sought to minimise our operating costs, by reducing office costs and overhead expenditure. Although in many areas we have had to change our way of working, the underlying business remains robust and we have managed to deliver in line with our business plan during the year, and are confident that we will be able to manage the Trust through this crisis.

Some sectors of the business, in particular the Charity Shops, Enterprise and Garden Centres have seen a higher impact than others with a number of employees having been furloughed in these areas.

The Trust has performed extensive scenario and contingency planning and has continued support from its funders and stakeholders, having renegotiated funding arrangements as appropriate with major customers and varied working practices to adapt to the crisis. This has included new funding arrangements with DWP, NCS, HMPPS and Kent County Council.

2. Financial review (continued)

Financial performance during this period of Covid-19 lockdown has been favourable to the Covid-19 scenario planning and we have consistently modelled a two peak scenario. We remain vigilant, especially with the introduction of recent new stricter measures, although the Trust is confident that it has sufficient financial and operational resources to operate through this period of disruption.

Economic conditions in the main UK market remain challenging but the group is now delivering strong performance across the majority of its contracts. The Trust continues to operate two of the Governments six flagship employability contracts, Work and Health Programme, which commenced in January 2018 and a further contract in London, commissioned by the West London Alliance. From October 2020 the Trust commenced the (DWP) Work and Health Programme – Job Entry: Targeted Support contract variation, covering Central England and the Home Counties.

The Trust continued during the year with its divestment programme of non-core businesses and surplus assets as part of this recovery plan which realised proceeds of £7m. The freehold sale of a principal office building was completed in July 2020, and the sale and leaseback of seven of the freehold properties in Homes 2 Inspire completed mid-August 2020.

In addition, the sale of our boutique education consultancy; Gabbitas, which was considered a non-core operation, was completed on 31 May 2020 for consideration of £0.5m.

Performance since the year end has been favourable against the business plan and cash reserves have been

maintained in line with the new reserves policy.

The results of each main legal entity may be summarised as follows:

	£m
Shaw Trust UK operations (excluding business combinations and amortisation in period)	(7.5)
Shaw Education Trust	21.5
Other	(1.2)
Ixion	(0.5)
Prospects	1.4
Goodwill amortisation and impairment	(8.2)
Actuarial (losses) and Net finance return on defined benefit pension scheme	(4.7)
Net movement in funds	0.8

The net movement in funds for Shaw Education Trust includes the value of assets acquired at the date that new schools joined the Shaw Education Trust, amounting to £13.7m (further details are included in note 25 – Business Combinations).

The increase in turnover reflects growth in contracts, especially in the employability divisions as well as an increase in the number of academies. The incoming resources from the activity of the group increased by £16.7m to £223.1m. Overall group net income has improved significantly, showing a surplus of £5.6m during the year, an increase of £24.0m over the prior year. Overall net surplus on funds for the year were £0.8m (2019: net deficit of £50.8m).

2. Financial review (continued)

Within the balance sheet, consolidated reserves at £82.9m have increased slightly by £0.8m, reflecting a combination of transfer in of academies, the performance in the year, increase in pension provisions and goodwill amortisation.

An increase of £25m in fixed assets to £168m is a reflection of additional schools acquired by SET. The majority of the fixed assets are academies with SET.

Working capital remained positive, showing an increase of £1.1m in the year to £19.6m.

A significant increase of £16.6m in cash and investments to £33.5m at 31 Aug 2020 reflects the Trust continuing its careful management of working capital and the build-up of a strategic reserve.

Longer-term liabilities predominantly relate to the increase in pension provisions, and have increased to £113m, largely due to changes in actuarial assumptions.

Within the cash flow, capital expenditure incurred of £27.6m (2019: £6.5m) was primarily in respect of the costs of building work and improvements undertaken at the Shaw Education Trust's academies, largely funded by successful grant applications.

Investment powers, policy and performance

The Trust currently has no material investments, having realised the majority of its investments in the prior year. The Trust's liquid assets are held as cash and cover a strategic reserve and sufficient cash for working capital purposes, and is in line with the reserves policy, below.

The Trust's long term policy for its 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, while obtaining the best yield that can be generated given the Trust's risk appetite.

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 in the event of a significant financial downturn and to take advantage of opportunities that are in line with our charitable mission.

The reserves policy is reviewed 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. The Trustees have considered whether the definition of free reserves, being the total unrestricted funds less any designated funds, revaluation reserves and pension scheme surpluses or deficits, is appropriate due to the significant pension deficit arising, predominantly from the acquisition of Prospects.

The conclusion of the Trustees was that there was not a significant risk that the pension liability would crystallise in the short to medium term and that the Trust can meet the required projected further income without significantly impacting the ongoing business.

2. Financial review (continued)

In addition, due to the relative stability of income through the long term nature of contracts undertaken, any reductions can be reasonably foreseen and actions taken before there is a significant impact on the Trust's reserves. The Trust therefore continues to calculate its 'free' reserves without setting aside designated reserves to cover its pension liabilities.

As at 31 August 2020 the Trust had free reserves of £23.6m (31 August 2019: £35.4m) as follows:

	At 31 Aug 2020 £m	At 31 Aug 2019 £m
Total unrestricted reserves	(39.6)	(23.4)
Less: Designated funds	(1.5)	(1.7)
Add: Pension liability	64.7	60.5
Free reserves	23.6	35.4

The decrease in Free Reserves is predominantly a reflection of the amortisation of the goodwill created from the acquisition of Prospects and movement in unrestricted reserves.

In addition to a suggested level of free reserves, the Trust's policy stipulates a minimum level of cash holding requirement to meet the following scenarios, including:

- A delay in collection of receipts
- Exceptional payments of costs
- A significant financial impact or loss of business

Detailed review of the risk and stress testing has been undertaken to assess the risk of a significant contract loss and

the mitigation steps available to management. The Trustees have considered the level of cash reserve required and consider it appropriate given the current resources and activities of the Trust.

3. Pension Schemes

The valuation of the Trusts pension schemes at 31 August 2020, for the purposes of FRS102, showed a funding deficit of £113.1m (2018/19 £93.6m). The increase reflects pension liabilities taken on with an additional 5 academies within Shaw Education Trust, and also a significant change in actuarial assumptions over the prior year, in particular a reduction in the discount rate.

The Trust monitors the size of the pension deficit and feels that there is sufficient income and cash flow in future years to service the requirement of these schemes.

In addition, a significant review of pension exposure and risk was undertaken during the year. In July 2020 the Trust closed the LPFA scheme, a significant final salary scheme, to new and existing members following a detailed review and consultation with members. A long term repayments plan has been agreed with the provider.

The Trust has several final salary pension schemes. SET participates in two principal schemes, the Teachers Pensions Scheme and the Local Government Pension scheme. In addition, there are a number of smaller final salary schemes. These are detailed in note 24, Pension Commitments.

2. Financial review (continued)

4. Risks and uncertainties

This subject matter is referred to in depth in the Risk Management section of Structure, Governance and Management, below.

5. Plans for the future

The Trust has recently agreed a ten year strategy and objectives, outlining our ambition and commitment to deliver high quality services to the people we support and our commissioners.

Our Vision 2030 Strategic Directive defines the short to medium term priorities which must be met to ensure that we have an organisation fit for the next decade. It lays out how we will deploy our skills and services to offer people centred tailored support and how we will work with commercial and charitable partners to meet our commissioners' policy objectives.

The Trust continues to focus on maximising performance on its key contracts and as part of its strategic vision to significantly increase the number of individuals supported, is looking at growing activity in existing and new markets.

After a decade of austerity and the impact of Covid-19, the demand for the Trust's services is increasing and will drive our plans to respond with increased capacity whilst retaining quality. We will retain employability as our principle specialisation and we will grow our complementary services to support it in the following areas:

- Education and Skills
- Children and Young People's Services
- Health and Wellbeing

The Trust has recently organised its internal structure into specialised operational divisions, each with individual targets to grow and develop in their own markets, with the benefit of being able to draw upon the breadth of experience from across the group in order to provide an enhanced range of services to commissioners and clients.

The Trust continues to outperform against its Three Year Business Plan, the divestment program has substantially completed and a strategic reserve is being built up.

In addition, the impact and challenges as a result of the Covid-19 pandemic have been extensively investigated, risk assessed and mitigated where appropriate. Financial modelling and scenario analysis has indicated that the Trust has the resources to sustain a period of operational disruption and financial loss during the period of this crisis.

6. Objectives and activities of the Trust

The objectives 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, ill-health or because they are offenders, ex-offenders or are at risk of offending;

- the promotion of the health, equality and independence of disabled people; and
- the prevention and relief of poverty.

The Trust aims to further its objectives in particular by providing education, training, rehabilitation, support, employment opportunities and personal development opportunities.

2. *Financial review (continued)*

The Trust will be non-party in politics and non-sectarian in religion.

The strategic aims of the Trust are to:

- Maintain a balanced portfolio of services to ensure robustness and resilience across the Group and avoid dependency on a single commissioner or contract.
- Deliver an integrated, blended and seamless portfolio of services and programmes that are locally based and nationally scalable.
- Innovate and continuously improve our offer to include digital-by-design and digital-by-execution where and when appropriate.
- Continue our advocacy work through dialogue with commissioners and government to improve access to and quality of employment for all.

In order to deliver our aims, we will:

- Grow our balanced portfolio to support the national need.
- Expand our employability programmes through the new DWP departmental framework as a partner of choice.
- Establish a second multi-academy trust modelled on the Shaw Education Trust.
- Examine the requirement and portfolio fit for Early Years interventions, maximise the potential of our Homes 2 Inspire children's homes.
- Increase our children's services engagement with Youth Offending Teams across the UK.

- Increase our children's services support for looked after children, young offenders and young people who are at risk of becoming Not in Employment, Education or Training (NEET) by expanding our NEET offer.
- Expand our Health and Wellbeing services support using the 'Live Well Kent' model.
- Review and adjust the various Social Enterprises now within the Shaw Trust Group for strategic fit within our growth pathways and layered services.
- Establish the Shaw Trust Foundation and Shaw Trust Policy Institute.

The Shaw Trust Foundation gives the charity a visible and accountable rallying point for the charitable purpose and activity in our organisation. The Foundation will receive the surplus revenue generated through our contracted services and will also actively fundraise to support our work. It will house the Shaw Trust Policy Institute, which will champion positive change for the people and communities we support, and the sectors we operate within.

The Foundation aims to create a better tomorrow for more people across the UK by establishing a grant giving programme to offer access to services and support not otherwise available. It will help us further our impact by maximising opportunities to generate social value with likeminded organisations. The Foundation will advance social justice through social value adding programmes, support initiatives that build community and improve individual lives, and champion those with barriers to progression in life, and will build a community of volunteers and supporters to campaign for and support our charitable mission.

2. *Financial review (continued)*

7. Achievements and performance

The Trust operates across a number of sectors to achieve our aims and objective as detailed below:

Employment

The employability division consists of a number of contracts centred around supporting and coaching adults who are currently unemployed, ultimately helping them achieve sustainable employment. We are one of the largest providers of the DWP Work and Health Programme (WHP) running 3 significant contracts across central England, East of England/Kent and West London, comprising 30% of the market share of this program. WHP is an employment support programme commissioned by DWP to improve employment outcomes for people with health conditions or disabilities and those unemployed for more than two years.

The Trust is contracted to provide co-ordinated, tailored, support to individuals to get them into work. We helped 43,500 people to gain skills to help them towards and or into employment. Nearly 5,000 of these clients went on to then find work. We continue to run three significant Work and Health Programme contracts and successfully retendered for two prime National Careers Service contracts, and a subcontract in South Yorkshire that are delivered through the Learning and Skills division.

The DWP awarded the Trust the Work and Health Programme – Job Entry: Targeted Support (WHP - JETS) contract variation which commenced in October 2020 with significant contracts in Central England and the Home Counties. The programme will help people who have been unemployed and in receipt of benefits for at least 13 weeks to find

sustained work. WHP - JETS will provide early support which will align to the core WHP programme and complement the wider labour market offer of support through a sector-based approach that responds to local priorities. The programme was in response to the Covid relief requirement due to increasingly high unemployment

Children's Homes and Fostering Services

Our children's homes and fostering services are run out of Homes 2 Inspire Limited and Fostering 2 Inspire, and continued to grow and develop the services to meet the needs of our customers (Local Authorities) and thereby improve the outcomes for the children and young people we look after.

Our principal activities are the provision of residential care for looked after children within our Ofsted registered children's homes, the majority of which are in the East Midlands. We currently have twenty-six homes which can look after up to one hundred and six children and young people.

We also have a contract to manage Trevone House; nineteen flats delivering leaving care services by providing 24-hour support, advice and guidance for some of the most vulnerable young people making the transition from care to independent living. This provision has been visited by a number of other Local Authorities and is being seen as an 'innovative, first of its kind blueprint' to develop similar services elsewhere.

Our customers are Local Authorities who place children either through block contract arrangements, framework agreements or on a spot purchase basis.

2. Financial review (continued)

66 of the 106 residential children's home places are subject to block contract arrangements for the exclusive use of specific Local Authorities and the leaving care services contracted directly by a Local Authority.

This has been a challenging year due to Covid-19 and the impact on maintaining service provision and developing new services. The staff teams have worked tirelessly to maintain service delivery and support young people within a continuous and ongoing Ofsted regulatory inspection regime.

The direction of travel for our key customers continues to be one of developing children's homes within their own County boundaries for their exclusive use on a block contract; meeting their 'sufficiency and efficiency' strategy and more importantly enabling the necessary 'wrap around' services, for example education and Child and Adolescent Mental Health Services (CAMHS) to be accessible and available to children and young people.

In partnership with key customers we have looked at ways to develop our services to meet the complex needs of children and young people stepping down from Tier 4 mental health provision or from Local Authority secure accommodation on welfare grounds who require residential care. This provides care for those who are hardest to place due to 'matching' and require high levels of support and care.

To meet these challenges, we have continued to develop solo and dual placement homes linked to 5-bed homes or 2 x 2-dual bed homes in close proximity to each other. Over the last year we opened a further three homes and have a further four homes under development.

In March 2020 we won a block contract to provide 15 residential placements for Oxfordshire County Council. Two existing homes will be transitioned to that contract; a further 2 homes are currently under development. The contract is in 2 stages, with 7 beds being made available by October 2020 and the remaining beds by April 1st 2021. A specialist home to go onto an existing block contract for a child with sensory impairment and complex needs is also being developed.

All homes have been inspected by Ofsted and 84% are 'Good' or 'Outstanding' with seven homes achieving an 'Outstanding' rating which acknowledges the dedication of the Home Managers and the staff teams in their work with children and young people. Homes 2 Inspire has been recognised by Ofsted as being in the top 10 of all Care Home providers.

'Fostering to Inspire', our Independent Fostering agency, based in Wakefield received an Ofsted 'Good' on its first inspection and continues to grow incrementally year on year. The creative work being undertaken will enable further opportunities to provide an integrated service between fostering and residential care to be developed.

The coming year will continue to present ongoing challenges as we come out of Covid-19 but also significant opportunities as we strive to meet the needs of our customers and commissioners by developing innovative solutions that provide value for money while authorities continue to review the services they deliver that provide positive outcomes for children and young people.

Children's Services:

We are the largest provider of our people's not in employment, education or training (NEET) contracts in the country.

2. Financial review (continued)

Our London contracts are some of the best performing in the country, including Harrow, Brent, Havering, Westminster and Bexley.

The London team has successfully run five European Social Fund NEET to EET programmes since 2016 for the most vulnerable NEET. In these projects we have used the unique Resilience mentoring approach and our Compass assessment tool to help our people understanding what could stop them from succeeding in their lives and develop skills to overcome the barriers.

We have delivered three Careers Cluster projects, supporting more than 50 schools and colleges to achieve good career guidance benchmarks, the Gatsby benchmarks. 100 employers engaged with 2,500 young people in schools, to raise their careers aspirations through inspirational virtual and real life employer experiences.

We supported 102,000 children, young people NEET, young offenders and those in care/care leavers to progress with life skills.

Learning & Skills:

The learning and skills division continues as an Ofsted Grade 1 Training organisation and continued the delivery of a range of skills training including apprenticeships, traineeships, adult learning programmes and Advanced Learning Loans, skills support for the employed and unemployed, Big Lottery unemployment progress projects and construction programme across all London boroughs, ex-offender rehabilitation and business start-up programmes for the unemployed as well as welfare to work. Within the Innovation division, staff bid for and administered multimillion euro grant funded bids from

Horizon 2020 and Innovate UK, instruments to support the development of services and products to improve society for the benefit of all residents. This involved supporting commercial clients in consortia across Europe to win innovation and research funding from the European Union and Innovate (EU) UK.

We supported 101,000 people to receive careers information, advice and guidance and helped 27,000 people of all different attainment levels to progress and gain qualifications through Apprenticeships, Higher Apprenticeships and Traineeships, and with qualifications to support those who want to progress within work, or those who want to enter work in addition to advanced learning loans.

Of these, 85% of those learners progressed into or within a range of employment, education and Apprenticeship opportunities within the Construction, Leadership and Management, Education and Training, Health and Social Care, and Digital and IT sectors.

Revenue streams in the year were from Government Departments including: The Education Skills Funding Agency (ESFA); the European Social Fund (ESF); the Department for Work and Pensions (DWP); the Ministry of Justice (MOJ); the EU and Local Authorities, Horizon 2020 and Innovate UK along with the Big Lottery contracts.

Revenue in the year decreased from the prior year mainly through some of the Government funded contracts coming to an end during the financial year and the significant impact of Covid 19 through the trading year. The Trust has continued to establish a strong track record and reputation of high quality delivery within Government Commissioners, key stakeholders and employers.

2. *Financial review (continued)*

The focus during the year has been to continue to invest in support services, embedding new technologies that offer efficient scaling to the business in a safe and compliant manner, delivering quality outcomes for our clients from our funding contracts, as well as developing key strategic alliances and collaborations to support business growth for the future.

The impact of the pandemic has resulted in an increased investment to further increase its physical and material digital capacity and resources to support clients, and an inability to claim all income due from contracts as clients were not able to fully undertake and complete their learning programmes. This was due to delays from external stakeholders in agreeing the solution to support clients on programmes. It is anticipated that much of this income will be claimed in the 20/21 year when clients can be further supported out of lockdown.

In addition to this cost, the division has further invested in a wider set of employer outward facing teams to support delivery of the Apprenticeship Strategy and Skills Levy arrangements put in place by the Government from May 2017.

Ixion, part of the Learning and Skills division, became a Grade 1 Outstanding Provider in November 2017 following an OFSTED inspection.

In 2019/20 the division improved the lives of over 30,800 individuals (2018/19: 41,000), the decrease reflecting a lack of starts during the Covid 19 pandemic.

Education

Shaw Education Trust (SET)

SET is a multi-academy trust, based in the North West and the Midlands. As at 31 August 2020 the Shaw Education Trust operated twenty-two academies, one Specialist Independent College, three teaching schools and a SCITT. This caters for 8,235 pupils aged 2–25 across Staffordshire, Stoke on Trent, Birmingham, Wolverhampton Bury, Wigan, Halton and Derby.

The total comprises 11 specialist provisions (including an Independent Specialist College, Newfriars which caters for young adult learners aged 16-25 years old); five primary academies and nine secondary academies.

During the year a further four schools joined SET and were converted to academies and another existing academy transferred. These are detailed in note 25.

Two mainstream primary academies joined in the year:

Streethay Primary School, our first free school on 1st September 2019, and Meadows Academy on 1 Jan 2020.

In respect of specialist schools:

Ivy House, a specialist provision for 2-19 year olds, joined on 1 October 2019

St Andrews Academy and St Martins School, both teaching schools, and providing specialist provision for 11-19 year olds, joined on 1 June and 1 May 2020 respectively.

2. Financial review (continued)

Evergreen and Pine Green Academies, providing a Primary Pupil Referral Unit and a specialist school for 7-16 year olds, joined on 1 March 2020, after a rebrokerage from another Multi-Academy Trust.

The growth strategy continues, and three additional academies have joined since the year end.

In addition, SET has been awarded a Free School (Specialist) in Bury, which is due to open in January 2023.

We work our hardest to improve, accelerate and enable ambitious life goals for all young people. Our 2,000 staff help the pupils realise their potential and achieve their ambitions at academies in all key stages, from foundation to key stage 5 in both special and mainstream education.

It has been an extraordinary year; the impact of Covid being a challenge since March 2020 and continuing post year end. In response to the pandemic all schools opened in line with expectation and national guidelines, with attendance continuing to be well above national averages by sector and phase. Schools are COVID safe and QA checks confirm compliance all schools have blended and remote learning plans in place.

Challenges remain, with continued COVID cases across the Trust, particularly in the North. Secondary schools are proving the hardest challenge due to scale and the related likelihood of infection.

Key priorities are to continue remote, blended and home learning, with accessibility to home ICT for all students, including Wi-Fi access during COVID. Partial closures are planned for, as matters continue to progress. Securing wellbeing of staff and students, including

safeguarding and addressing food poverty and personal care provision.

The Trust's business plan includes a detailed strategy for further growth, including free school applications and maintained school conversions. The priority remains to recruit schools from all sectors, secondary, primary as well as special schools. We continue to drive school improvement using a multi-faceted and evolutionary approach with our longer term priority focusing on reducing the learning disadvantaged gap.

Optimus

Optimus Education is an established provider of professional development support and school improvement information for schools, academies and mother educational institutions. We give teachers an opportunity for continuing professional development and offer careers and skills advice and guidance for young people.

We work with over 7,000 schools per year, in the UK and internationally, including nursery, primary secondary and colleges. By doing so we support teachers to improve and maximise the life chances of nearly 1.8m students and young people.

The largest revenue stream is conferences and events, which has been hit by the Covid-19 pandemic, although significant events have been delayed to next year and a digital events platform solution is being developed for 2021. The Awards business, launched in 2016, continues with over 800 schools signing up towards the Wellbeing Award, and a new mini awards program was launched during the year. Membership levels have remained in line with budget.

2. Financial review (continued)

Gabbitas

During the year Gabbitas, a boutique education business, was sold, as it was not core to our ongoing strategy.

Justice

Work in the Justice sector is designed to enable the people we support to positively contribute to society and break the cycle of reoffending. Education, skills, wellbeing and ongoing support, both within institutions and beyond the gate are all important elements of the rehabilitation process.

The Trust operates 7 of the 18 CF03 contracts for Her Majesty's Prison and Probation Service. The programme is co-funded by the European Social Fund and is designed to improve social inclusion amongst offenders and ex-offenders, who are considered the hardest to help in the justice system. We do this by helping them get ready for life after prison, turn their back on crime, train and find a job. Many of those we support have multiple and complex needs.

Through these we have helped over 8,000 new offenders, providing specific support, skills and training to clients in prisons and the community, resulting in over 3,000 accreditations and more than 669 jobs. During the period the contracts were extended to provide services to August 2023.

We continue to perform well on our IAG contracts despite the impact of Covid-19, with several contract wins during the year.

In addition, our Feltham contract provides education and training for males ranging from 12-18 years old, delivered on site within Feltham Young Offenders Institution. For those that cannot attend

in person, we provide education through visits to residential accommodation. During the year we worked with more than 300 boys at Feltham, who collectively achieved more than 2,000 accredited qualifications with some pupils achieving A-levels for the first time.

Community Health & Wellbeing

At least one in four people in the UK will experience a mental health problem each year. We work together with local authorities, clinical commissioning groups, the NHS, local and national charities and businesses, to help people improved their mental and physical health and wellbeing. This support means that people can better cope with the challenges they face and in turn function better at home, work and in their communities.

The Trust has a number of projects across the country working to improve community health and wellbeing. These include Get Back on Track, Suffolk Wellbeing Service and Thrive into Work, Live Well Kind and Aim4Work.

Community Health and Wellbeing services supported a total of 29,000 people to receive support for their health conditions working with 40 Supply Chain partners in delivery of our health and wellbeing services. This included almost 5,000 people who accessed our community wellbeing services where 87% of those people demonstrated an improvement in their Wellbeing.

Our retention in work services supported over 1,000 people to receive support to retain their employment after a period of sickness resulting from their health condition. We trained 220 people in Mental Health First Aid and were awarded the Connect for Health social prescription service in Suffolk, Kent Community Mental Health.

2. Financial review (continued)

Retail and Enterprise

The Enterprise division comprises four distinct sections:

1. Enterprises - Enterprise projects; provides opportunities for adults with learning disabilities to work within nature and ecology parks across the UK, funded by Local Authorities. Doncaster industries - a plastic extrusion business employing learning disabled adults. Garden centres - provide real world work experience and vocational training for learning disabled adults. We exited one garden centre after the year end and continue to focus on Billing and Palmer Gardens. Forth Sector - offers high profile charitable and employability services in Scotland. The flagship project is St Jude's Laundry in Edinburgh, which provides job opportunities for people with disabilities, learning difficulties and mental or physical health problems. Despite the challenges from Covid-19, it has continued to operate, although with a more limited capacity. In addition, the Company has rentable office space at its site in Edinburgh.

2. Accessibility services - works with companies to assess the accessibility of their online platforms, employing adults with a range of impairments, with the aim of improving digital access for people with disabilities, working with clients including the NHS, McDonalds and EasyJet.

3. The Disabled Living Foundation ("DLF") - a separate charity which provides impartial advice for independent living and a marketplace for assistive and adaptable technologies, ranging from specialised clothing to mobility equipment.

4. Our small network of charity shops have experienced a challenging year, and been particularly impacted by the Covid-19 pandemic, with temporary store closures and some staff being furloughed.

8. 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.

Governance

The Trustees in office during the year, and at the date of signing these financial statements, are set out on page 26. The Trustee Board has overall responsibility for the governance of the Trust which it discharges through three main duties:

1. ensuring there is a strategy in place; the main strategic goal is to help as many people as possible to adjust to and navigate the complex employability challenges that lie ahead. To achieve this main strategy, Trustees have agreed on different objectives which include organisational growth, maintaining a balanced portfolio of services and programmes that are locally based and nationally scalable, financial and operational stability, compliance and stakeholder's relationships.
2. monitoring the implementation of the strategy against agreed plans, ensuring adequate resource is available; and
3. ensuring the Trust complies with all necessary statutory and regulatory obligations.

2. *Financial review (continued)*

4. As part of this, the Trustees ensure that there is a robust system of internal control and risk management, as well as an appropriate reporting and oversight structure to ensure that the senior executives to whom the Trustees have delegated the daily management of the Trust are performing to the standards expected.

The Board meets quarterly and, while 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.

During the year, the following subcommittees of the Trustees discharged specific aspects of their responsibilities:

- The Audit and Risk 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 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.

- Shaw Trust uses external consultants and comparison tools available to set the salary level for its key management. Salary and benchmarks are reviewed regularly to make sure the Trust can attract and retain the best talent.
- The Performance and Investment Committee is responsible for reviewing in detail the operational and financial performance of the Trust and scrutinising major new business opportunities.
- The Trustees have delegated the daily management of the Trust to the Group Chief Executive and the Executive Management Team. The current Chief Executive Officer, Chris Luck CB MBE, was appointed in May 2019, and joined the Trust after a distinguished career in the armed forces. He brings a wealth of experience, expertise and clear sense of purpose to the organisation.
- The Trust manages its activities through seven operational divisions and service delivery within each is managed by dedicated business unit teams.
- Our operational staff are supported by Finance, People and Performance, Business Development, Information Services and Communications 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.

2. *Financial review (continued)*

- New Trustees can be co-opted by the members to fill a vacancy at any time during the period. 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 The 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.

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

Risk management Framework

The Trust's risk appetite is set annually by the Board of Trustees with the goal of aligning risk-taking with the statutory requirements, strategic business objectives and capital planning. The Board of Trustees and the Group Chief Executive Officer (CEO) have key roles in the implementation of the Trust's risk appetite by steering the balanced portfolio, geographical operating areas and markets, and funding and liquidity management.

The purpose of the Risk Assurance Statement (RAS) is to state clearly the general principles for the Trust's risk-taking, to raise risk awareness across the organisation, and to guide the staff regarding accepted and unacceptable behaviour. The RAS is implemented

through the Trust's operational policies and procedures, monitoring metrics, limit system and internal controls.

Shaw Trust is subject to national supervision and prudential regulations, including contractual obligations.

The Trust's risk management system and procedures are reviewed and refined on an ongoing basis in order to comply with what the Trust identifies as the relevant standards, recommendations and best practices in the sectors operated in. The objectives of the RAS are:

- To provide a clear articulation of the Trust's risk-taking, risk mitigation and risk avoidance, and to define the risk-taking at the aggregate level.
- To create a foundation for effective communication of risk among internal and external stakeholders.
- To increase understanding of the Trust's material risk exposures and raise risk awareness across the organisation.
- To positively impact the defined risk culture of the Trust.
- To support the Board of Trustees and the senior management in planning, formulating and executing strategic business decisions to achieve the long-term targets of the Trust.
- To provide means for the Board of Trustees and senior management to engage in discussions on risk-taking, risk management, and business strategy, and their interlinkages.
- To provide the tools for the Board of Trustees and senior management to continuously monitor and align the Trust's actual risk profile with the risk appetite

2. *Financial review (continued).*

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 and Risk 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.
- The establishment and maintenance of the 'three lines of defence' model of internal control:

line one: 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 two: Risk management through the development, implementation, testing and maintenance of an effective control and governance environment. In addition, an internal Commercial Assurance Team (CAT) provides assurance in respect of the quality of service provision and compliance with legislation, standards and contractual requirements.

The Trust's Line Two reports into senior management and the Trustee Board, through the Audit and Risk Committee; and

line three: Internal Audit, currently performed by an outsourced provider. Reporting primarily to the Audit & Risk Committee, the internal auditors provide assurance over the effectiveness of corporate governance and the overall control environment including Line 2 defences. All reports identify areas of strength and good practice along with areas for improvement. In the case of the latter the Audit and Risks Committee monitors 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 and Risk 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 in the context of its risk appetite.

Principal Risks and Uncertainties

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

- Failure to finance the business.
- Failure to deliver the turnaround plan, through margin improvement, cost control and synergies of acquisitions.

- Physical, mental or emotional harm caused to our service users. The need to constantly safeguard vulnerable clients from harm.

2. Financial review (continued)

- Ineffective protection of the confidentiality, integrity or availability of the Trust's records and information assets.
- Inability to anticipate and respond to changes in the political, social and economic climate, including the need to innovate new service delivery models and funding streams.
- Breakdown of relationships with key commissioners and suppliers as a result of poor performance or breach of contract and the consequent impact on contract renewals and new business.
- Inability to grow and develop the Trust culturally and commercially to enable its long term viability.
- Loss of ability to deliver services and mission arising from unexpected business interruption, in particular Covid-19 fallout.
- Financial and reputational damage caused by theft, fraud or poor governance.
- Inability to build and retain an appropriate accommodated, skilled and rewarded workforce.

The group's financial risk management objectives and policies are to:

- Build and maintain a strong balance sheet so as to instil confidence of stakeholders and to sustain the future development of the business.

- Build and maintain a strategic reserve to enable the trust to operate and continue its core activities.
- Invest surplus funds where applicable so as to return a yield consistent with the Group's risk appetite and ensuring sufficient liquidity to meet obligations as they fall due.

The Trust currently has no material investments.

Liquidity risk is managed by carefully forecasting and monitoring the short term and long term cash flows and ensuring the Trust has sufficient reserves and liquid investments to cover foreseeable requirements.

Credit risk on amounts owed to the Trust by its customers is low. Credit risk also arises from cash deposits with banks, and only independently rated parties with a minimum rating of 'A' are accepted.

Interest rate cash flow control risks are mitigated as the Trust is able to place surplus funds on short term deposits.

The group has to date financed the majority of its operations through its reserves and has not required significant external funding. During the year a new loan facility was negotiated with the Trust's principal bank, with £3m remaining drawn down at 31 August 2020. The balance of external funding is held in Forth Sector.

The group does have a small foreign exchange risk arising from investments in charities operating in Poland and Romania and the Trust's international activities. However, this risk is not material and therefore has not been hedged.

2. Financial review (continued)

While 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.

Streamlined Energy and Carbon Reporting

The Shaw Trust has prepared a report that achieves compliance with the Streamlined Energy and Carbon Reporting (SECR) framework requirements.

Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, The Trust has been engaged in a process aimed at reducing our energy and greenhouse gas emissions.

The Trust currently maintains both scope 1 & 2 emissions, which are generated from our premises (offices, accommodation, and schools), and transport, respectively. We maintain transport emissions from leased company cars and “grey fleet” (personal cars used for business purposes, where staff mileage has been reimbursed).

The Trust is currently devising a strategy to reduce our carbon footprint significantly including:

- Encouraging employees to purchase renewable technology cars i.e., hybrids,
- Purchasing energy efficient equipment where appropriate in our premises,
- Replacing HVAC systems with energy-efficient equipment where possible,

- Adopting behavioural change measures where possible.

We have a longstanding commitment to tackling climate change. Our calculated carbon footprint for our current financial year is 4,626 tCO₂e, whilst energy consumption was 20,747,565 kWh (20,747 MWh).

Methodology

We have reported all of emission sources under the Companies Act 2006 (Strategic Report and Director’s Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government’s GHG Conversion Factors for Company Reporting 2020 (reference “Introduction guidance”).

The reporting period is the financial year 2019/2020, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

2019/2020 Emissions

<u>Scope 1 (natural gas)</u>	
<u>Tonnes CO2 equivalent (tCO2e)</u>	2,783
<u>Scope 2 (electricity)</u>	
<u>Tonnes CO2 equivalent (tCO2e)</u>	1,375
<u>Scope 1 (transport)</u>	
<u>Tonnes CO2 equivalent (tCO2e)</u>	468
Total	
<u>Tonnes CO2 equivalent (tCO2e)</u>	4,626

2. Financial review (continued)

Intensity Ratio

Scope 1 and scope 2 carbon intensity metric based on the number of clients (including pupils) supported by the Trust during the financial year:

4,626 tCO₂e / 292,000 clients = 0.016 tCO₂e per client.

Total Emissions

Efficiency Measures Taken

- 1) Replaced aging premises equipment with energy-efficient products.
- 2) Expanded video conferencing and online meetings (as opposed to F2F meetings).
- 3) Upgraded lighting portfolio to LED's where possible.

Objectives for 2020/2021

- 1) Reduce our baseline electricity and gas consumption year on year.
- 2) Continual review of existing equipment and company policies.
- 3) Reviewing supply contracts to determine feasibility of renewable energy.
- 4) Implementation and assessment of the Energy Savings Opportunity Scheme (ESOS) recommendations.
- 5) Implementation of carbon reduction towards net zero.
- 6) Continue with our energy-savings programme.

The Trust will report on progress within our next set of financial statements

Disabled employees

The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of age, religion, sex, race, colour, disability, sexuality 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. To this end, the Trust was delighted to be awarded Disability Confident Leader Status in 2018.

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 achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining and growing its position.

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.

2. Financial review (continued)

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.

Statement on going concern

The Trust prepares a detailed annual budget and three-year business plan which indicates a positive cash position and return to operational profitability for the duration of the plan. This plan has been approved by the Trustees and the Trust's principal lenders.

In light of recent events as a result of the Covid-19 pandemic the Trust has performed extensive contingency planning and mitigated against the risks of a potential reduction in income as a result of closure of key offices and outlets. This has been through renegotiating income streams from its major contracts, furloughing employees where there is no income stream currently present, and using Government initiatives, predominantly the deferral of PAYE and VAT, to aid liquidity and cash flow in the medium term. The asset divestment programme as detailed in the Business Plan was completed during the year, although with some delays due to Covid-19. The Trust's principal funder has shown continued support during this crisis with renegotiation of a Loan Facility.

Management continue to closely monitor the ongoing developments of Covid-19 and have modelled sensitivity analysis on best, mid and worst case scenarios. In all scenarios the Trust is projected to have sufficient liquid resources to meet its obligations as they fall due and to continue operations for at least 12 months from the date of approval of these financial statements.

After reviewing the charity's forecasts, sensitivity analysis and projections and its reserves, the Trustees have a reasonable expectation that the charity can manage these risks and has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

The Trust has produced a comprehensive risk assessment framework and monitors and reports on this on a quarterly basis. It continues to drive performance and look for further opportunities to develop. It seeks to mitigate any ongoing risk by ensuring that it continues to be lean and fit for purpose, responds to the changing environments and markets in which it operates and continues to engage with commissioners and clients.

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

President

Tim Papé OBE, DL

Richard Clifton

Chief Commercial Officer

Patrons

John Bush OBE, LL

Mark Daymond

Dame Evelyn Glennie OBE

Baroness Kinnock

Professor Sir Mansel Aylward CB

Richard M Mansell-Jones

Rt Hon Sir Richard Needham

Clive Richards OBE, DL

Oliver Stocken

Mark Earl

Chief People Officer

Austin Hardie

*Operational Managing Director –
Employability*

Jo Morgan

*Chief Executive Officer – Shaw Education
Trust*

Victoria Blakeman

*Operational Managing Director – Justice,
Community Health & Wellbeing, Charitable
Services and Enterprise*

Andrew Thraves

Managing Director – Optimus Education

Paul Cook

Managing Director – Children's Services

Trustees

Paul Baldwin * ♦

Stephanie Cutler (resigned 16th July 2020)

Chanelle Gray ♦

Annamarie Hassall (Hiscox) MBE

Mike Hawker *

Peter Holmes •

Paul McGee

Jeremy Moore CB* •

John Norman ♦

Dr Mike Nussbaum ♦ •

Marie-Claire O'Brien (resigned 6th May
2020)

Sir Kenneth Olisa OBE, Chairman

Company Secretary

Stephen King (resigned 26th January 2021)

Carol Ann McKinley (appointed 26th
January 2021)

Registered Office

Black Country House, Rounds Green Road,
Oldbury, West Midlands, B69 2DG

* Member of the Audit & Risk Committee

♦ Member of the HR Committee

• Member of the Performance and
Investment Committee

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory
Auditors

2 Glass Wharf, Bristol BS2 0RF

Executive Management Team

Chris Luck CB MBE

Group Chief Executive Officer

Bankers

The Royal Bank of Scotland

9th Floor, 280 Bishopsgate, London EC2M
4RB

Jacqui Oughton

Chief Operating Officer

Solicitors

Brabners LLP Solicitors

55 King Street, Manchester M2 4LQ

Stephen King

Chief Financial Officer

4. 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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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.

The Trustees are responsible for the maintenance and integrity of 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.

4. Statement of Trustees' responsibilities (continued)

Disclosure of information to auditors

In so far as the Trustees are aware:

- (a) there is no relevant audit information of which the charitable company's auditor is unaware; and
- (b) the trustees have taken all the steps that they ought to have taken as a trustee in order to make them aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Independent auditors

In line with best practice Shaw Trust Limited are currently undertaking a procurement exercise in relation to the appointment of external auditors. Once this process has completed a resolution proposing the most appropriate audit company as auditor of the Trust will be put to the members.

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.

5. Section 172(1) Statement

General confirmation of Trustees and Directors' duties:

The Trust's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval.

S172(1) (A) "The likely consequences of any decision in the long term"

The Directors completely understand the importance of Charity and long term impact of its decision on beneficiaries and communities. The Board has developed proper strategies and process to follow for any decision which can have long term impacts.

S172(1) (B) "The interests of the company's employees"

The Directors recognise that Shaw Trust Limited employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments and commissioners. Shaw Trust Limited seeks the promotion and application of certain general principles in such relationships. The Trust supports the government strategy to support SMEs via doing business with them and paying promptly. The Trust recognises the importance of its supply chain partners to deliver its targets and archives strategic goals. Certain rules and procedures have been developed to maintain the good relationship with them.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged.

S172(1) (D) "The impact of the company's operations on the community and the environment"

The Board receives information on these topics to both provide relevant information for specific Board decisions e.g. working from home, green energy and carbon footprint policies.

**5. Section 172(1) Statement
(continued)**

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The Board periodically reviews and approves clear frameworks to ensure that its high standards are maintained both within its businesses and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards, help assure its decisions are taken.

A handwritten signature in red ink that reads "Ken" followed by a long diagonal stroke.

Sir Kenneth Olisa, Chairman
25th March, 2021

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

Report on the audit of the financial statements

Opinion

In our opinion, The Shaw Trust Limited's group financial statements and parent charitable company financial statements (the financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 August 2020 and of the group's and parent charitable company's incoming resources and application of resources, including its income and expenditure, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Trustees Annual Report and Financial statements for the year ended 31 August 2020 (the "Annual Report"), which comprise: the Group and Company Balance Sheets as at 31 August 2020; the Group statement of financial activities and the Group statement of cash flows for the year then ended; the Principal accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Trustees' Annual Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Annual Report

In our opinion, based on the work undertaken in the course of the audit 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; and the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Annual Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' responsibilities set out on page 27, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under section 44(1) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the charity'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.

Other required reporting

Matters on which we are required to report by exception

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 and proper accounting records have not been kept by the parent charitable company; or
- certain disclosures of trustees' remuneration specified by law are not made; 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.



Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
26th March 2021

The Shaw Trust Limited Group statement of financial activities

For the year ended 31 August 2020

	Note	Unrestricted Funds	Restricted Funds	Year ended 31 August 2020	Year ended 31 August 2019
		£'000	£'000	£'000	£'000
Income and endowments from:					
Donations and Legacies		49	25,352	25,401	3,689
Charitable activities		116,179	63,990	180,169	178,190
Other Trading Activities	1a	2,642	287	2,929	4,660
Income on investments, interests and dividends		14	-	14	285
Covid related grants		1,050	-	1,050	-
Other Income		5	-	5	22
Net assets taken on with mergers and transfers	25	-	13,674	13,674	21,349
Incoming resources including share of joint ventures	1	119,939	103,303	223,242	208,195
Less share of gross incoming resources of joint ventures		-	(119)	(119)	(1,828)
Group incoming resources		119,939	103,184	223,123	206,367
Expenditure on:					
Raising funds	2	(3,804)	-	(3,804)	(5,290)
Goodwill Impairment	7	-	-	-	(15,859)
Charitable activities	2	(131,645)	(82,084)	(213,729)	(203,653)
Total resources expended		(135,449)	(82,084)	(217,533)	(224,802)
Net (expenditure) / income		(15,510)	21,100	5,590	(18,435)
Net losses on Fixed Asset investments	10	-	-	-	(583)
Transfers between funds	18	(353)	353	-	-
Group net (expenditure) / income		(15,863)	21,453	5,590	(19,018)
Share of net outgoing resources of joint ventures	9	-	(1,013)	(1,013)	(80)
Net (expenditure) / income before other recognised gains and losses		(15,863)	20,444	4,581	(19,098)
Other recognised gains and losses					
Gain on sale of subsidiaries	1b	927	-	927	-
Actuarial losses on defined benefit pension schemes	24	(1,278)	(3,418)	(4,696)	(31,658)
Net movement in funds		(16,214)	17,022	808	(50,756)
Fund balances brought forward		(23,374)	105,455	82,081	132,837
Fund balances carried forward		(39,588)	122,477	82,889	82,081

Group and Company Balance Sheets as at 31 August 2020

		Group		Company	
	Note	2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	7	14,292	22,372	488	702
Tangible assets	8	167,686	142,824	3,024	3,483
Investments in subsidiaries	9	-	-	19,355	19,355
Investments in joint ventures - investment at cost					
Gross assets		78	1,799	-	-
Gross liabilities		(31)	(736)	-	-
Net assets	9	47	1,063	-	-
Total fixed assets		182,025	166,259	22,867	23,540
Current assets					
Stocks	12	548	749	323	544
Debtors: Due within 1 year	13	30,788	26,329	17,169	15,903
Debtors: Due over 1 year	13	12,386	10,613	-	-
Current asset investments	10	-	213	-	213
Cash at bank and in hand	15	33,497	16,942	2,462	5,058
Total current assets		77,219	54,846	19,954	21,718
Creditors - amounts falling due within one year	16	(57,657)	(36,425)	(19,387)	(11,700)
Net current assets		19,562	18,421	567	10,018
Total assets less current liabilities		201,587	184,680	23,434	33,558
Creditors - amounts falling due after one year	16b	(3,493)	(6,888)	(1,961)	(5,499)
Provision for liabilities and charges	17	(2,124)	(2,112)	(1,978)	(2,112)
Net assets before pension liability		195,970	175,680	19,495	25,947
Pension (liability) / surplus	24	(113,081)	(93,599)	(15)	14
Net assets after pension liability		82,889	82,081	19,480	25,961

Group and company balance sheets (continued)
as at 31 August 2020

		Group		Company	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Funds					
Designated funds	18	1,511	1,733	1,306	1,528
General funds	18	23,556	35,430	14,425	20,612
Total unrestricted funds excluding pension liability		25,067	37,163	15,731	22,140
Pension (liability) / surplus		(64,655)	(60,537)	(15)	14
Total unrestricted funds	18	(39,588)	(23,374)	15,716	22,154
Restricted funds	19	122,477	105,455	3,764	3,807
Total Funds	20	82,889	82,081	19,480	25,961

The notes on pages 41 to 88 are an integral part of these financial statements. The financial statements on pages 35 to 88 were approved by the board of directors on 26th January 2021 and were signed on its behalf by:



Sir Kenneth Olisa, Chairman
25th March, 2021

Group statement of cash flows

for the year ended 31 August 2020

	Note	Year ended 31 August 2020 £'000	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000	Year ended 31 August 2019 £'000
Net cash inflow / (outflow) from operating activities	A		38,622		(13,766)
Taxation			-		-
Net cash generated / (used in) operating activities			38,622		(13,766)
Cash flow from investing activities					
Capital expenditure and financial investment					
Purchase of tangible assets		(27,304)		(6,204)	
Purchase of intangible assets		(255)		(342)	
Cash inflow on conversion of academies and business combinations		1,182		262	
Net sales of investments		712		16,709	
Cash from disposal of fixed assets		7,039		-	
Investment income received		14		285	
Net cash (outflow) / inflow from capital expenditure and financial investment			(18,612)		10,710
Total Net cash generated from / (used in) investing activities			20,010		(3,056)
Cash flow from financing activities					
Interest and charges paid		(1,119)		(1,481)	
Repayment of loans		(2,336)		-	
Net cash used in financing activities			(3,455)		(1,481)
Net increase / (decrease) in cash and cash equivalents	B		16,555		(4,537)
Cash and cash equivalents at the beginning of the period at 1 September 2019			16,942		21,479
Cash and cash equivalents at 31 August 2020	C		33,497		16,942

Group consolidated statement of cash flows (continued)
for the year ended 31 August 2020

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

	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
Net incoming / (outgoing) resources before other recognised gains	4,577	(19,098)
Donation of net assets arising on acquisition	(13,674)	(21,349)
Pensions - adjustment to net incoming resources	6,562	(2,387)
Investment income received	(14)	(285)
Bank charges and interest paid	1,119	1,481
Depreciation and fixed asset write offs	5,768	5,151
Amortisation of goodwill	8,204	11,533
Impairment of goodwill	-	15,859
Net loss on write off/disposal of tangible fixed assets	10,352	1,275
Net loss on write off/disposal of intangible fixed assets	131	-
Net loss on disposal of investments	427	586
Decrease / (increase) in stock	201	(225)
Increase in debtors	(6,232)	(2,472)
Decrease in value of joint ventures	1,016	111
Increase / (decrease) in creditors	15,214	(8,221)
Increase in deferred income	4,959	4,993
Increase / (decrease) in provisions for liabilities and charges	12	(718)
Net cash inflow / (outflow) from operating activities	38,622	(13,766)

Group consolidated statement of cash flows (continued)
for the year ended 31 August 2020

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

	1 September 2019 £'000	Cash Flow £'000	31 August 2020 £'000
Cash pledged as security for guarantee	250	-	250
Unrestricted cash at bank and in hand	16,692	16,555	33,247
Total cash at bank and in hand	16,942	16,555	33,497

c) Cash and cash equivalents

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash and cash equivalents consists of:				
Cash at bank and in hand	33,394	16,840	2,359	4,956
Short term deposits	103	102	103	102
Total cash at bank and in hand	33,497	16,942	2,462	5,058

Basis of preparation

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 9) made up to 31 August 2020. 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 equity method of accounting.

FRS 102 Exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's Trustees.

The Company has taken advantage of the following exemptions:

- a) from preparing a company statement of cash flows, on the basis that it is a qualifying entity and the consolidated group statement of cash flows, included in these financial statements, includes the company cash flows; and

- b) from preparing a company Statement of Financial Activities (SOFA), on the basis that it is a qualifying entity and the consolidated SOFA, included in these financial statements, includes the company SOFA.

Functional currency

The group financial statements are presented in pound sterling and rounded to thousands. The company's functional and presentation currency is the pound sterling.

Principal accounting policies

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounting in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

Principal accounting policies (continued)

A summary of the significant accounting policies, which have been applied on a consistent basis, is set out below.

Incoming Resources

All incoming resources are recognised in the Statement of Financial Activities when there is an entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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 point of sale for both donated and purchased goods.

Donated services from volunteers

Donated services from our volunteers are not included within the financial statements.

The services of volunteers are critical to the Trust, particularly in relation to the operation of our retail shops. These ventures would not be able to continue without the support and time given by our network of volunteers.

Donated goods for resale

The charity receives donated goods for resale in its network of charity shops which it recognises at point of sale as the Trustees consider it to be impractical to recognise such gifts on receipt due to the large number of small value items received.

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:

**Principal accounting policies
(continued)**

- there is a legal or constructive obligation to pay at the reporting date as a result of a past event;
- it is more likely than not that a transfer of economic benefit, often cash, will be required in settlement; and
- when the amount of the obligation can be measured or estimated reliably.

Costs have been attributed to one of the functional categories of resources expended in the Statement of Financial Activities:

- a) costs of raising funds are costs incurred in seeking voluntary contributions; operating charity shops and investment management costs;
- b) charitable activity expenditure relates to the costs of running and supporting the Trust's various charitable activities for furthering its charitable aims for the benefit of its beneficiaries; and
- c) 'other' relates to costs incurred that are neither related to raising funds and nor part of the Trust's expenditure on its charitable activities.

Apportionment of costs

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

Operating leases

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

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, are stated at cost less depreciation.

Land and buildings transferred as part of the Academies programme to Shaw Education Trust are reflected within freehold or long leasehold fixed assets at the point of transfer. They are recorded at valuation at the point of transfer and are depreciated from that date.

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.

**Principal accounting policies
(continued)**

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% (or over the lifetime of the contract if more appropriate);
- long leasehold buildings 2% (or length of lease if shorter than 50 years);
- fixtures and fittings 20% (or more if first break clause of lease is within 5 years);
- equipment and vehicles 20%;
- computer equipment 25%;
- software 25% (or over the lifetime of the contract if more appropriate)

Assets costing less than £3,000 are not capitalised.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in Intangible assets. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life.

During 2017/18 Shaw Trust Limited acquired Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited and the intangible fixed assets include goodwill arising on the purchase. In determining the period of amortisation, management considered the length of the current contracts, the performance of the business and the likelihood of securing additional future business and concluded that five years was a reasonable time over which to amortise the goodwill arising on these acquisitions.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

**Principal accounting policies
(continued)**

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.

Investments

Fixed asset investments are investments held in listed companies, government and corporate bonds and other investments. These investments are stated at mid-price market value at the period-end.

Investments that have been liquidated are treated as short term and shown within current assets.

Unrealised gains / (losses) are derived from the movement in market value during the year and are recorded in the Statement of Financial Activities.

Investments are carried at 'fair value' and therefore stated at market value as at the balance sheet date. Changes in fair value are recognised in the income and expenditure section of the Statement of Financial Activities.

Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Current asset investments

Current asset investments comprise cash held on term deposits with qualifying financial institutions.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of Financial Instruments.

Financial Assets: Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities: Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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 specific fixed assets are held as designated funds.

**Principal accounting policies
(continued)**

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.

Provisions

Provisions are recognised when the Trust has a legal or constructive financial obligation that can be reliably estimated and for which there is an expectation that payment will be made.

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 Limited defined contribution pension scheme, the Trust operates a number of defined benefit pension arrangements, which are detailed in note 24 to the Financial Statements.

The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

The costs to the Trust of funding the schemes are accounted for in accordance with FRS 102. 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 102.

Principal accounting policies (continued)

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 FRS 102.

Foreign exchange transactions

Foreign currency transactions are recorded at the spot rate at the transaction date.

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.

Tax and deferred tax

Current tax arising in non-charitable subsidiaries is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probably that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated using the tax rates and law that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Group's accounting policies

Assessing whether the Group controls SET requires judgement. SET is a wholly owned subsidiary of Shaw Trust Limited, who is also the sponsor company. Through the SET Articles of Association Shaw Trust Limited can appoint members and Trustees to the Shaw Education Trust Board, thereby giving control to the decision making and authority for the work of the Academy Trust. The Group considers that these powers demonstrate that the Group controls SET.

In addition, Trustees have assessed the value of goodwill in the balance sheet and assessed the need for an impairment review. There is a significant judgement to establish the individual CGUs for the purpose of impairment and to establish a methodology for the allocation of Goodwill to each CGU.

**Principal accounting policies
(continued)**

In the case of the Prospects group we determined the CGUs to be the individual trading businesses as the cash flows, assets and liabilities of these businesses are separately identifiable

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carry amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of intangible assets and goodwill (note 7)

The Group considers whether intangible assets and goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the CGU. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. Where it indicates that the Net Present Value of the CGU is lower than its value shown in the financial statements an impairment is taken. In the year ended 31 August 2019 this amounted to an additional write-down in goodwill of £15.8m. There was no such adjustment required in the year ended 31 August 2020.

(ii) Provisions (note 17)

Provision is made for dilapidations, asset retirement obligations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, timing of the cash flows and discount rates used to establish net present value of the obligations require management judgement.

(iii) Defined benefit pension scheme (note 24)

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuation and the corporate bond discount rate. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Notes to the financial statements

1. Total incoming resources / material funders

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

	Unrestricted funds	Restricted funds	Year ended 31 August 2020	Year ended 31 August 2019
	£'000	£'000	£'000	£'000
Incoming resources from generated funds				
Donation of net assets arising on mergers	-	13,674	13,674	21,349
Donations and Legacies	49	25,352	25,401	3,689
Other Trading Activities (Note 1a)	2,642	287	2,929	4,660
Income on investments, interests and dividends	14	-	14	285
Covid related grants	1,050	-	1,050	-
Other Income	5	-	5	22
Incoming resources from generated funds	3,760	39,313	43,073	30,005
Incoming resources from charitable activities				
Contract delivery, social enterprises and other charitable activities	116,179	63,990	180,169	178,190
Joint Venture - Intergracja	-	(119)	(119)	(1,828)
Incoming resources from charitable activities	116,179	63,871	180,050	176,362
Total	119,939	103,184	223,123	206,367

The Trustees consider material funders to be those contributing over 10% of income.

Material funders are The Department of Work and Pensions (DWP) from which a total of £25.4million (2019: £21.3 million) was earned. Shaw Education Trust received £43.3 million (2019: £37.4 million) general annual grant from Department for Education.

The fair value of net assets acquired from business combinations are treated as a donation (see note 25).

Notes to the financial statements (continued)

1. Total incoming resources / material funders (continued)

The results of the Shaw Trust Limited, as required to be disclosed by paragraph 397 of the Charity SORP, are:

	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
Total income	40,919	39,830
Net outgoing (incoming) resources	7,133	18,251

1a. Other Trading Activities

	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
Income from Charity Shops	2,929	4,660
	2,929	4,660

1b Gain on sale of subsidiaries

	Year ended 31 August 2020 £'000
Proceeds	500
Net Assets divested	
Fixed Assets (see note 8)	86
Net current liabilities	420
	506
Costs incurred to enable the sale	(79)
Gain on sale of subsidiaries	927

The group disposed of two subsidiaries, Gabbitas Limited and 3BM Limited with a gain of £1,166K for Gabbitas and a deficit of £239K for 3BM.

Notes to the financial statements (continued)

2. Analysis of total resources expended

	Year ended 31 August 2020	Year ended 31 August 2019 (Restated)
	£'000	£'000
Raw Materials and Consumables	12,463	15,268
Staff Costs – salaries, NI and pensions	123,775	121,358
Staff Costs – travel and pension charges	6,153	(155)
Other Operating Costs	61,592	56,868
Depreciation	5,768	6,246
Amortisation and Impairment of Goodwill	8,204	27,037
Finance Charges	1,122	1,484
Sub total	219,078	228,103
Tax (Note 21)	(1,545)	(3,304)
Total	217,533	224,799

Costs in the year ended 31 August 2019 were restated to better reflect the split between Raw Materials and Consumables & Other Operating Costs. The restatement increases Raw Materials and Consumables by £7,142K. and reduces Other Operating Costs by a corresponding amount.

	Activities undertaken directly	Support costs not directly allocated	2020 Total	2019 Unrestricted funds	2019 Restricted funds	2019 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Raising Funds						
Fundraising	34	-	34	62	-	62
Charity shops	3,781	-	3,781	5,226	-	5,226
Investment management fees	(11)	-	(11)	2	-	2
Total cost of Raising Funds	3,804	-	3,804	5,290	-	5,290
Charitable Activities						
Impairment of goodwill	-	-	-	15,859	-	15,859
Contract delivery, social enterprises & other charitable activities	211,828	1,877	213,705	201,665	1,665	203,332
Usage of fundraising funds	24	-	24	320	-	320
Total Cost of Charitable Activities	211,852	1,877	213,729	217,844	1,665	219,512
Total Resources Expended	215,656	1,877	217,533	223,134	1,665	224,802

Notes to the financial statements (continued)

2. Analysis of total resources expended

Support costs not directly allocated comprise the following:

Support costs	Year ended 31 August 2020	Year ended 31 August 2019
Management	596	742
Corporate Governance	205	227
Finance	246	41
Information Technology	655	447
Human Resources	155	115
Communications and Marketing	20	93
Support costs not directly allocated	1,877	1,665

3. Finance costs

	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
Bank charges, interest and other finance costs (note 2)	1,122	1,485
Net finance cost on defined benefit pension scheme (note 24)	1,546	1,714
Total	2,668	3,199

These charges have been reported in Statement of Financial Activities under Charitable Activities.

4. Net incoming resources

	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
The net incoming resources are stated after charging:		
Depreciation charge for the year on tangible owned assets	5,768	5,155
Amortisation charge for the year on intangible owned assets	8,204	11,533
Goodwill Impairment Charge	-	15,859
Auditors' remuneration: audit services		
- Parent Company and consolidated financial services	139	90
- Audit of the company's subsidiaries	219	173
Auditors' remuneration: other services		
- services relating to taxation	19	44
- all other services	119	22
Operating leases:		
- others	216	196
- property	2,110	2,051
Net loss on write off / disposal of tangible fixed assets	10,733	1,275

Notes to the financial statements (continued)

5. Employees

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

	Year ended 31 August 2020 Full Time Equivalent Number	Year ended 31 August 2019 Full Time Equivalent Number
Charitable purposes	3,636	3,523
Retail	91	84
Total	3,727	3,607

Employee costs for the above persons during the year were:

	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
Wages and salaries	100,140	102,500
Social security costs	8,166	9,318
Other pension costs (note 24)	15,469	9,461
Total	123,775	121,279

Notes to the financial statements (continued)

5. Employees (continued)

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

	2020 Total Emoluments	2019 Total Emoluments	2020 Total Emoluments excl. severance payments	2019 Total Emoluments excl. severance payments
	Number	Number	Number	Number
£60,001 - £70,000	63	53	63	53
£70,001 - £80,000	25	20	25	20
£80,001 - £90,000	15	10	15	10
£90,001 - £100,000	9	8	9	8
£100,001 - £110,000	3	1	3	1
£110,001 - £120,000	3	5	3	4
£120,001 - £130,000	2	4	2	4
£130,000 - £140,000	2	4	2	4
£140,001 - £150,000	1	-	1	-
£160,001 - £170,000	2	3	2	3
£170,001 - £180,000	-	1	-	1
£185,001 - £190,000	1	-	1	-
£190,001 - £200,000	1	-	1	-
£240,001 - £250,000	-	1	-	1
£250,001 - £260,000	-	1	-	1
	127	111	127	110

The total pension contributions in respect of the above staff, all of which were made to defined contribution schemes, were £903,291 (2019: £828,317).

Total emoluments of employees include, where applicable, salary, bonuses, benefits-in-kind, car allowance, payments in lieu of notice and redundancy. Total payments in lieu of notice and redundancy made to those employees who earned more than £60,000 during the year was £30,000 (2019: £117,257).

Notes to the financial statements (continued)

6. Trustees' and senior executives' remuneration

- a) During 2020 and 2019, no Trustee received any emoluments from the Trust. Incidental travelling costs of £964 (2019: £8,084) were reimbursed, or paid on behalf of 9 (2019: 9) Trustees by the Trust.
- b) The 'directorships' outlined on page 26 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 £9,385 (2019: £10,000) 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.
- d) The Key Management Personnel of the Group comprise the Trustees and the Executive Management Team as listed on page 13. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Group was £1,509,478 (2018: £1,661,613) for the year

Notes to the financial statements (continued)

7. Intangible Assets

Group	Goodwill	Computer software	Total
	£'000	£'000	£'000
Cost			
At 1 September 2019	56,575	8,031	64,606
Additions	-	255	255
Transfers	-	(2)	(2)
Disposal of subsidiary	(3,040)	-	(3,040)
Disposals	-	(1,262)	(1,262)
At 31 August 2020	53,535	7,022	60,557
Accumulated Amortisation			
At 1 September 2019	(34,893)	(7,341)	(42,234)
Charge for the year	(7,643)	(561)	(8,204)
Disposal of subsidiary	2,881	-	2,881
Disposals	-	1,292	1,292
At 31 August 2020	(39,655)	(6,610)	(46,265)
Net book value			
At 31 August 2020	13,880	412	14,292
At 1 September 2019	21,682	690	22,372

The goodwill arose on the acquisition of the majority interest in CDG-WISE Ability Limited in 2016 and the 100% interest in Ixion Holdings (Contracts) Limited and Prospects Group 2011 Limited on 30 May 2017 and 30 November 2017 respectively (see note 26).

The Prospects group was acquired for £17.4m. Net liabilities at acquisition were £30.7m resulting in a goodwill balance on acquisition of £48.1m being recognised in the group financial statement on consolidation. This was being amortised over 5 years such that the remaining goodwill balance at 31 August 2020 was £10.6m.

The Gabbitas group of subsidiary companies was disposed of during the year resulting in a disposal of the assets and their associated accumulated amortisation.

Notes to the financial statements (continued)

7. Intangible Assets (continued)

Amortisation will occur in line with Shaw Trust Limited accounting policies commencing on the date of acquisition with adjustments to reflect ongoing valuations of the investments.

Company	Computer software	Total
	£'000	£'000
Cost		
At 1 September 2019	7,914	7,914
Additions	238	238
Transfers	(2)	(2)
Disposals	(1,265)	(1,265)
At 31 August 2020	6,885	6,885
Accumulated Amortisation		
At 1 September 2019	(7,212)	(7,212)
Transfers	1	1
Charge for the year	(435)	(435)
Disposals	1,249	1,249
At 31 August 2020	(6,397)	(6,397)
Net book value		
At 31 August 2020	488	488
At 1 September 2019	702	702

Notes to the financial statements (continued)

8. Tangible Assets

Group	Freehold land and buildings	Long leasehold property	Assets under construction	Equipment and vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 September 2019	48,899	96,670	2,850	2,509	8,154	159,082
Acquisitions of academies	-	11,573	-	-	-	11,573
Additions	-	25,097	1,654	85	468	27,304
Transfers of academies	47	12,091	(2,994)	4	-	9,148
Reclassifications	208	2,642	-	3,637	(629)	5,858
Disposals of subsidiary	-	-	-	(427)	-	(427)
Disposals	(7,426)	(11,736)	-	(663)	(878)	(20,703)
At 31 August 2020	41,728	136,337	1,510	5,145	7,115	191,835
Accumulated depreciation						
At 1 September 2019	(3,179)	(6,406)	-	(1,370)	(5,303)	(16,258)
Charge for the year	(775)	(3,702)	-	(502)	(789)	(5,768)
Transfers	(43)	43	-	(3)	1	(2)
Reclassifications	(1,678)	(593)	-	(3,416)	(171)	(5,858)
Disposals of subsidiary	-	-	-	341	-	341
Disposals	1,572	599	-	384	841	3,396
At 31 August 2020	(4,103)	(10,059)	-	(4,566)	(5,421)	(24,149)
At 31 August 2020	37,625	126,278	1,510	579	1,694	167,686
At 1 September 2019	45,720	90,264	2,850	1,139	2,851	142,824
Company	Freehold land and buildings	Long leasehold property	Assets under construction	Equipment and vehicles	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 September 2019	280	3,364	224	592	5,190	9,650
Additions	-	-	11	-	104	115
Transfers	-	(47)	-	-	(3)	(50)
Disposals	-	(212)	-	(40)	(596)	(848)
At 31 August 2020	280	3,105	235	552	4,695	8,867
Accumulated depreciation						
At 1 September 2019	(73)	(1,409)	-	(548)	(4,137)	(6,167)
Charge for the year	(7)	(52)	-	(21)	(257)	(337)
Transfers	-	43	-	-	1	44
Disposals	-	21	-	35	561	617
At 31 August 2020	(80)	(1,397)	-	(534)	(3,832)	(5,843)
Net book value						
At 31 August 2020	200	1,708	235	18	863	3,024
At 1 September 2019	207	1,955	224	44	1,053	3,483

Notes to the financial statements (continued)

8. Tangible Assets (continued)

Land and buildings transferred to Shaw Education Trust (SET) as part of the Academies programme are reflected within freehold or long leasehold fixed assets at the point of transfer.

The land and buildings transferred as part of the Academies programme are subject to the provisions of the individual academy funding agreements and the master funding agreement.

These provisions may include preventing the company from selling the land and buildings. Upon termination of a funding agreement, whether as a result of the Secretary of State for Education or the SET serving notice, the assets relating to that agreement will return to the Secretary of State.

The value of the land and buildings to which these Academy agreements apply is £158,333,000. (2019: £124,569,000).

The value of the transferred assets has been recognised in the Statement of Financial Activities as Net assets taken on with mergers and transfers.

The Gabbittas group of subsidiary companies was disposed of during the year resulting in a disposal of the assets and their associated accumulated depreciation.

Balances previously disclosed in the prior year financial statements, have been reclassified to better reflect the nature of the balances.

9. Investments in Subsidiary Undertakings and Joint Ventures

Company interests in group undertakings

	2020 £'000
At 1 September 2019	19,955
At 31 August 2020	19,955
Amortisation	
At 1 September 2019	(600)
At 31 August 2020	(600)
Net book value	
At 31 August 2020	19,355
At 1 September 2019	19,355

Notes to the financial statements (continued)

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

On 28 November 2014 the Trust acquired a further 40% of the shares in CDG – WISE Ability Limited for £600,000, taking the Trust's shareholding to 90%. The investment was amortised over a period of four and a half years. The Work Choice contract for which CDG – WISE Ability was established came to an end in 2019 resulting in the remainder of the investment being impaired.

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	Company Number	Charity Number	Country of incorporation	Percentage of control	Nature of business
Shaw Trust International Partnerships Limited	5859747		England and Wales	100%	Dormant
Disabled Living Foundation	1837993		England and Wales	100%	Dormant
Careers Development Group	1647371		England and Wales	100%	Dormant
Shaw Trust Services Limited	3176328		England and Wales	100%	Dormant
Shaw Trust Enterprises Limited	2521307		England and Wales	100%	Dormant
Shaw Southern Australia Limited	ABN 41 075 242 027		Australia	100%	Dormant
Forth Sector	SC124791	SC016414	Scotland	100%	Charity
Prospects Group 2011 Limited	7708678		England and Wales	100%	Company Limited by Shares
Ixon Holdings (Contract) Limited	6886337		England and Wales	100%	Company Limited by Guarantee
CDG-WISE Ability Limited	7033535		England and Wales	90%	Company Limited by Guarantee
Shaw Education Trust	9067175	Exempt Charity	England and Wales	100%	Charity

The registered address for all of the above subsidiaries (with the exception of the Shaw Education Trust and Forth Sector) is Black Country House, Rounds Green Road, Oldbury, B69 2DG.

The registered address for Shaw Education Trust is; Kidsgrove Secondary School, Gloucester Road, Kidsgrove, Stoke-on-Trent ST7 4DL.

The registered address for Forth Sector is; Duddingston Yards, Duddingston Park South, Edinburgh, Lothian, EH15 3NT

Notes to the financial statements (continued)

9. Investments in Subsidiary Undertakings and Joint Ventures (continued)

Joint Ventures

Name of joint venture	Company Number	Country of incorporation	Percentage of control	Nature of business
The Integracja Foundation	KRS: 0000144578	Poland	50%	Charity
STAR Skills Limited	10086962	England and Wales	50%	Private Limited Company

The registered address for The Integracja Foundation is ul. Andersa 13, 00-159 Warszawa, Poland.

The registered address for STAR Skills Limited is; Black Country House, Rounds Green Road, Oldbury, West Midlands, B69 2DG. STAR is a dormant company.

	Motivation Romania Foundation		Intergracja Foundation		Total	
Total Shaw Trust Limited share of:	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Total assets	-	1,694	78	105	78	1,799
Total liabilities	-	(696)	(31)	(40)	(31)	(736)
Net assets	-	998	47	65	47	1,063
Gross incoming resources	-	1,753	119	75	119	1,828
Net surplus of income over expenditure	(998)	(67)	(15)	(13)	(1,013)	(80)

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.

In September 2019 the Shaw Trust Limited resigned from the board of both Motivation Romania Foundation and Motivation Romania Foundation and have surrendered all shares.

Notes to the financial statements (continued)

10. Investments

As a part of the Trust's investment policy, a portion of funds available for investment was 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 were held for the medium-term and as a result, and in accordance with accounting guidance, these investments were classified as fixed assets.

The majority of these investments were liquidated and sold during 2019 with the balance sold during the current year. At the balance sheet date, these investments are held in the following classes:

Group and company	2020	2019
	£'000	£'000
Other investments (including those transferred from DLF)	-	213
At 31 August 2020	-	213

No individual investment represents more than 5% of the total market value of investments held by the charity

The movement on the value of the investments during the year is as follows:

	2020	2019
	£'000	£'000
At 1 September 2019	213	17,505
Additions to investments at cost	-	7,159
Disposals at carrying value	(213)	(23,868)
Loss on disposal of assets	-	(585)
Net gain on revaluation	-	2
At 31 August 2020	-	213

Notes to the financial statements (continued)

11. 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 The Shaw Trust Limited. The financial results of Palmer Gardens are shown below.

As at 31 August 2020, Palmer Gardens has a Revenue Fund of £Nil (2019: £Nil) and a Capital Fund of £547,000 (2019: £566,000). The income and expenditure account for the Revenue Fund is set out below:

Revenue Fund	2020	2019
	£'000	£'000
Turnover	287	761
Cost of sales	(249)	(329)
Gross Profit	38	432
Selling and distribution	(301)	(340)
Administration	(68)	(74)
Finance	(1)	1
Operating (deficit) / surplus	(332)	19
Support costs	(21)	(80)
Depreciation	(19)	(21)
Net deficit	(372)	(82)
Palmer Gardens Revenue Fund brought forward	-	-
Transfer from capital fund	19	21
Donation from Shaw Trust Limited to Palmer Gardens	353	61
Balance of restricted revenue reserve (see note 19)	-	-

Notes to the financial statements (continued)

11. Palmer Gardens (continued)

The assets and liabilities for the Capital Fund are set out below:

Capital Fund	2020	2019
	£'000	£'000
Fixed assets		
Palmer Gardens	547	566
Analysis of net assets:		
Current assets – stock	121	130
Current liabilities - creditors Shaw Trust Limited	(121)	(130)
Net current assets	-	-
Total assets less current liabilities	547	566
Funds		
Restricted capital funds	547	566
Total (see note 19)	547	566

12. Stocks

	Group		Company	
Finished goods	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Plants, shrubs and nursery	439	575	214	370
Shop stock	68	132	68	132
Other	41	42	41	42
Total	548	749	323	544

13. Debtors

Amounts falling due within 1 year:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	11,111	14,203	2,018	4,477
Amounts due from group undertakings	-	-	12,205	8,906
Loans to group undertakings	-	-	400	-
Deferred tax asset	106	325	-	-
Other debtors	567	3,856	37	408
Prepayments and accrued income	19,004	7,945	2,509	2,112
Total	30,788	26,329	17,169	15,903

13. Debtors (continued)

Balances within Prepayments and Accrued income have risen substantially primarily due to different timing of invoicing.

Amounts falling due after 1 year:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Deferred tax asset	12,386	10,613	-	-

14. Deferred Taxation

	2020	2019
	£'000	£'000
Accelerated capital allowances	75	253
Short term timing differences - trading	12,417	10,685
	12,492	10,938

Analysed as:

Amount due within one year	106	325
Amount due after more than one year	12,386	10,613
	12,492	10,938

Movement in year

Opening balance	10,938	7,541
Changes in deferred tax	1,554	3,304
Prior year adjustment	-	93
Closing balance	12,492	10,938

The amount of the net reversal of deferred tax expected to occur next year is £nil, relating to the reversal of existing timing differences on tangible fixed assets and the origination of new timing differences on intangible fixed assets.

The group have no unrecognised deferred tax assets (2019: £nil).

15. Cash at bank and in hand

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash at bank and in hand	33,497	16,942	2,462	5,058

Notes to the financial statements (continued)

15. Cash at bank and in hand (continued)

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.

16. Creditors - amounts falling due within one year

	Group		Company	
	2020	Restated 2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	2,683	3,308	894	749
Taxation and social security	11,504	2,961	3,427	1,226
Other creditors	3,155	1,140	-	-
Loans	1,233	174	1,000	-
Accruals	25,105	19,825	5,439	5,098
Deferred income	13,977	9,017	8,627	4,627
Total	57,657	36,425	19,387	11,700

Balances previously disclosed within other creditors in the prior year financial statements, have been restated to accruals and tax and social security to better reflect the nature of the balance. This resulted in Taxation and social security increasing by £2,052K, Accruals increasing by £11,722K and Other creditors reducing by £13,774K.

16b. Creditors - amounts falling due after one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Loans and Borrowings	3,493	6,888	1,961	5,499
Total	3,493	6,888	1,961	5,499

Notes to the financial statements (continued)

16b. Creditors - amounts falling due after one year (continued)

Loans include a bank loan amounting to £2.9m (2019: £5.4m) which is secured by a fixed charge on all Shaw Trust Limited Group assets, excluding Shaw Education Trust.

Interest accrues at a variable margin ranging between 2.25% and 3.25% over LIBOR and is payable over periods ranging between 1 month and 6 months, or any other period agreed between the company and the lender.

Transaction costs in respect of the refinancing were recognised as part of the interest expense, amortised over the term of the bank loan.

Borrowings by Forth Sector amounting to £1.3m are secured by floating charges and standard securities over the assets of that company.

17. Provision for liabilities and charges

Group	Dilapidations £'000	Contract Risk £'000	Total £'000
At 1 September 2019	162	1,950	2,112
Created during the Year	146	-	146
Utilised during the year	(134)	-	(134)
At 31 August 2020	174	1,950	2,124

Company	Dilapidations £'000	Contract Risk £'000	Total £'000
At 1 September 2019	162	1,950	2,112
Utilised during the year	(134)	-	(134)
At 31 August 2020	28	1,950	1,978

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. Last year provision was utilised for Work Choice and Work Programme offices. Changes in contracts and reduction in number of delivery sites mean that Shaw Trust Limited does not need higher Dilapidations provision.

The contract risk provision relates to work undertaken to enhance procedures and compliance within the Trust's historical contracts and as a result the Trustees have made a contract risk provision to cover possible rectification costs that might arise from short-comings in the record keeping on those contracts.

Notes to the financial statements (continued)

18. Unrestricted funds

Group	Movement in Funds				At 31 August 2020
	At 1 September 2019	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed assets fund	1,733	104	(326)	-	1,511
Total designated funds	1,733	104	(326)	-	1,511
General funds	35,430	119,720	(131,241)	(353)	23,556
Total unrestricted funds before pension surplus / (deficit)	37,163	119,824	(131,567)	(353)	25,067
Pension deficit	(60,537)	-	(4,118)	-	(64,655)
Total unrestricted funds	(23,374)	119,824	(135,685)	(353)	(39,588)

Company	Movement in Funds				At 31 August 2020
	At 1 September 2019	Incoming	(Outgoing)	Transfer	
	£'000	£'000	£'000	£'000	£'000
Designated funds:					
Fixed assets fund	1,528	104	(326)	-	1,306
Total designated funds	1,528	104	(326)	-	1,306
General funds	20,612	41,180	(47,014)	(353)	14,425
Total unrestricted funds before pension surplus / (deficit)	22,140	41,284	(47,340)	(353)	15,731
Pension deficit	14	-	(29)	-	(15)
Total unrestricted funds	22,154	41,284	(47,369)	(353)	15,716

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

The pension liability arises from a number of defined benefits schemes that the Trust makes payments to in respect of certain employees to whom the Transfer of Undertakings (Protection of Employment) regulations (TUPE) applied (see note 24).

The pension deficits associated with the Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund Cheshire Pension Fund and Derbyshire Pension Fund are all held within Restricted Funds as they pertain to SET.

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

Notes to the financial statements (continued)

19. Restricted Funds

Group and Company	At 1 September 2019	Incoming	Movement in funds		Transfers	At 31 August 2020
			(Outgoing)	Impact of Foreign Currency Translations		
	£'000	£'000	£'000	£'000	£'000	£'000
The Big Lottery Fund						
DIG for Dinner	38	-	-	-	-	38
Doncaster Borough Council (guarantee)	250	-	-	-	-	250
Palmer Gardens Fund (Capital)	566	-	(19)	-	-	547
Palmer Gardens Fund (Revenue)	-	287	(640)	-	353	-
Employment Action Centre (Capital)	674	-	-	-	-	674
Disability Action Centre (Capital)	519	-	-	-	-	519
Disability Action Centre (Revenue)	3	-	-	-	-	3
Shaw Trust Clamp Hill	5	-	-	-	-	5
DLF	1,742	-	(17)	-	-	1,725
Other	10	-	(7)	-	-	3
Total company	3,807	287	(683)	-	353	3,764
Shaw Education Trust	100,587	102,897	(84,815)	-	-	118,669
The Integracja Foundation	64	119	(135)	(4)	-	44
Motivation Romania Foundation	997	-	(997)	-	-	-
Total group	105,455	103,303	(86,630)	(4)	353	122,477

Notes to the financial statements (continued)

19. Restricted Funds (continued)

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.

The £250k for the Doncaster Borough Council guarantee relates to a security that has been pledged as 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.

Palmer Gardens is a vocational training centre and the restricted capital fund comprises £547,000 (2019: £566,000) 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 (2019: £nil).

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.

DLF restricted reserves were acquired on merger in November 2014 and are to be utilised for DLF related activity only.

The funds received by Shaw Education Trust from the Department of Education can only be used to run the organisation and the academies that form part of Shaw Education Trust.

The funds held by The Integracja Foundation are treated as restricted funds because those funds can only be used for charitable purposes in those countries.

Notes to the financial statements (continued)

20. Analysis of net assets between funds

	Designated	Unrestricted (including pension deficit)	Restricted	Total funds 2020	Total funds 2019
Group	£'000	£'000	£'000	£'000	£'000
Fund balances at 1 September are represented by:					
Intangible fixed assets	-	14,277	15	14,292	22,372
Tangible fixed assets	1,511	4,334	161,841	167,686	142,824
Share of net assets of joint ventures	-	-	47	47	1,063
Current assets	-	60,475	16,744	77,219	54,846
Current liabilities	-	(50,807)	(6,850)	(57,657)	(36,425)
Long-term liabilities	-	(2,627)	(866)	(3,493)	(6,888)
Provisions for liabilities and charges	-	(2,124)	-	(2,124)	(2,112)
Pension deficit	-	(64,655)	(48,426)	(113,081)	(93,599)
Total net assets at 31 August 2020	1,511	(41,127)	122,505	82,889	-
Total net assets at 1 September 2019	1,733	(25,118)	105,466	-	82,081

	Designated	Unrestricted (including pension surplus)	Restricted	Total funds 2020	Total funds 2019
Company	£'000	£'000	£'000	£'000	£'000
Fund balances at 1 September are represented by:					
Intangible fixed assets	-	488	-	488	702
Tangible fixed assets	1,306	(22)	1,740	3,024	3,483
Investment in Joint Ventures	-	19,355	-	19,355	19,355
Current assets	-	17,930	2,024	19,954	21,718
Current liabilities	-	(19,387)	-	(19,387)	(11,700)
Long-term liabilities	-	(1,961)	-	(1,961)	(5,499)
Provisions for liabilities and charges	-	(1,978)	-	(1,978)	(2,112)
Pension deficit	-	(15)	-	(15)	14
Total net assets at 31 August 2020	1,306	14,410	3,764	19,480	-
Total net assets at 1 September 2019	1,528	20,626	3,807	-	25,961

Notes to the financial statements (continued)

21. Taxation

The Trust has no liability to corporation tax as it satisfies the criteria for its income and gains to be exempt from corporation tax/corporate taxation. There is no similar exemption for VAT.

Members of the group without charitable status are charged corporation tax on their income and gains.

Deferred tax assets recognised by group companies are shown in note 14.

Tax charge for the year is:

	2020	2019
	£'000	£'000
Total current tax	-	(14)
Deferred taxation		
Origination and reversal of timing differences	(208)	872
Adjustment in respect of prior periods	282	62
Impact of changes in tax rates	(810)	(92)
Short term timing differences	146	-
Total deferred tax	(590)	842
Tax on loss	(590)	828
Other comprehensive income items	(955)	(4,132)
Total tax charge (See note 2)	(1,545)	(3,304)

Notes to the financial statements (continued)

21. Taxation (continued)

Loss before taxation	(2,346)	681
Loss before tax multiplied by the UK Corporation Tax rate of 19%	(446)	129
Expenses not deduct-able for tax purposes	321	264
Qualifying charitable donations	(76)	(227)
Losses	(69)	712
Adjustments in respect of prior periods (current tax)	260	62
Adjustments in respect of prior periods (deferred tax)	(808)	(88)
Other timing differences	228	(24)
	<u>(590)</u>	<u>828</u>

22. Financial commitments

At 31 August 2020 the group and company had annual commitments under non-cancellable operating leases expiring as follows:

Group	Property		Other	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Within one year	3,116	2,934	188	180
Between one and five years	7,263	4,511	79	79
After five years	1,664	1,543	-	-
Total	12,043	8,988	267	259

Company	Property		Other	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Within one year	1,039	1,515	188	180
Between one and five years	1,799	1,270	79	79
After five years	164	43	-	-
Total	3,002	2,828	267	259

Other operating leases relate to motor vehicles and office equipment.

Notes to the financial statements (continued)

23. Capital commitments

As at 31 August 2020 the Trust had £nil capital commitments (2019: £nil).

24. Pension commitments

The Trust makes payments to the South Yorkshire Pension Scheme and the Platinum multi-employer pass ported scheme.

The Group also participates in five local government pension schemes (LGPS), under the umbrella of Shaw Education Trust, operated by Staffordshire Council, the West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund. Derbyshire Pension Fund is new this year. Those schemes are in respect of certain employees to whom The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) applied. The schemes are defined benefit schemes and the assets are held in a separately administered funds. The 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.

The Group also had admission agreements, through Prospects Services, with the London Pensions Fund Authority, the City of Bradford Metropolitan District Council responsible for the West Yorkshire Pension Fund, Gloucestershire County Council, Northamptonshire County Council and Wolverhampton City Council responsible for the West Midlands Metropolitan Authorities Pension Fund and Leicestershire County Council all of whom administer funds as part of the Local Government Pension Scheme (LGPS). The LGPS is a multi-employer statutory defined benefit pension scheme and the scheme members have a statutory right to their accrued benefits.

The Group's' assessed share of the fair value of the assets of the schemes were:

Notes to the financial statements (continued)

24. Pension commitments (continued)

Year ended 31 August 2020	Total Share of scheme assets	Present value of scheme liabilities	Net pension (deficit) / surplus
	£'000	£'000	£'000
South Yorkshire Pension Scheme (Shaw Trust)	3,037	(3,093)	(56)
Platinum Pension Scheme (Shaw Trust)	1,243	(1,202)	41
Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire County Council Fund and Derbyshire Pension Fund(Shaw Education Trust)	38,324	(86,750)	(48,426)
London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospect Services)	135,927	(200,567)	(64,640)
At 31 August 2020	178,531	(291,612)	(113,081)

Year ended 31 August 2019	Total Share of scheme assets	Present value of scheme liabilities	Net pension (deficit) / surplus
	£'000	£'000	£'000
South Yorkshire Pension Scheme (Shaw Trust)	3,052	(3,072)	(20)
Platinum Pension Scheme (Shaw Trust)	1,247	(1,213)	34
Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund (Shaw Education Trust)	28,958	(62,020)	(33,062)
London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospect Services)	130,612	(191,163)	(60,551)
At 31 August 2019	163,869	(257,468)	(93,599)

Notes to the financial statements (continued)

24. Pension commitments (continued)

	Assets	Liabilities	2020 Total
	£000	£000	£000
Deficit in the scheme as at 1 September 2019	163,869	(257,468)	(93,599)
Acquired in year	6,920	(15,144)	(8,224)
Benefits paid	(4,776)	4,776	-
Employer contributions	4,929	-	4,929
Contribution from employees	1,110	(1,110)	-
Administration expenses	(174)	-	(174)
Current service cost	-	(8,008)	(8,008)
Past service costs including curtailments	-	(356)	(356)
Interest income / (expense)	3,388	(4,934)	(1,546)
Re-measurement gains / losses			
- Actuarial loss	(2,089)	(9,114)	(11,203)
- Other assumptions	-	(1,407)	(1,407)
- Return on plan assets excluding interest income	5,354	1,153	6,507
Deficit in the scheme as at 31 August 2020	178,531	(291,612)	(113,081)

Company

	Total Share of scheme assets	Present value of scheme liabilities	Net pension (deficit) / surplus
	£'000	£'000	£'000
Year ended 31 August 2020			
South Yorkshire Pension Scheme	3,037	(3,093)	(56)
Platinum Pension Scheme	1,243	(1,202)	41
At 31 August 2020	4,280	(4,295)	(15)
Year ended 31 August 2019			
South Yorkshire Pension Scheme	3,052	(3,072)	(20)
Platinum Pension Scheme	1,247	(1,213)	34
At 31 August 2019	4,299	(4,285)	14

Notes to the financial statements (continued)

24. Pension commitments (continued)

South Yorkshire Pension Scheme

	2020	2019
Expected rate of salary increases	3.65%	3.55%
Expected rate of increase of pensions in payments	2.5%	2.4%
Rate of inflation	2.4%	2.3%
Discount rate	1.7%	1.8%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners

- Men	87.4	88.1
- Women	90.2	90.9

Longevity at 65 for future pensioners:

- Men	88.9	90.3
- Women	92.1	93.3

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000	2019 £'000
Deficit in the scheme as at 1 September 2019	3,052	(3,072)	(20)	321
Benefits paid	(84)	84	-	-
Employer contributions	9	-	9	12
Contribution from employees	3	(3)	-	-
Current service cost	-	(21)	(21)	(18)
Past service cost	-	(22)	(22)	-
Interest income / (expense)	54	(55)	(1)	9
Re-measurement gains / losses				
- Actuarial gain / (loss)	-	59	59	(313)
- Other assumptions	-	(63)	(63)	-
- Return on plan assets excluding interest income	3	-	3	(31)
Surplus in the scheme as at 31 August 2020	3,037	(3,093)	(56)	(20)

Notes to the financial statements (continued)

24. Pension commitments (continued)

Total cost recognised as expense:	2020	2019
	£'000	£'000
Current service cost	21	18
Interest cost	1	(9)
	22	9

	Value at 31 August 2020	Value at 31 August 2019
	£'000	£'000
Equities	1,441	1,596
Bonds	446	436
Gilts	267	223
Property	255	266
Cash	109	98
Other	519	433
Total market value of assets	3,037	3,052
Present value of scheme liabilities	(3,093)	(3,072)
Net pension deficit	(56)	(20)

The return on the plan assets was:

	2020	2019
	£'000	£'000
Interest income	54	77
Return on pension scheme assets less interest income	3	(31)
Total return on plan assets	57	46

Platinum Pension Scheme

The Trust joined the Platinum multi-employer pass ported 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. A formal actuarial valuation was carried out as at 31 December 2016. The results of that valuation have been projected to 31 March 2019 with allowance for the payroll and benefit information with which I have been provided and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method. The major assumptions used by the actuary for the last two years are:

Notes to the financial statements (continued)

24. Pension commitments (continued)

	2020	2019
Expected rate of salary increases	N/A	N/A
Expected rate of increase of pensions in payments	2.7%	3.0%
Rate of inflation	1.9%	2.2%
Discount rate	1.6%	1.8%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners		
- Men	87.0	86.6
- Women	89.3	88.6
Longevity at 65 for future pensioners:		
- Men	88.7	88.3
- Women	91.0	90.5

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000	2019 £'000
Deficit in the scheme as at 1 September 2019	1,247	(1,213)	34	193
Benefits paid	(18)	18	-	-
Employer contributions	45	-	45	47
Contribution from employees	-	-	-	-
Administration expenses	(21)	-	(21)	(21)
Current service cost	-	-	-	(5)
Interest income / (expense)	23	(22)	1	5
Re-measurement gains / losses				
- Actuarial gain / (loss)	-	15	15	(262)
- Return on plan assets excluding interest income	(33)	-	(33)	77
Surplus in the scheme as at 31 August 2020	1,243	(1,202)	41	34

Total cost recognised as expense:

	2020 £'000	2019 £'000
Current service cost and administration expenses	21	26
Interest cost	(1)	(5)
Total operating charge	20	21

Notes to the financial statements (continued)

24. Pension commitments (continued)

Shaw Trust's assessed share of the fair value of the assets of this scheme were:

	Value at 31 August 2020	Value at 31 August 2019
	£'000	£'000
Equities	518	536
Bonds	264	245
Gilts	240	242
Other	221	224
Total market value of assets	1,243	1,247
Present value of scheme liabilities	(1,202)	(1,213)
Total pension surplus	41	34

The return on the plan assets was:

	2020	2019
	£'000	£'000
Interest income	23	30
Return on pension scheme assets less interest income	(33)	77
Total return on plan assets	(10)	107

Notes to the financial statements (continued)

24. Pension commitments (continued)

Staffordshire Council (LPGS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund form the pension scheme for Shaw Education Trust

(Shaw Education Trust Pension Schemes)

Staffordshire Council (LGPS)

Principal actuarial assumptions:

	2020	2019
Expected rate of salary increases	2.6%	2.7%
Expected rate of increase of pensions in payments	2.2%	2.3%
Rate of inflation	2.2%	2.3%
Discount rate	1.7%	1.9%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners		
- Men	86.2	86.1
- Women	88.6	87.2
Longevity at 65 for future pensioners:		
- Men	87.1	88.5
- Women	90.0	89.8

West Midland Pension Fund

Principal actuarial assumptions:

	2020	2019
Expected rate of salary increases	3.3%	3.7%
Expected rate of increase of pensions in payments	2.3%	2.7%
Rate of inflation	2.3%	2.2%
Discount rate	1.6%	1.9%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners		
- Men	86.9	85.9
- Women	89.1	88.2
Longevity at 65 for future pensioners:		
- Men	88.8	87.6
- Women	90.1	89.1

Notes to the financial statements (continued)

24. Pension commitments (continued)

Greater Manchester Pension Fund

Principal actuarial assumptions:

	2020	2019
Expected rate of salary increases	3.0%	2.7%
Expected rate of increase of pensions in payments	2.1%	2.3%
Rate of inflation	2.2%	2.3%
Discount rate	1.0%	1.9%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners		
- Men	85.5	85.6
- Women	88.1	88.1
Longevity at 65 for future pensioners:		
- Men	87.0	87.0
- Women	90.0	89.8

Cheshire Pension Fund

Principal actuarial assumptions:

	2020	2019
Expected rate of salary increases	2.9%	2.6%
Expected rate of increase of pensions in payments	2.2%	2.3%
Rate of inflation	2.2%	2.3%
Discount rate	1.7%	1.9%

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners		
- Men	86.2	86.2
- Women	88.6	88.5
Longevity at 65 for future pensioners:		
- Men	86.9	87.1
- Women	90.0	90.0

24. Pension commitments (continued)

Derbyshire Pension Fund

Principal actuarial assumptions:

	2020	2019
Expected rate of salary increases	2.9%	N/A
Expected rate of increase of pensions in payments	2.2%	N/A
Rate of inflation	2.2%	N/A
Discount rate	1.7%	N/A

The mortality assumptions used were as follows:

Longevity at age 65 for current pensioners		
- Men	86.6	N/A
- Women	88.7	N/A
Longevity at 65 for future pensioners:		
- Men	87.6	N/A
- Women	90.1	N/A

Share of assets in the above schemes (Staffordshire Council (LGPS), West Midland Pension Fund, Greater Manchester Pension Fund, Cheshire Pension Fund and Derbyshire Pension Fund) was:

	Value at 31 August 2020	Value at 31 August 2019
	£'000	£'000
Equities	24,681	18,929
Corporate bonds	7,901	6,357
Property	3,040	2,320
Cash and other liquid assets	2,082	988
Other assets	620	364
Total market value of assets	38,324	28,958
Present value of scheme liabilities	(86,750)	(62,020)
Net pension deficit	(48,426)	(33,062)

The actual return on scheme assets was £2,372,000 (2019: £1,670,000)

Total cost recognised as an expense:

24. Pension commitments (continued)

	Value at 31 August 2020	Value at 31 August 2019
	£'000	£'000
Current service cost	6,319	3,819
Past service cost	333	330
Interest income	(982)	(710)
Interest cost	1,442	1,331
Total operating charge	7,112	4,770

London Pensions Fund Authority, the City of Bradford Metropolitan District Council, Gloucestershire County Council, Northamptonshire County Council, Wolverhampton City Council and Leicestershire County Council (Prospects Service Pension Schemes)

The actuarial valuations for the company have been updated to 31 August 2020 by qualified independent actuaries. The major assumptions used across the schemes described above, were:

	2020	2019
Expected rate of salary increases *	2.2% - 2.8% plus PSS	2.3% - 3.1% plus PSS
Expected rate of increase of pensions in payments	1.5% - 3.4%	2.6% - 3.8%
Rate of inflation	2.0% - 2.3%	2.3% - 2.6%
Discount rate	1.6% - 1.7%	1.4% - 1.9%
PSS = Promotional salary scale		
The mortality assumptions used were as follows:		
Longevity at age 65 for current pensioners		
- Men	86.0 - 87.0	85.6 - 87.4
- Women	88.7 - 89.4	88.6 - 89.6
Longevity at 65 for future pensioners:		
- Men	87.3 - 88.7	87.3 - 89.0
- Women	90.1 - 91.1	90.5 - 91.4

* London Pensions Fund Authority and Platinum schemes are now closed to active members and therefore the rate on increase in salaries is zero.

24. Pension commitments (continued)

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000	2019 £'000
Deficit in the scheme as at 1 September 2019	130,612	(191,163)	(60,551)	(42,539)
Benefits paid	(4,277)	4,277	-	-
Employer contributions	1,485	-	1,485	1,655
Contribution from employees	264	(264)	-	1
Administration expenses	(153)	-	(153)	(137)
Current service cost	-	(1,668)	(1,668)	(1,674)
Past service cost	-	(1)	(1)	(571)
Interest income / (expense)	2,329	(3,415)	(1,086)	(1,107)
Re-measurement gains / losses				
- Actuarial gain / (loss)	283	(8,142)	(7,859)	(29,700)
- Other assumption	-	(1,344)	(1,344)	6,247
- Return on plan assets excluding interest income	5,384	1,153	6,537	7,274
Surplus in the scheme as at 31 August 2020	135,927	(200,567)	(64,640)	(60,551)

The actual return on plan assets over the period ending 31 August 2020 was £5,484,000 (2019: £8,672,000).

25. Business combinations

Academy conversions: Shaw Education Trust (SET)

SET was incorporated as a wholly owned subsidiary on 2 June 2014 as a multi-academy Trust to effect the sponsorship of three special schools/academies in Staffordshire.

During the year a further four schools were converted to SET (2018–19: four) and another existing academy transferred. The figures are shown in the following table.

- 1) St Andrews Academy – transferred 1st September 2019;
- 2) Ivy House School – transferred 1st October 2019;
- 3) Meadows Primary Academy – transferred 1st January 2020; and
- 4) St Martins School – transferred 1st May 2020.

In addition, an existing academy; the Valley Park School and the connecting Valley Park Pru were transferred into Shaw Education Trust on 1st March 2020.

No cash consideration has been paid to the academies, and so no goodwill adjustments are required. The book values of the assets and liabilities were judged to be at fair value and had been treated in accordance with the group's accounting principles, therefore no adjustments were required and the financial activity of SET has been fully consolidated into the Group financial statements from their date of transfer.

Notes to the financial statements (continued)

25. Business combinations (continued)

The tangible fixed assets relate to property which was valued at the point of transfer and recorded as a donation received in the group statement of financial activities.

The net assets acquired have been recorded as a donation received in the group statement of financial activities. This relates to Shaw Education Trust (SET)

	2020 Total	2019 Total
	£'000	£'000
Fixed assets - tangible fixed assets	20,716	24,961
Cash at bank	1,239	262
Liabilities < 1 year	(57)	-
Pension liability	(8,224)	(3,874)
Net assets acquired	13,674	21,349
Acquisition Cost	-	-
Goodwill arising from acquisition	-	-

From the date of acquisition, the contribution to the results of the group was as follows:

	2020	2019
	Total	Total
	£'000	£'000
Total incoming resources	10,132	8,768
Outgoing resources	(8,802)	(8,401)
Net incoming resources for the period	1,330	367
Donation of net assets	13,674	21,349
Group net incoming resources derived from acquired activities	15,004	21,716

26. Related Party Transactions

The company has taken advantage of the exemption within FRS 102 and have not disclosed transactions between group companies where Trustees are Directors.

The Trust requires all Trustees to complete a declaration of interests. The table below shows all the related parties that have been disclosed and the value of both income and expenditure that the Trust has incurred with these bodies during the period ended 31 August 2020. These transactions were as a result of normal business activity.

Related Party	Value of revenue received from Related Party	Outstanding revenue balance at 31 August 2020	Value of expenditure made to Related Party	Outstanding expenditure balance at 31 August 2020
	£'000	£'000	£'000	£'000
RNIB	5,590	(1,363)	52,486	(124)

27. Financial Instruments

	Note	Group		Company	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Financial Assets:					
Trade debtors	13	11,111	14,203	2,018	4,477
Inter company		-	-	12,205	8,906
Other debtors	13	567	3,856	37	408
Investments in short-term deposits		-	315	-	315
Total Financial Assets		11,678	18,374	14,260	14,106
Financial Liabilities					
Trade creditors	16	2,683	3,308	894	749
Other creditors	16	3,155	14,914	-	-
Loans	16/16b	4,726	7,062	2,961	5,499
Accruals	16	25,105	8,103	5,439	5,098
Total Financial Liabilities		35,669	33,387	9,294	11,346

28. Post Balance Sheet Events

From March 2020, and continuing post year end Covid-19 has had a significant impact on the operations of the Trust and its activities, in particular the Charity Shops and Garden Centres have seen a higher impact than others with a number of employees having been furloughed in these areas. Extensive scenario planning and modelling of the new restrictions has taken place, to include best, mid and worst case sensitivities and the Trust is confident that it has sufficient financial and operational resources to operate through this period of disruption.