

Registered number: 6663601

THAMES WATER TRUST FUND

**Financial Statements
Year ended 31 March 2017**

THAMES WATER TRUST FUND

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THAMES WATER TRUST FUND

TRUST INFORMATION

TRUSTEES

Mrs L Perham

Mrs C E C Drury

Mr P Tutton

Mr A Ullah

Ms G M C Tregoning (appointed 1 November 2016)

COMPANY SECRETARY

Auriga Services Limited

COMPANY NUMBER

6663601

CHARITY NUMBER

1126714

REGISTERED OFFICE

Emmanuel Court

12-14 Mill Street

Sutton Coldfield

West Midlands

B72 1TJ

BANK

The Royal Bank of Scotland

London Victoria Branch

119/121 Victoria Street

London

SW1E 6RA

THAMES WATER TRUST FUND

REPORT OF THE TRUSTEES

The Trustees present their report and the financial statements for the year ended 31 March 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was incorporated on 4 August 2008 as a private, limited by guarantee, company having no share capital.

The Trustees have considered the risks to which the charity is exposed and have taken steps to mitigate those risks.

The Trustees have agreed that, as part of the induction process for new trustees, before anyone considers appointment as a trustee they should familiarise themselves with the responsibilities of charity trustees, read the charity commission booklet on this subject and carefully read the trust deed, the settlor's directions and the latest financial statements.

All non-administrative decisions are made by the Trustees jointly. Administrative decisions are delegated to either one of the Trustees alone or to Auriga Services Limited who act on behalf of Trustees under an approved Scheme of Delegation.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives in setting the grant making policy for the year.

OBJECTIVES AND ACTIVITIES

The Charity's objects are the relief of financial hardship for persons who are unable to meet the cost of charges for the supply of water and/or sewerage services provided to premises used or occupied by them by Thames Water Limited or have been affected detrimentally and caused undue hardship by the operations of Thames Water Limited or by virtue of their water supply of sewerage connection and who are unable to meet the cost of any financial loss caused thereby.

ACHIEVEMENTS AND PERFORMANCE

The donations received by the Trust in the year were from Thames Water Limited £864,328 and Auriga services Limited £25,000.

Help for individuals

In pursuit of charitable objectives the Trust was able to award grants toward household costs and bills. It is the policy of the Trustees that where a grant is given to assist with outstanding debt, then wherever possible, it will be paid to the person or organisation owed. The aim of the Trust was to help people out of immediate crisis and financial difficulty and, wherever possible, to encourage future financial stability. During the period the Trust was able to provide grants to individuals or families amounting to £291,171 (2016: £262,121).

Debt counselling

In pursuit of charitable objectives, the Trustees have recognised the value of long term help and support to individuals of professional money advice services, the Trustees adopted a policy of making grants available to organisations that provide free debt advice and debt counselling services. £277,918 (2016: £180,679) has been given during the year.

Measurement and the continuing achievement of the Trust's objectives by funded organisations was by a detailed application process, assessment, agreeing outputs and regular monitoring.

Payments out of this fund are generated only after positive vetting of quarterly monitoring forms.

FINANCIAL REVIEW

The Trustees consider the financial position of the Trust satisfactory.

Reserves policy

The general fund of £195,666 (2016: £92,023) held at the year-end is required to meet the future working capital requirement of the Trust. The designated fund balance was £776,660 as at 31 March 2017 (2016: £658,750). This designated fund represents amounts designated by the Trustees to meet the future costs of providing debt counselling. In total the Trust has £972,326 (2016: £750,773) unrestricted funds. Trustees have taken the view that it is appropriate to hold £15,000 (2016: £15,000) to cover contractual and legal obligations and any unforeseen contingencies and will keep this under review.

THAMES WATER TRUST FUND

REPORT OF THE TRUSTEES

Unrestricted income fund

The income during the period is as expected.

Debt counselling fund

A debt counselling fund has been designated by the trustees for grants expected to be payable over the next twelve months and relevant successive years. A transfer of £395,828 (2016: £275,198) was made to the designated fund during the year to 31st March 2017.

PLANS FOR FUTURE PERIODS

The donation to the Trust fund for 2017/18 will be £654,000 (2016/17: £889,577). The Trustees have decided to focus on continuing two very important aspects of its work to relieve poverty and hardship for those who live in the geographical boundary served by Thames Water. The Trust will continue the programme of providing grants to organisations that provide free debt advice and debt counselling services.

TRUSTEES' INDEMNITY

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for trustees and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have done or omitted, by them as officers or employees of the Company.

Trustee Indemnity insurance of £5,000,000 was arranged as part of the overall insurance package and included in the total premium of £2,019.

RISK MANAGEMENT

The Trustees have considered the risks to which the charity is exposed and taken steps to mitigate those risks.

The Trustees have considered the risk that all donations are received from Thames Water and the issues that will arise from a failure to receive donations from Thames Water. The risk has been mitigated by Thames Water's confirmation of continued support.

The Trustees review the risks on a quarterly basis. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and the likelihood of occurrence, and identifying the means of mitigating those risks. As part of this process, the Trustees work closely with Auriga Services Ltd, who manage the day-to-day operations and assess the adequacy of the charity's current internal controls. Any changes to control systems would be agreed by Trustees.

FINANCIAL INSTRUMENTS

The company does not enter into any hedging transactions. The company has normal exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling.

TRUSTEES

The trustees of the charity have held office from 1 April 2016 to the date of this report, unless otherwise stated,

Mrs L Perham
Mrs C E C Drury
Mr P Tutton
Mr A Ullah
Ms G M C Tregoning (appointed 1 November 2016)

THAMES WATER TRUST FUND

REPORT OF THE TRUSTEES

RESPONSIBILITIES OF TRUSTEES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware at the time of approving our trustees' annual report:

- * there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware; and
- * the trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

AUDITORS

Mazars LLP will continue in office in accordance with CA 2006 s487(2).

These accounts have been prepared in accordance with the special provision of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the Trustees on 8-11-17
and signed on their behalf by



Linda Perham
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THAMES WATER TRUST FUND

We have audited the consolidated financial statements of Thames Water Trust Fund for the year ended 31 March 2017 which comprise of a Statement of Financial Activities, a Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102, "The Financial Reporting Standard in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity'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 charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 and of 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF
THAMES WATER TRUST FUND**

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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.



Ian Holder (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor
45 Church Street,
Birmingham
B3 2RT

21st November 2017

THAMES WATER TRUST FUND

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2017

	Notes	General fund £	Designated fund £	2017 £	2016 £
INCOMING RESOURCES					
Voluntary income – donations		889,328	-	889,328	664,000
Investment income	2	75	-	75	42
TOTAL INCOMING RESOURCES		889,403	-	889,403	664,042
RESOURCES EXPENDED					
Cost of generating funds					
Charitable expenditure					
Grants payable	3	291,171	277,918	569,089	442,800
Other associated expenditure	4	98,761	-	98,761	89,239
TOTAL RESOURCES EXPENDED		389,932	277,918	667,850	532,039
NET INCOMING/(OUTGOING)		499,471	(277,918)	221,553	132,003
RESOURCES BEFORE TRANSFERS					
Transfer to Debt Counselling fund	5	(395,828)	395,828	-	-
NET MOVEMENTS IN FUNDS		103,643	117,910	221,553	132,003
FUND BALANCES BROUGHT FORWARD AT 1 APRIL 2016		92,023	658,750	750,773	618,770
FUND BALANCES CARRIED FORWARD AT 31 March 2017		195,666	776,660	972,326	750,773

The Trust's incoming resources and expended resources all relate to continuing activities.

There are no recognised gains and losses other than those shown above.

THAMES WATER TRUST FUND**BALANCE SHEET****At 31 March 2017**

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	6	-	-
Cash at bank and in hand		<u>1,019,965</u>	<u>803,740</u>
		1,019,965	803,740
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(47,639)</u>	<u>(52,967)</u>
NET CURRENT ASSETS		<u>972,326</u>	<u>750,773</u>
NET ASSETS		<u>972,326</u>	<u>750,773</u>
FUNDS			
Unrestricted income funds		<u>972,326</u>	<u>750,773</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A – small entities.

Approved and authorised for issue by the Trustees on 8-11-17
and signed on their behalf by



Linda Perham
Trustee

Registered number: 6663601

THAMES WATER TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards, the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the charities SORP (FRS 102) and the Companies Act 2006.

Accounting convention

The financial statements are prepared under the historical cost convention.

Incoming Resources

The principal source of income comes from donations from Thames Water Plc. Investment income is accounted for when due.

Grants payable

Grants are recognised on payment to individuals.

Charitable expenditure

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on a staffing basis.

Governance Costs

These are costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Staff costs

The company does not directly employ any staff. Management and administration services are provided by Auriga Services Limited. The Trustees do not receive any remuneration.

Cash at bank and in hand

Cash at bank and cash in hand includes cash which is available.

Creditors and accruals

Creditors and accruals are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Debt counselling designated fund

This reserve represents amounts designated by the Trustees to meet the future costs of providing debt counselling.

2. INVESTMENT INCOME

	2017	2016
	£	£
Business reserve account interest	75	42

THAMES WATER TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

3. GRANTS PAYABLE

	2017 £	2016 £
Payable to individual beneficiaries or direct to creditors in respect of debts owed.*		
Gas / Electricity	363	677
Rent/Mortgage	1,000	4,709
Bankruptcy	12,090	4,300
Other household needs	277,718	252,435
	<u>291,171</u>	<u>262,121</u>
Debt Counselling grants paid	<u>277,918</u>	<u>180,679</u>
Total	<u>569,089</u>	<u>442,800</u>

* It is the policy of the Trustees that wherever possible a beneficiary's grant will be paid direct to the relevant creditor.

4. OTHER ASSOCIATED EXPENDITURE

	2017 £	2016 £
Support costs		
Insurance	2,019	2,010
Bank charges	893	1,012
Management charge from Auriga Services Limited (inc VAT)	85,280	83,938
Discount received	(249)	(1,603)
Other expenses	7,578	642
Audit fees (inc. VAT)	3,240	3,240
	<u>98,761</u>	<u>89,239</u>

None of the trustees received any remuneration as trustees during either year. The Trust paid £2,019 (2016: £2,010) for the premium on the Trustees indemnity insurance.

The Trustees were reimbursed expenses of £789 in the year (2016: £642).

Trustee Indemnity insurance of £5,000,000 was arranged as part of the overall insurance package and included in the total premium of £2,019.

THAMES WATER TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2017

5. TRANSFER TO DESIGNATED FUND

	2017 £	2016 £
Transfer to Debt Counselling Fund	<u>395,828</u>	<u>275,198</u>

The transfer above is the balance of the amount donated by Thames Water for the period, after removing amounts allocated to the following purposes per budgeted figures, as approved by the Trustees;

	2017 £
Thames Water donation 2016/17	864,328
Individual hardship / crisis payments	(250,000)
Individual hardship / crisis payments – additional allocation	(100,000)
Fees from Auriga Services Limited	(86,500)
Governance costs	(17,000)
Contingency / Reserves	(15,000)
	<u>395,828</u>

6. DEBTORS

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	<u>-</u>	<u>-</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	23,313	22,828
Accruals	24,326	30,139
	<u>47,639</u>	<u>52,967</u>

8. TAXATION

The company is exempt for the purposes of income tax and corporation tax under Section 360 ICTA 1970.

