WATFORD AND THREE RIVERS TRUST

England & Wales · Charity number 1085518

Details

Other names	WATFORD COUNCIL FOR VOLUNTARY SERVICE
Status	Registered
Legal form	CIO
Registered	2001-03-13
Register	View on the Charity Commission register

Contact

Address	Holywell Community Centre Tolpits Lane Watford WD18 9QD
Phone	01923 216950
Email	enquiries@w3rt.org
Website	http://w3rt.org

Activities

Objects: THE PROMOTION OF ANY CHARITABLE PURPOSES FOR THE BENEFIT OF THE COMMUNITY IN THE BOROUGH OF WATFORD OR THE DISTRICT OF THREE RIVERS OR THEIR SURROUNDING AREAS, AND IN PARTICULAR THE ADVANCEMENT OF EDUCATION, THE PROTECTION OF HEALTH AND THE RELIEF OF POVERTY, DISTRESS AND SICKNESS.

Activities: Strengthening Watford's voluntary sector through leadership, support, advice and example.

Classification

- **How:** Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Education/training, Economic/community Development/employment
- **Who:** Other Charities Or Voluntary Bodies, The General Public/mankind

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Geography

- **Area of benefit:** BOROUGH OF WATFORD OR THE DISTRICT OF THREE RIVERS OR THEIR SURROUNDING AREAS
- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£4,471,137	£4,524,757	£985,176	41
2024-03-31	£3,530,711	£3,388,144	£1,038,796	38
2023-03-31	£3,608,145	£3,257,469	£896,229	40
2022-03-31	£3,441,105	£3,261,996	£545,553	42
2021-03-31	£2,358,373	£2,313,429	£354,876	45

Trustees

Name	Role	Appointed
Syd Nadim	Chair	2021-05-05
Aga Dychton		2026-03-10
David Rees		2026-03-10
Deborah Keeping		2026-03-10
Harjit Singh Grewal		2020-02-11
Kara Mesiano		2026-03-10
MOHAMMAD KHALEEL CHOWDHREE		2024-01-15
Rachel Fowler		2024-01-15
Simon Alexander Mitchell		2024-01-15
Stephen McNicholas		2014-12-04
Visuwanathan Easwarakumar		2024-01-15

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WATFORD AND THREE RIVERS TRUST

England & Wales - Charity number 1085518

Accounts

Charity registration number 1085518 (England and Wales)

WATFORD AND THREE RIVERS TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

WATFORD AND THREE RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Harjit Grewal Steve McNicholas Alec Ray Syd Nadim Khaleel Chowdhree Visuwanathan Easwarakumar Rachel Fowler Simon Mitchell
Honorary Presidents	Matt Turmaine MP Peter Taylor, elected Mayor of Watford Baroness Thornhill MBE Gagan Mohindra MP
Chair	Syd Nadim
Vice Chair	Alec Ray
Chief Executive Officer	Bob Jones
Charity number	1085518
Principal address and Registered Office	Holywell Community Centre Chaffinch Lane Tolpits Lane Watford Hertfordshire WD18 9QD
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Hertfordshire WD4 8SZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Metro Bank One Southampton Row London WC1B 5HA

WATFORD AND THREE RIVERS TRUST

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WATFORD AND THREE RIVERS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their report and accounts for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and "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) (effective 1 January 2019)".

Watford and Three Rivers Trust

Our mission and purpose

The charitable aims and objectives of Watford and Three Rivers Trust (W3RT) as defined by our Articles of Association, are:

> *The promotion of any charitable purposes for the benefit of the community in the Borough of Watford or the District of Three Rivers or their surrounding areas, and in particular the advancement of education, the protection of health and the relief of poverty, distress and sickness.*

What we believe

Volunteering and a good public spirit are at the heart of every successful community and every contented individual.

Our vision

W3RT's vision is of a community in which people are connected, informed and take responsibility for the wellbeing of themselves and others.

Our purpose

In particular, we work to:

- ensure that our community benefits from voluntary organisations that are welcoming, effective, sustainable and accountable;
- help older and vulnerable people to build social networks and design and secure services appropriate to their needs;
- encourage and support people to be active in their communities for the wellbeing of themselves and others.

What we do

W3RT has initiated or supported many community initiatives in Watford, Three Rivers and across Hertfordshire and we:

- host the Hertfordshire Community Leaders Forum providing connections, support and a voice to charities across the county;
- runs CVS services for Watford and Three Rivers, representing around 800 local charities and supporting them on all aspects of governance, management and operations;
- host the Watford Community Fund and the Connecting Three Rivers Fund to raise monies for local charities;
- host up to 11 clubs or activities each week for older people;
- provide additional support for vulnerable people living at home;
- host the Watford and West Herts Chamber of Commerce;
- run a community car service providing journeys for people to attend medical and other appointments;
- manage two community centres;
- host Hertfordshire's social prescribing partnership aimed at supporting 14,000 people a year to relieve pressures on the NHS and adult care services.

Statement on compliance with Charity Commission guidance on public benefit

When deciding on activities and programmes, Trustees pay due regard to the Charity Commission's guidance on public benefit.

Review of the Year

Objectives for 2024-25

W3RT's objectives for 2024-25 were set out in a one-year business plan and a five-year strategic plan agreed by the Board of Trustees in February 2024.

The **Strategic Plan** set out W3RT's:

Distinctive role and values

We believe that people (despite or because of their differences) have immense power and capacity to work together purposefully for mutual benefit and the common good. We will always:

- seek effective partnerships with organisations sharing similar values and aims;
- work for organisations to be accountable to the communities they serve;
- support a strong and diverse voluntary sector as a necessary feature of a successful community;
- encourage people to be engaged in the planning, design and delivery of community services.

Focus for development

W3RT works at the borders and margins – with individuals or communities that might feel marginalised, poorly connected or "under-served". We aim to build services and connections so no-one is isolated or overlooked and everyone can play a part in their community, influence decisions and access services. We particularly help people navigate the borders that exist between individuals, their community and the state:

- what relationship do individuals have to their neighbours and their community?
- how do individuals navigate their way through the state's manifold institutions and services?
- how can we ensure that voluntary organisations work to strengthen their communities?

Plans for the future

We know to remain flexible and not place too much reliance on forward planning. We want to ensure W3RT can:

- be attentive, responsive and innovative;
- have scalable systems to underpin successful project delivery;
- make a distinctive contribution to policy discussions;
- be an exemplar of good governance;
- develop a long-term financial strategy;
- be an effective champion for our members and communities;
- be recognised for our achievements.

The **Business Plan** set out specific targets and priorities for the year including:

- complete the integration of the Chamber of Commerce;
- conclude the merger with South Oxhey charity ASCEND;
- introduce online booking for our community venues and return activity at venues to pre-pandemic levels;
- increase the number of active volunteer drivers;
- improve and increase support for local voluntary organisations;
- increase the number of Getting Together clubs and members;
- create a new website and focus for the Herts Community Leaders Forum;
- introduce new partnership arrangements to HCNS.

Performance

- Chamber of Commerce
  We hosted 53 events, attracting s,623 attendances from the Chamber's membership of 390 local businesses. Work continues to complete the integration of the Chamber of Commerce through a shared membership strategy with our CVS.
- ASCEND
  We have successfully completed our merger with ASCEND continuing their legacy of community work in South Oxhey, and retaining their LifeLine and DigDeep projects and staff.
- Community Venues
  Our venues hosted 1,460 community events attracting 42,000 participants. Activity at Holywell Community Centre has returned to pre-pandemic levels. The Lord-Lieutenant's Charity Hub has become established at Warner Brothers with 32 desk spaces shared by local charities. We continue to work with partners to restore activities at The Barn which has struggled to find anchor organisations since reopening. Our new booking system has been introduced.
- Community Cars
  We provided 1,423 essential journeys to people unable to use public transport. We have secured a small increase in driver numbers, and we are working with key partners including Watford General Hospital to secure sustained increases.
- Community and Voluntary Services
  We helped set up fifteen new organisations, provided over 600 instances of support to voluntary organisations and hosted seven local events including on fundraising and volunteering. Over 100 users a month accessed our directory of 800+ local voluntary organisations.
- Getting Together and Wellbeing
  We hosted 600 meetings and events during the year with a total attendance of 12,768. Our 26 volunteer befrienders made 2,671 "keeping connected" calls.
- Herts Community Leaders Forum
  This network has a new website and has grown to over 140 members, of which 40 are CEOs.
- Hospital and Community Navigation Service
  New partnership arrangements have been introduced and with its partners, HCNS continues to achieve its targets for social prescribing.

Financial review and prospects

Financial review

Income rose by £940,426 (26.6%) to £4,471,137 while expenditure rose by £1,136,613 (33.5%) to £4,524,757. This produced a deficit on the year of £53,620, of which £27,473 related to restricted funds and £26,147 related to general unrestricted funds. Net assets fell to £985,176 (2024: £1,038,796).

Funds

At the year end the amount of restricted funds not yet spent was £256,151 (2024: £283,624). The total unrestricted General Fund reserve was £729,025 (2024: £755,172).

Reserves policy

The Trustees have agreed that W3RT should hold General Fund Reserves between one third of annual running costs and that amount required to meet W3RT's reasonable cash flow needs for the coming twelve months while holding at least £50,000 for contingency. For 2024-25 this sets a reserve of between £50,000 and £1,508,252. At the end of the year, we held an unrestricted and designated reserve of £729,025.

Principal sources of income and how expenditure meets our objects

W3RT has two main income streams; income from statutory contracts (HCC, HVCCG, NHS, WBC, TRDC) and income generated through the delivery of services.

Each service is designed and delivered for public benefit and each activity is funded differently and contributes to core costs such as management, marketing and telecoms.

Donations and legacies consists of the core grant for the CVS from Watford Borough Council and Three Rivers District Council plus fundraised and donated income.

Income from charitable activities totalled £4,054,820 (2024: £3,183,302) and the largest component of this is project grants of £3,753,661 (2024: £2,854,274).

Investment policy

W3RT's reserves policy is designed to maximise the resources that can be applied to charitable objectives. Consequently, W3RT has few surplus funds, and particularly in the current market, does not expect to generate a significant income from these funds. To date, W3RT has invested solely through accounts offered by our bankers CAF Bank, we are exploring options for the future but will maintain a cautious approach to investments.

Investment performance

W3RT funds are all invested through the "CAF Gold" account offered by our bankers CAF Bank. Interest rates and returns have remained very low. W3RT expects to maintain a cautious approach to investments.

Fundraising

W3RT carries out fundraising form businesses, individuals and the community to support its own work, and to raise money to support CVS member charities.

Risk assessment

The Board of Trustees regularly carries out a risk assessment of W3RT activities and agrees on actions to manage and mitigate risks. The most recent risk assessment was carried out in May 2025.

Future plans

W3RT Trustees meet each January to discuss plans for the coming year, and they review and refine these at each meeting. There are major challenges ahead for W3RT:

- W3RT's CEO is leaving at the end of 2025 after twenty years.
- Public finances are also under immense pressure - and especially funding for NHS and adult care services.
- The Hertfordshire and West Essex Integrated Care Board is currently seeking to lose 50% of its staff – while also being reorganised into a new ICB area covering Hertfordshire, Cambridgeshire, Peterborough, Bedfordshire, Luton and Milton Keynes.
- The Government is also accelerating the abolition of two tier local authorities: within Hertfordshire, all existing councils will be replaced by two, three or four new Unitary Authorities (the decision will be known at the end of 2025 and changes implemented by 2028).
- Changes to W3RT funding, increases to National Insurance, residual costs of the merger with Watford Chamber, and one-off costs for some accommodation mean that W3RTfaces a significant deficit in 2025-26.

In response to these changes, W3RT is:

- recruiting a new CEO
- otherwise seeking to reduce its payroll costs by £200k - £250k pa
- considering all opportunities for closer working with other charities
- reviewing all systems and processes to reduce costs and eliminate any friction or waste
- reviewing all services and projects to ensure we have sustainable models of delivery in pace

Structure, governance and management

The charity was originally an unincorporated trust, then became a company limited by guarantee with charitable status, and in November 2023, W3RT converted to become a Charity Incorporated Organisation.

The Trustees who served during the year were:

Harjit Grewal	
Steve McNicholas	
Pam Parmar	(Resigned 17 June 2025)
Alec Ray	
Syd Nadim	
Khaleel Chowdhree	
Visuwanathan Easwarakumar	
Rachel Fowler	
Simon Mitchell	
John Casstles	(Deceased 1 May 2024)

New Trustees are co-opted to the Trustee board and the Trustees have adopted a recruitment policy to ensure that recruitment of new Trustees is based on the assessed needs of the charity. No external body is entitled to appoint any Trustees of W3RT.

New Trustees are provided with key documentation, invited to spend a day meeting staff and service users, and encouraged to attend a course on Trustee roles and responsibilities. One trustee takes a particular interest in data governance. We are also seeking to appoint trustees to take particular responsibility for safeguarding, finance, and staffing.

New Trustees are provided with key documentation, invited to spend a day meeting staff and service users, and encouraged to attend a course on Trustee roles and responsibilities.

Governance

We have created new Board pages within Microsoft Teams. The Board used to meet five times a year for two hours, but is now in meeting monthly for one hour, with quarterly face-to-face meetings. Each Trustee meeting receives reports on W3RT's finances and activities.

Working groups are established as reqired, with a limited duration and with any delegated powers clearly defined.

Decisions about day-to-day operational matters, including staffing, work planning and finance are delegated to the Chief Executive Officer, who has regular meetings with the Board's Chairman.

Affiliations

During 2024-25, W3RT held affiliations with:

- Community Transport Association;
- Herts Care Providers Association;
- CDA Herts;
- Institute of Corporate Responsibility and Sustainability (through the CEO);
- Institute of Fundraising (through the CEO);
- Living Wage Foundation;
- National Association for Voluntary and Community Action;
- National Voices;
- National Council of Voluntary Organisations.

W3RT hosts many projects, activities, services and forums. This is part of our work to support and develop the local voluntary sector. Some of these activities may operate under particular brands or names different to W3RT, but none has any independent legal existence and all publicity materials, correspondence and publications quote W3RT's details and make clear that these activities are undertaken as part of W3RT.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the Auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Auditors are aware of such information.

The Trustees' report was approved by the Board of Trustees.

Syd Nadim
Trustee
Dated: 16 September 2025

WATFORD AND THREE RIVERS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2025

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

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WATFORD AND THREE RIVERS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

Opinion

We have audited the financial statements of Watford and Three Rivers Trust (the 'charity') for the year ended 31 March 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the Trustees 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 charity'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 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 144 of the Charities Act 2011 and report in accordance with the Act 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of the above, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in management override of controls. In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements in this case, specifically in this context, Charities Act 2011 and tax legislation. 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 may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other matters

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gowers Limited

14th October 2015

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Hertfordshire
WD4 8SZ

Gowers Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Current financial year	Notes	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income from:					
Donations and legacies	3	153,908	139,518	293,426	261,727
Charitable activities	5	3,274,459	780,361	4,054,820	3,183,302
Other trading activities	4	99,638	-	99,638	62,247
Investments	6	23,253	-	23,253	23,435
Total income		3,551,258	919,879	4,471,137	3,530,711
Expenditure on:					
Raising funds	7	8,235	-	8,235	-
Charitable activities	8	3,441,281	1,075,241	4,516,522	3,388,144
Total expenditure		3,449,516	1,075,241	4,524,757	3,388,144
Net income/(expenditure)		101,742	(155,362)	(53,620)	142,567
Transfers between funds		(127,889)	127,889	-	-
Net movement in funds	9	(26,147)	(27,473)	(53,620)	142,567
Reconciliation of funds:					
Fund balances at 1 April 2024		755,172	283,624	1,038,796	896,229
Fund balances at 31 March 2025		729,025	256,151	985,176	1,038,796

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Prior financial year	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:				
Donations and legacies	3	203,526	58,201	261,727
Charitable activities	5	2,731,012	452,290	3,183,302
Other trading activities	4	62,247	-	62,247
Investments	6	23,435	-	23,435
Total income		3,020,220	510,491	3,530,711
Expenditure on:				
Charitable activities	8	3,104,527	283,617	3,388,144
Total expenditure		3,104,527	283,617	3,388,144
Net income/(expenditure) and movement in funds		(84,307)	226,874	142,567
Reconciliation of funds:				
Fund balances at 1 April 2023		839,479	56,750	896,229
Fund balances at 31 March 2024		755,172	283,624	1,038,796

WATFORD AND THREE RIVERS TRUST

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Current assets					
Debtors	13	198,515		178,767	
Cash at bank and in hand		1,135,489		1,152,861	
		1,334,004		1,331,628	
Creditors: amounts falling due within one year	14	(345,781)		(291,634)	
Net current assets			988,223		1,039,994
Provisions for liabilities	15		(3,047)		(1,198)
Net assets			985,176		1,038,796
Income funds					
Restricted funds	18		256,151		283,624
Unrestricted funds					
General unrestricted funds		732,072		756,370	
Pension reserve		(3,047)		(1,198)	
			729,025		755,172
			985,176		1,038,796

The financial statements were approved by the Trustees on 16 September 2025

Syd Nadim
Trustee

Khaleel Chowdhree
Trustee

WATFORD AND THREE RIVERS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash absorbed by operations	23		(40,625)		(4,927)
Investing activities					
Interest received		23,253		23,435	
Net cash generated from investing activities			23,253		23,435
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(17,372)		18,508
Cash and cash equivalents at beginning of year			1,152,861		1,134,353
Cash and cash equivalents at end of year			1,135,489		1,152,861

1 Accounting policies

Charity information

Watford and Three Rivers Trust is a Charitable Incorporated Organisation.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Charities Act 2011 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are funds received which can only be used for the specific purpose as laid out by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overhead costs. The aim and use of each restricted fund is set out in the note to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of services provided by the volunteers is not included in the Statement of Financial Activities.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

The Trustees have a policy of charging individual items with a negligible projected net residual value after one year from purchase directly to the Statement of Financial Activities in the year of purchase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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 assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/ (expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.10 Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£
Donations and other voluntary income	39,485	139,518	179,003	142,554
Grants receivable for core activities	114,423	-	114,423	119,173
	153,908	139,518	293,426	261,727
For the year ended 31 March 2024	203,526	58,201		261,727
Donations and gifts				
Camelot UK Lotteries	-	-	-	10,000
ASCEND - transfer of funds	-	102,250	102,250	-
Watford Community Fund donations	-	33,268	33,268	-
Watford Chamber of Commerce	-	-	-	57,000
Chamber of Commerce Apprenticeships	-	-	-	40,000
Bedfordshire & Luton Community Foundation	-	4,000	4,000	6,000
Aramark	5,000	-	5,000	-
NuServe Ltd	3,644	-	3,644	-
Warner Bros	12,500	-	12,500	10,000
Other	18,341	-	18,341	19,554
	39,485	139,518	179,003	142,554
Grants receivable for core activities				
Watford Council - CVS Grant	74,423	-	74,423	79,173
Three Rivers District Council - CVS Grant	40,000	-	40,000	40,000
	114,423	-	114,423	119,173

4 Income from other trading activities

	Unrestricted funds 2025	Unrestricted funds 2024
	£	£
Membership subscriptions and sponsorships	99,638	62,247

5 Charitable activities

	Room hire and facilities	Fees and contracts	Lunch clubs and transport	Total 2025	Total 2024
	£	£	£	£	£
Income from charitable activities	197,855	86,029	17,275	301,159	329,028
Project grants	-	3,753,661	-	3,753,661	2,854,274
	197,855	3,839,690	17,275	4,054,820	3,183,302
Analysis by fund					
Unrestricted funds	178,574	3,078,610	17,275	3,274,459	2,731,012
Restricted funds	19,281	761,080	-	780,361	452,290
	197,855	3,839,690	17,275	4,054,820	3,183,302
Project grants					
Watford Council	-	146,894	-	146,894	165,680
Hertfordshire County Council	-	2,830,356	-	2,830,356	2,172,282
Macmillan Cancer Support	-	162,643	-	162,643	116,912
Communities 1st - Community Help Hertfordshire	-	34,350	-	34,350	76,210
Hertfordshire Community Foundation	-	271,589	-	271,589	-
Three Rivers District Council	-	31,000	-	31,000	11,000
Dacorum Borough Council	-	-	-	-	34,335
Community Action Dacorum	-	7,648	-	7,648	5,982
Cheshire Community Foundation	-	15,790	-	15,790	-
NHS	-	242,586	-	242,586	262,845
Other	-	10,805	-	10,805	9,028
	-	3,753,661	-	3,753,661	2,854,274

6 Income from investments

	Unrestricted funds 2025	Unrestricted funds 2024
	£	£
Interest receivable	23,253	23,435

7 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Fundraising costs		
Other fundraising costs	8,235	-

8 Expenditure on charitable activities

	2025 £	2024 £
Direct costs		
Staff costs	1,247,131	1,062,919
Other staff costs	7,377	4,714
Grants to partner organisations and direct delivery costs	2,745,487	1,765,650
Venue costs	209,450	254,082
Central delivery costs	103,551	64,616
ICT costs	151,122	180,134
Travel and subsistence	12,393	10,361
Volunteer costs	22,634	26,998
Legal and professional	4,100	-
General costs	6,444	1,317
Other finance costs	2,345	3,476
Governance costs	4,459	4,877
Bad debts	29	9,000
	4,516,522	3,388,144
Analysis by fund		
Unrestricted funds	3,441,281	3,104,527
Restricted funds	1,075,241	283,617
	4,516,522	3,388,144

9 Net movement in funds

	2025 £	2024 £
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	4,380	3,234

10 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year.

11 Employees

Number of employees
The average monthly number of employees during the year was:

	2025 Number	2024 Number
Charitable and administrative	41	38

Employment costs	2025 £	2024 £
Wages and salaries	1,119,623	956,109
Social security costs	95,807	80,334
Other pension costs	31,701	26,476
	1,247,131	1,062,919

There were no employees whose annual remuneration was £60,000 or more.

12 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

13 Debtors

Amounts falling due within one year:	2025 £	2024 £
Trade debtors	138,341	115,632
Other debtors	51,699	-
Prepayments and accrued income	8,475	63,135
	198,515	178,767

14 Creditors: amounts falling due within one year

	Notes	2025 £	2024 £
Other taxation and social security		23,852	19,826
Deferred income	16	251,881	34,333
Trade creditors		43,828	74,576
Other creditors		6,232	12,195
Accruals		19,988	150,704
		345,781	291,634

15 Provisions for liabilities

	Notes	2025 £	2024 £
Retirement benefit obligations	17	3,047	1,198
		3,047	1,198

16 Deferred income

	2025 £	2024 £
Other deferred income	251,881	34,333

Deferred income is included in the financial statements as follows:

	2025 £	2024 £
Deferred income is included within:		
Current liabilities	251,881	34,333
Movements in the year:		
Deferred income at 1 April 2024	34,333	11,430
Released from previous periods	(34,333)	(11,430)
Resources deferred in the year	251,881	34,333
Deferred income at 31 March 2025	251,881	34,333

17 Retirement benefit schemes

Defined contribution schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions From 1 April 2025 to 31 March 2028: (payable monthly)	£2,100,000 per annum

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	31 March 2025 (£s)	31 March 2024 (£s)	31 March 2023 (£s)
Present value of provision	3,046	1,198	2,565

Reconciliation of opening and closing provisions	Period Ended 31 March 2025 (£s)	Period Ended 31 March 2024 (£s)
Provision at start of period	1,198	2,565
Unwinding of the discount factor (interest expense)	32	98
Deficit contribution paid	(1,222)	(1,466)
Remeasurements - impact of any change in assumptions	19	1
Remeasurements - amendments to the contribution schedule	3,019	-
Provision at end of period	3,046	1,198

17 Retirement benefit schemes **(Continued)**

Income and Expenditure Impact	Period Ended 31 March 2025 (£s)	Period Ended 31 March 2024 (£s)
Interest expense	32	98
Remeasurements – impact of any change in assumptions	19	1
Remeasurements – amendments to the contribution schedule	3,019	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	31 March 2025 % per annum	31 March 2024 % per annum	31 March 2023 % per annum
Rate of discount	4.84	5.31	5.52

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

18 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	Movement in funds				Movement in funds			
	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Balance at 31 March 2025
	£	£	£	£	£	£	£	£
Watford Community Fund	19,064	38,236	(30,648)	26,652	52,080	(71,675)	3,383	10,440
HCNS Enhanced Support	-	-	-	-	296,519	(360,218)	63,699	-
HCNS Household Support	-	-	-	-	100,000	(33,572)	-	66,428
Chorleywood Fund	3,821	-	-	3,821	-	(3,500)	-	321
Croxley Welcome Club	2,017	-	-	2,017	-	(1,280)	-	737
Veteran Research	-	60,000	-	60,000	-	(2,500)	-	57,500
Gamechangers	14,723	-	(2,625)	12,098	-	(5,333)	(6,765)	-
ASCEND	-	-	-	-	105,817	(11,466)	-	94,351
ASCEND Lifeline	-	-	-	-	35,707	(35,556)	-	151
A Slice of Happiness	-	-	-	-	9,000	(43,579)	34,579	-
Three Rivers Sustainability Fund	14,132	11,000	(13,025)	12,107	11,000	(8,960)	-	14,147
Apprenticeships Fund	-	40,000	(31,285)	8,715	1,000	(39,042)	29,327	-
Macmillan Social Prescribing Fund	-	116,912	(91,001)	25,911	162,643	(192,477)	3,923	-
Ukranian Refugee Social Prescribing Fund	-	141,138	(87,500)	53,638	91,516	(135,154)	-	10,000
UK Veterans Social Prescribing Fund	-	103,205	(27,533)	75,672	54,597	(130,269)	-	-
External fundraising	2,736	-	-	2,736	-	(660)	-	2,076
Other	257	-	-	257	-	-	(257)	-
	56,750	510,491	(283,617)	283,624	919,879	(1,075,241)	127,889	256,151

18 Restricted funds **(Continued)**

Watford Community Fund is the community fund for Watford charities and provides funding to local initiatives – and also aims to build an endowment to support and safeguard local voluntary activity long into the future.

HCNS Enhanced Support and Household Support are funds to provide to families in need of help in support of our Hospital and Community Navigation Service (HCNS).

Chorleywood Fund represents funds from Dementia Friendly, Groundwork UK and Hertfordshire County Council Locality Budgets to run a memory cafe in Chorleywood.

Croxley Welcome Club is funds received to sustain the activities of Croxley Welcome Club within Watford and Three Rivers Trust.

Veteran Research is funding from Hertfordshire County Council to research and share data on local and national services for Hertfordshire Veterans.

Gamechangers project ended during the year and the remaining balance was transferred to continuing projects.

ASCEND and ASCEND Lifeline are continuation projects from ASCEND Herts Limited, a separately registered charity that closed in March 2024.

A Slice of Happiness is a project to support adults through life's changes. It is now established as a separate Community Interest Company.

Three Rivers Sustainability Fund is funds received from Three Rivers District Council to assist voluntary organisations in Three Rivers on climate change and sustainability.

Apprenticeships Fund is funding to support individuals through apprenticeships.

Macmillan Social Prescribing Fund is funding from Macmillan Cancer Support to fund a dedicated social prescribing service for people living with cancer.

Ukranian Refugee Social Prescribing Fund is funding from Hertfordshire County Council to support a dedicated social prescribing service for refugees from Ukraine.

UK Veterans Social Prescribing Fund is funding from Hertfordshire County Council to support a dedicated social prescribing service for UK service veterans.

External fundraising was fundraising in aid of Home-Start Watford and humanitarian aid for Ukraine.

19 Analysis of net assets between funds

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:			
Current assets/(liabilities)	732,072	256,151	988,223
Provisions and pensions	(3,047)	-	(3,047)
	729,025	256,151	985,176

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Current assets/(liabilities)	756,370	283,624	1,039,994
Provisions and pensions	(1,198)	-	(1,198)
	755,172	283,624	1,038,796

20 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
General funds	756,370	3,551,258	(3,449,516)	(126,040)	732,072
Pension fund	(1,198)	-	-	(1,849)	(3,047)
	755,172	3,551,258	(3,449,516)	(127,889)	729,025

Previous year:	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	842,044	3,020,220	(3,104,527)	(1,367)	756,370
Pension fund	(2,565)	-	-	1,367	(1,198)
	839,479	3,020,220	(3,104,527)	-	755,172

21 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

22 Analysis of changes in net funds

The charity had no material debt during the year.

23 Cash generated from operations	**2025**	**2024**
	£	**£**
(Deficit)/surpus for the year	(53,620)	142,567
Adjustments for:		
Investment income recognised in statement of financial activities	(23,253)	(23,435)
Difference between pension charge and cash contributions	1,848	(1,367)
Movements in working capital:		
(Increase) in debtors	(19,747)	(62,544)
(Decrease) in creditors	(163,401)	(83,051)
Increase in deferred income	217,548	22,903
Cash absorbed by operations	(40,625)	(4,927)

WATFORD AND THREE RIVERS TRUST

England & Wales - Charity number 1085518

Accounts

Charity registration number 1085518

WATFORD AND THREE RIVERS TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

WATFORD AND THREE RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Harjit Grewal Steve McNicholas Pam Parmar Alec Ray Syd Nadim Khaleel Chowdhree Visuwanathan Easwarakumar Rachel Fowler Simon Mitchell
Honorary Presidents	Matt Turmaine MP Peter Taylor, elected Mayor of Watford Baroness Thornhill MBE
Chair	Syd Nadim
Vice Chair	Alec Ray
Chief Executive Officer	Bob Jones
Charity number	1085518
Principal address and Registered Office	Holywell Community Centre Chaffinch Lane Tolpits Lane Watford Hertfordshire WD18 9QD
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Hertfordshire WD4 8SZ
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ

WATFORD AND THREE RIVERS TRUST

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WATFORD AND THREE RIVERS TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their report and accounts for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Charities Act 2011 and "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) (effective 1 January 2019)".

Watford and Three Rivers Trust

Our mission and purpose

The charitable aims and objectives of Watford and Three Rivers Trust (W3RT) as defined by our Articles of Association, are:

> *The promotion of any charitable purposes for the benefit of the community in the Borough of Watford or the District of Three Rivers or their surrounding areas, and in particular the advancement of education, the protection of health and the relief of poverty, distress and sickness.*

What we believe

Volunteering and a good public spirit are at the heart of every successful community and every contented individual.

Our vision

W3RT's vision is of a community in which people are connected, informed and take responsibility for the wellbeing of themselves and others.

Our purpose

In particular, we work to:

- ensure that our community benefits from voluntary organisations that are welcoming, effective, sustainable and accountable;
- help older and vulnerable people to build social networks and design and secure services appropriate to their needs;
- encourage and support people to be active in their communities for the wellbeing of themselves and others.

What we do

W3RT has initiated or supported many community initiatives in Watford, Three Rivers and across Hertfordshire and we:

- host the Hertfordshire Community Leaders Forum providing connections, support and a voice to charities across the county;
- runs CVS services for Watford and Three Rivers, representing around 800 local charities and supporting them on all aspects of governance and management;
- host the Watford Community Fund and the Connecting Three Rivers Fund to raise monies for local charities;
- host up to 11 clubs or activities each week for older people;
- provide additional support for vulnerable people living at home;
- host the Watford and West Herts Chamber of Commerce;
- run a community car service providing journeys for people to attend medical and other appointments;
- manage two community centres;
- host Hertfordshire's social prescribing partnership aimed at supporting 14,000 people a year to relieve pressures on the NHS and adult care services.

Statement on compliance with Charity Commission guidance on public benefit

When deciding on activities and programmes, Trustees pay due regard to the Charity Commission's guidance on public benefit.

Review of the Year

Objectives for year

W3RT's objectives for 2023-24 were set out in a one-year business plan and a five-year strategic plan agreed by the Board of trustees in February 2023.

The **Strategic Plan** sets out W3RT's:

- Distinctive role and values

We believe that people (despite or because of their differences) have immense power and capacity to work together purposefully for mutual benefit and the common good. We will always:

- seek effective partnerships with organisations sharing similar values and aims;
- work for organisations to be accountable to the communities they serve;
- support a strong and diverse voluntary sector as a necessary feature of a successful community;
- encourage people to be engaged in the planning, design and delivery of community services.

- Focus for development

W3RT works at the borders and margins – with individuals or communities that might feel marginalised, poorly connected or "under-served". We aim to build services and connections so no-one is isolated or overlooked and everyone can play a part in their community, influence decisions and access services. We particularly help people navigate the borders that exist between individuals, their community and the state:

- what relationship do individuals have to their neighbours and their community?
- how do individuals navigate their way through the state's manifold institutions and services?
- how can we ensure that voluntary organisations work to strengthen their communities?

- Plans for the future

We know to remain flexible and not place too much reliance on forward planning. We want to ensure W3RT can:

- be attentive, responsive and innovative;
- have scalable systems to underpin successful project delivery;
- make a distinctive contribution to policy discussions;
- be an exemplar of good governance;
- develop a long-term financial strategy;
- be an effective champion for our members and communities;
- be recognised for our achievements.

The **Business Plan** set out specific targets and priorities for the year including:

- complete launch of new Chamber of Commerce;
- record at least 200 volunteers, at least 200 volunteering roles and at least 500 hours of volunteering;
- return activity at our community venues to pre-pandemic levels;
- increase the number of active volunteer drivers to 40;
- at least fifty instances of support provided to local voluntary organisations;
- host at least twelve Getting Together Clubs each week;
- deliver twelve programmes to vulnerable adults through A Slice of Happiness;
- create a new website and focus for the Herts Community Leaders Forum.

Governance and management

During 2023-24, W3RT completed the process to become a Charity Incorporated Organisation (CIO). We continue to be regulated by the Charity Commission and retain the same charity registration number, but following conversion to a CIO we are no longer required to report to Companies House.

Also during 2023-24, W3RT completed the process of "merging" with Watford and West Herts Chamber of Commerce. The Watford and West Herts Chamber of Commerce supported local businesses. The Chamber was a private limited company without charitable status, but actively supported a great number of community initiatives. After extensive discussions, the Chamber voted to dissolve and donate its net assets to W3RT. These monies will be used to support our ongoing charitable work including to:

- ensuring that Watford and neighbouring communities are prosperous and benefit from good employment opportunities;
- promoting good corporate citizenship, ensuring that businesses play a full and positive role in the local community.

We also began discussions with the ASCEND charity in South Oxhey to explore closer working and at 2023-24 year end reached agreement that W3RT would take on their remaining funded staff and activities.

Partnership first

W3RT holds a broad remit to develop activities that encourage constructive local engagement and strengthen the local community. In all circumstances, W3RT aims to work through partnerships to improve quality, learning, accessibility and impact. Through 2023-24, W3RT helped bring together different sectors, organisations, projects, systems and individuals and we worked with:

- hundreds of local voluntary organisations;
- local government and especially WBC, TRDC and HCC;
- the NHS as it reorganised to the new Integrated Care Service, and created the new Voluntary, Community, Faith and Social Enterprise Alliance;
- Community Help Herts (led by Communities 1st and including Community Action Dacorum, North Herts CVS, Welwyn Hatfield CVS, Community Alliance Broxbourne and East Herts, and CDA Herts);
- Herts Sports Partnership;
- Herts Hospital and Community Navigation Service (including Age UK Herts, Age UK Dacorum, British Red Cross, Carers in Herts, Dacortium, Herts Hearing Advisory Service, Home-Start Watford and Three Rivers, Pohwer and Watford Community Housing);
- the Lord-Lieutenant of Hertfordshire and Warner Brothers to create the first Hertfordshire Charity Hub;
- hundreds of local individuals who supported their families and neighbours, donated money or food, volunteered, organised their communities, or worked for essential services such as health and care services, food distribution or retail.

Achievements and performance

Governance and shared services

- Complete transition to CIO model constitution: completed
- Introduced new systems for accounts, payroll, HR, and training

Community Venues

- Hosted 1,460 community events attended by 42,000 participants

Community Cars

- Provided 1,423 essential car journeys totalling 20,576 miles

Getting Together / Wellbeing

- Hosted 595 sessions and 13 events with a total of 12,768 attendances
- 210 Getting Together members
- Digital Inclusion service supported 46 people through 138 instances of digital learning, increasing digital literacy, improving social inclusion and access to information.

A Slice of Happiness

- 12 eight week programmes delivered attended by 198 participants
- In addition, 84 people attended one or more informal weekly support sessions
- ASOH has now been set up as an independent CIC

Community Help Herts

- Complete reconfiguration of HCLF: completed
- Integrate W3RT data on volunteering: completed
- Volunteer Befrienders made 2,671 "keeping connected" calls
- Volunteer Personal Shoppers completed 237 shops and 15 prescription deliveries

CVS

- Provided over 600 instances of support to local groups
- Hosted seven events
- Helped set up fifteen new local organisations
- Awarded 51 grants totalling £120,355
- 100 users pcm access the Herts Fundraising database
- Supported organisations through the Hertfordshire Lord-Lieutenant's Charity Hub
- Helped 74 other local groups secure external funding

Hospital and Community Navigation Service

- Delivered in partnership with nine other local charities
- Received 19,782 referrals for 16,102 unique individuals
- Addressed 26,267 specific issues.
- Made 20,474 onward referrals.
- Introduced new case management system
- Updated partnership agreements
- Secured long-term delivery contract

Watford and West Herts Chamber of Commerce

- Total membership of 370 - a 41% increase on the previous year
- Helped members develop their networks and businesses and enabled them to bring benefit to the wider community
- Held 53 networking events with a total of 2,623 attendances
- Lead community projects including the Atria Watford Hub on Queens Road, free Mental Health First Aid training for the community, and a Food Hub at Watford General Hospital.

Investment performance

W3RT funds are all invested through the "CAF Gold" account offered by our bankers CAF Bank. Interest rates and returns have remained very low. W3RT expects to maintain a cautious approach to investments.

Financial review and prospects

Financial review

Income fell by £77,434 (2%) to £3,530,711 while expenditure rose by £130,675 (4%) to £3,388,144. This produced a surplus on the year of £142,567 (representing a surplus of 4.04% of total income). Net assets rose to £1,038,796 (2023: £896,229).

Funds

At year end the amount of restricted funds not yet spent was £283,624 (2023: £56,750). The total unrestricted General Fund reserve was £764,172 (2023: £839,479).

Reserves policy

The Trustees have agreed that W3RT should hold General Fund Reserves between one third of annual running costs and that amount required to meet W3RT's reasonable cash flow needs for the coming twelve months while holding at least £50,000 for contingency. For 2023-24 this sets a reserve of between £50,000 and £1,129,381. At the end of the year, we held an unrestricted and designated reserve of £755,172.

Principal sources of income and how expenditure meets our objects

W3RT has two main income streams; income from statutory contracts (HCC, HVCCG, NHS, WBC, TRDC) and income generated through the delivery of services.

Each service is designed and delivered for public benefit and each activity is funded differently and contributes to core costs such as management, marketing and telecoms.

Donations and legacies consists of the core grant for the CVS from Watford Borough Council plus fundraised and donated income.

Income from charitable activities totalled £3,175,302 (2023: £3,392,284) and the largest component of this is project grants of £2,846,274 (2023: £3,179,161).

Investment policy

W3RT's reserves policy is designed to maximise the resources that can be applied to charitable objectives. Consequently, W3RT has few surplus funds, and particularly in the current market, does not expect to generate a significant income from these funds. To date, W3RT has invested solely through accounts offered by our bankers CAF Bank, we are exploring options for the future but will maintain a cautious approach to investments.

Fundraising

W3RT has managed three community funds in Watford, now merged into a single fund. During 2023-24, we raised £38,236 and had total charges and grants of £30,648, leaving a year end balance of £26,652 for future grants. W3RT has also managed grant funds on behalf of TRDC and WBC.

Risk assessment

The Board of Trustees regularly carries out a risk assessment of W3RT activities and agrees on actions to manage and mitigate risks. The most recent risk assessment was carried out in May 2024.

Future plans

W3RT Trustees meet each January to discuss plans for the coming year, and they review and refine these at each meeting. In the 2024-25 year, W3RT aims to:

- continue to support staff wellbeing and promote staff retention
- review W3RT branding and communications
- retain Cyber Essentials accreditation
- complete negotiations with ASCEND to adopt their programmes in South Oxhey
- review Chamber of Commerce programmes
- review the use of the Holywell Community Centre first floor to maximise community benefit
- review the lease and activities at The Barn
- Better integrate HCNS work with W3RT systems
- Review Getting Together to ensure maximum community benefit
- Support A Slice of Happiness to become an independent CIC
- Review our offer for Corporate volunteering
- Review fundraising options
- Withdraw from unsustainable GP Link Worker contracts

Structure, governance and management

The charity was originally an unincorporated trust, then became a company limited by guarantee with charitable status, and in November 2023, W3RT converted to become a Charity Incorporated Organisation.

The Trustees who served during the year were:

John Casstles	(Deceased 1 May 2024)
Harjit Grewal	
Steve McNicholas	
Pam Parmar	
Alec Ray	
Syd Nadim	
Khaleel Chowdhree	(Appointed 15 January 2024)
Visuwanathan Easwarakumar	(Appointed 15 January 2024)
Rachel Fowler	(Appointed 15 January 2024)
Simon Mitchell	(Appointed 15 January 2024)

New Trustees are co-opted to the Trustee board and the Trustees have adopted a recruitment policy to ensure that recruitment of new Trustees is based on the assessed needs of the charity. No external body is entitled to appoint any Trustees of W3RT.

New Trustees are provided with key documentation, invited to spend a day meeting staff and service users, and encouraged to attend a course on Trustee roles and responsibilities.

Governance

The Trustees meet as required, but not less than four times a year. Throughout 2023-24, W3RT's board had a Chairman, a Vice Chairman and a Treasurer. Working groups are established as required, usually with a limited duration and always with delegated powers clearly defined.

Each Trustee meeting receives reports on W3RT's finances and activities.

Decisions about day-to-day operational matters, including staffing, work planning and finance are delegated to the Chief Executive Officer, who has regular meetings with the Board's Chairman.

Affiliations

During 2023-24, W3RT held affiliations with:

- Community Transport Association;
- Herts Care Providers Association;
- CDA Herts;
- Institute of Corporate Responsibility and Sustainability (through the CEO);
- Institute of Fundraising (through the CEO);
- Living Wage Foundation;
- Locality;
- National Association for Voluntary and Community Action;
- National Voices;
- National Council of Voluntary Organisations;
- Watford and West Herts Chamber of Commerce.

W3RT hosts many projects, activities, services and forums. This is part of our work to support and develop the local voluntary sector. Some of these activities may operate under particular brands or names different to W3RT, but none has any independent legal existence and all publicity materials, correspondence and publications quote W3RT's details and make clear that these activities are undertaken as part of W3RT.

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the Auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Auditors are aware of such information.

The Trustees' report was approved by the Board of Trustees.

Syd Nadim
Trustee
Dated: 21 January 2025

WATFORD AND THREE RIVERS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2024

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

The law applicable to charities in England and Wales 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 charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WATFORD AND THREE RIVERS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

Opinion

We have audited the financial statements of Watford and Three Rivers Trust (the 'charity') for the year ended 31 March 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charity's affairs as at 31 March 2024 and of its incoming resources and application of resources, 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 Charities Act 2011.

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 charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the Trustees 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 charity'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 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 144 of the Charities Act 2011 and report in accordance with the Act 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of the above, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in management override of controls. In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements in this case, specifically in this context, Charities Act 2011 and tax legislation. 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 may be fundamental to the company's ability to operate or to avoid a material penalty.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

Audit response to risks identified

Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Other matters

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gowers Limited

28th January 2025

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Hertfordshire
WD4 8SZ

Gowers Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Current financial year

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Total 2023 £
Income from:					
Donations and legacies	3	211,526	58,201	269,727	196,311
Charitable activities	5	2,723,012	452,290	3,175,302	3,392,284
Activities for generating funds	4	62,247	-	62,247	19,457
Investment income	6	23,435	-	23,435	93
Total income		3,020,220	510,491	3,530,711	3,608,145
Expenditure on:					
Charitable activities	7	3,104,527	283,617	3,388,144	3,257,469
Net (expenditure)/income for the year/ Net movement in funds		(84,307)	226,874	142,567	350,676
Fund balances at 1 April 2023		839,479	56,750	896,229	545,553
Fund balances at 31 March 2024		755,172	283,624	1,038,796	896,229

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

Prior financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:				
Donations and legacies	3	151,920	44,391	196,311
Charitable activities	5	3,251,076	141,208	3,392,284
Activities for generating funds	4	19,457	-	19,457
Investment income	6	93	-	93
Total income		3,422,546	185,599	3,608,145
Expenditure on:				
Charitable activities	7	2,967,328	290,141	3,257,469
Gross transfers between funds		(1,821)	1,821	-
Net (expenditure)/income for the year/ Net movement in funds		453,397	(102,721)	350,676
Fund balances at 1 April 2022		386,082	159,471	545,553
Fund balances at 31 March 2023		839,479	56,750	896,229

The statement of financial activities includes all gains and losses recognised in the year.

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

WATFORD AND THREE RIVERS TRUST

BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Current assets					
Debtors	11	178,767		116,223	
Cash at bank and in hand		1,152,861		1,134,353	
		1,331,628		1,250,576	
Creditors: amounts falling due within one year	12	(291,634)		(351,782)	
Net current assets			1,039,994		898,794
Provisions for liabilities	13		(1,198)		(2,565)
Net assets			1,038,796		896,229
Income funds					
Restricted funds	16		283,624		56,750
Unrestricted funds					
General unrestricted funds		756,370		842,044	
Pension reserve		(1,198)		(2,565)	
			755,172		839,479
			1,038,796		896,229

The financial statements were approved by the Trustees on 21 January 2025

Syd Nadim
Trustee

Khaleel Chowdhree
Trustee

WATFORD AND THREE RIVERS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash absorbed by operations	21		(4,927)		(172,786)
Investing activities					
Interest received		23,435		93	
Net cash generated from investing activities			23,435		93
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			18,508		(172,693)
Cash and cash equivalents at beginning of year			1,134,353		1,307,046
Cash and cash equivalents at end of year			1,152,861		1,134,353

1 Accounting policies

Charity information
Watford and Three Rivers Trust is a Charitable Incorporated Organisation.

1.1 Accounting convention
The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Charities Act 2011 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern
At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

1.3 Charitable funds
Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are funds received which can only be used for the specific purpose as laid out by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overhead costs. The aim and use of each restricted fund is set out in the note to the financial statements.

1.4 Income
Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of services provided by the volunteers is not included in the Statement of Financial Activities.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

1.5 Expenditure
Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

The Trustees have a policy of charging individual items with a negligible projected net residual value after one year from purchase directly to the Statement of Financial Activities in the year of purchase.

1 Accounting policies **(Continued)**

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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 assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/ (expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.10 Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Donations and other voluntary income	84,353	58,201	142,554	65,278
Grants receivable for core activities	127,173	-	127,173	131,033
	211,526	58,201	269,727	196,311
For the year ended 31 March 2023	151,920	44,391		196,311
Donations and gifts				
Camelot UK Lotteries	-	10,000	10,000	-
Watford Council	-	-	-	4,300
Brick by Brick	-	-	-	13,297
Watford Chamber of Commerce	57,000	-	57,000	-
Chamber of Commerce Apprenticeships	-	40,000	40,000	-
Bedfordshire & Luton Community Foundation	6,000	-	6,000	-
Jaspar Foundation	-	-	-	5,000
Community Cup Golf Day	-	-	-	8,515
Warner Bros	10,000	-	10,000	2,000
Other	11,353	8,201	19,554	32,166
	84,353	58,201	142,554	65,278
Grants receivable for core activities				
Watford Council - CVS Grant	87,173	-	87,173	79,173
Three Rivers District Council - CVS Grant	40,000	-	40,000	40,000
Watford Council - Community Funds Co-ordinator	-	-	-	9,360
Watford Community Housing Trust	-	-	-	2,500
	127,173	-	127,173	131,033

4 Income from other trading activities

	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Membership subscriptions and sponsorships	62,247	19,457

5 Charitable activities

	Room hire and facilities	Fees and contracts	Lunch clubs and transport	Total 2024	Total 2023
	£	£	£	£	£
Income from charitable activities	219,513	95,145	14,370	329,028	213,123
Project grants	-	2,846,274	-	2,846,274	3,179,161
	219,513	2,941,419	14,370	3,175,302	3,392,284
Analysis by fund					
Unrestricted funds	219,513	2,489,129	14,370	2,723,012	3,251,076
Restricted funds	-	452,290	-	452,290	141,208
	219,513	2,941,419	14,370	3,175,302	3,392,284
Project grants					
Watford Council	-	157,680	-	157,680	214,319
Hertfordshire County Council	-	2,172,282	-	2,172,282	2,103,299
Macmillan Cancer Support	-	116,912	-	116,912	-
Communities 1st - Community Help Hertfordshire	-	76,210	-	76,210	52,928
Herts Valleys Clinical Commissioning Group	-	-	-	-	76,468
Three Rivers District Council	-	11,000	-	11,000	49,500
Dacorum Borough Council	-	34,335	-	34,335	15,787
Community Action Dacorum	-	5,982	-	5,982	5,841
PCN Link Workers	-	-	-	-	378,037
NHS	-	262,845	-	262,845	280,583
Other	-	9,028	-	9,028	2,399
	-	2,846,274	-	2,846,274	3,179,161

6 Income from investments

	Unrestricted funds 2024	Unrestricted funds 2023
	£	£
Interest receivable	23,435	93

7 Expenditure on charitable activities

	2024	2023
	£	£
Direct costs		
Staff costs	1,062,919	1,034,285
Other staff costs	4,714	43,165
Grants to partner organisations and direct delivery costs	1,765,650	1,543,965
Venue costs	254,082	382,262
Central delivery costs	64,616	65,783
ICT costs	180,134	128,412
Travel and subsistence	10,361	11,439
Volunteer costs	26,998	38,222
General costs	1,317	2,834
Other finance costs	3,476	2,998
Governance costs	4,877	4,104
Bad debts	9,000	-
	3,388,144	3,257,469
Analysis by fund		
Unrestricted funds	3,104,527	2,967,328
Restricted funds	283,617	290,141
	3,388,144	3,257,469

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Charitable and administrative	38	40

Employment costs	2024 £	2023 £
Wages and salaries	956,109	928,542
Social security costs	80,334	80,150
Other pension costs	26,476	25,593
	1,062,919	1,034,285

There were no employees whose annual remuneration was £60,000 or more.

10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

11 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	115,632	108,444
Other debtors	-	703
Prepayments and accrued income	63,135	7,076
	178,767	116,223

12 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		19,826	-
Deferred income	14	34,333	11,430
Trade creditors		74,576	326,687
Other creditors		12,195	8,765
Accruals		150,704	4,900
		291,634	351,782

13 Provisions for liabilities

	Notes	2024 £	2023 £
Retirement benefit obligations	15	1,198	2,565
		1,198	2,565

14 Deferred income

	2024 £	2023 £
Other deferred income	34,333	11,430

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	34,333	11,430
Movements in the year:		
Deferred income at 1 April 2023	11,430	860,168
Released from previous periods	(11,430)	(860,168)
Resources deferred in the year	34,333	11,430
Deferred income at 31 March 2024	34,333	11,430

15 Retirement benefit schemes

Defined contribution schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 April 2022 to 31 January 2025:	£3,312,000 per annum
(payable monthly)	

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	31 March 2024 (£s)	31 March 2023 (£s)	31 March 2022 (£s)
Present value of provision	1,198	2,565	4,024

Reconciliation of opening and closing provisions	Period Ended 31 March 2024 (£s)	Period Ended 31 March 2023 (£s)
Provision at start of period	2,565	4,024
Unwinding of the discount factor (interest expense)	98	76
Deficit contribution paid	(1,466)	(1,466)
Remeasurements - impact of any change in assumptions	1	(69)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,198	2,565

15 Retirement benefit schemes **(Continued)**

Income and Expenditure Impact	Period Ended 31 March 2024 (£s)	Period Ended 31 March 2023 (£s)
Interest expense	98	76
Remeasurements – impact of any change in assumptions	1	(69)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	31 March 2024 % per annum	31 March 2023 % per annum	31 March 2022 % per annum
Rate of discount	5.31	5.52	2.35

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

		Movement in funds				Movement in funds		
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 1 April 2023	Incoming resources	Resources expended	Balance at 31 March 2024
	£	£	£	£	£	£	£	£
Watford Community Fund	46,611	-	(27,547)	-	19,064	38,236	(30,648)	26,652
W3RT Watford Community Fund	-	24,000	(24,000)	-	-	-	-	-
Watford (WBC) Community Fund	-	1,100	(1,100)	-	-	-	-	-
Neighbours Together	76,845	700	(77,649)	104	-	-	-	-
Chorleywood Fund	3,821	-	-	-	3,821	-	-	3,821
Croxley Welcome Club	2,217	-	(200)	-	2,017	-	-	2,017
Veteran Research	-	-	-	-	-	60,000	-	60,000
BBBC (Brick by Brick)	-	13,297	-	1,426	14,723	-	(2,625)	12,098
Three Rivers Community Renewal Fund	-	30,000	(30,000)	-	-	-	-	-
Watford Community Renewal Fund	-	30,000	(30,000)	-	-	-	-	-
Watford BC Household Support Grants	-	70,000	(70,000)	-	-	-	-	-
Three Rivers Sustainability Fund	20,570	10,000	(16,438)	-	14,132	11,000	(13,025)	12,107
Three Rivers Health Protection Board	7,500	(500)	(7,000)	-	-	-	-	-
Apprenticeships Fund	-	-	-	-	-	40,000	(31,285)	8,715
Macmillan Social Prescribing Fund	-	-	-	-	-	116,912	(91,001)	25,911
Ukranian Refugee Social Prescribing Fund	-	-	-	-	-	141,138	(87,500)	53,638
UK Veterans Social Prescribing Fund	-	-	-	-	-	103,205	(27,533)	75,672
External fundraising	-	3,240	(504)	-	2,736	-	-	2,736
Other	1,907	3,762	(5,703)	291	257	-	-	257
	159,471	185,599	(290,141)	1,821	56,750	510,491	(283,617)	283,624

16 Restricted funds **(Continued)**

Watford Community Fund is the community fund for Watford charities and provides funding to local initiatives – and also aims to build an endowment to support and safeguard local voluntary activity long into the future.

Neighbours Together is funding from the Big Lottery Fund for the development of our existing Getting Together programme. It will work with community volunteers to help older people overcome social isolation and sustain their independence. It is aimed at those aged 70-85 who are most at risk of social isolation, mental health problems or loss of independence due to isolation, inactivity, lack of knowledge and relative poverty.

Chorleywood Fund represents funds from Dementia Friendly, Groundwork UK and Hertfordshire County Council Locality Budgets to run a memory cafe in Chorleywood.

Croxley Welcome Club is funds received to sustain the activities of Croxley Welcome Club within Watford and Three Rivers Trust.

Veteran Research is funding from Hertfordshire County Council to research and share data on local and national services for Hertfordshire Veterans.

Three Rivers Sustainability Fund is funds received from Three Rivers District Council to assist voluntary organisations in Three Rivers on climate change and sustainability.

Apprenticeships Fund is funding to support individuals through apprenticeships.

Macmillan Social Prescribing Fund is funding from Macmillan Cancer Support to fund a dedicated social prescribing service for people living with cancer.

Ukranian Refugee Social Prescribing Fund is funding from Hertfordshire County Council to support a dedicated social prescribing service for refugees from Ukraine.

UK Veterans Social Prescribing Fund is funding from Hertfordshire County Council to support a dedicated social prescribing service for UK service veterans.

External fundraising was fundraising in aid of Home-Start Watford and humanitarian aid for Ukraine.

17 Analysis of net assets between funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
At 31 March 2024:			
Current assets/(liabilities)	756,370	283,624	1,039,994
Provisions and pensions	(1,198)	-	(1,198)
	755,172	283,624	1,038,796

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
At 31 March 2023:			
Current assets/(liabilities)	842,044	56,750	898,794
Provisions and pensions	(2,565)	-	(2,565)
	839,479	56,750	896,229

18 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2023 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2024 £
General funds	842,044	3,020,220	(3,104,527)	(1,367)	756,370
Pension fund	(2,565)	-	-	1,367	(1,198)
	839,479	3,020,220	(3,104,527)	-	755,172

18 Unrestricted funds **(Continued)**

Previous year:	At 1 April 2022 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2023 £
Premises Maintenance Fund	4,646	-	(4,646)	-	-
Development Fund	3,960	-	(3,960)	-	-
General funds	381,500	3,422,546	(2,958,722)	(3,280)	842,044
	390,106	3,422,546	(2,967,328)	(3,280)	842,044
Pension fund	(4,024)	-	-	1,459	(2,565)
	386,082	3,422,546	(2,967,328)	(1,821)	839,479

The Premises Maintenance Fund is to provide for the costs of replacing the boiler and creating a new card entry system.

The Development Fund is to fund general developments in service delivery including an online booking platform and upgrading virtual platforms, our website and intranet.

19 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

20 Analysis of changes in net funds

The charity had no material debt during the year.

21 Cash generated from operations

	2024 £	2023 £
Surplus for the year	142,567	350,676
Adjustments for:		
Investment income recognised in statement of financial activities	(23,435)	(93)
Difference between pension charge and cash contributions	(1,367)	(1,459)
Movements in working capital:		
(Increase)/decrease in debtors	(62,544)	199,787
(Decrease)/increase in creditors	(83,051)	127,041
Increase/(decrease) in deferred income	22,903	(848,738)
Cash absorbed by operations	(4,927)	(172,786)

WATFORD AND THREE RIVERS TRUST

England & Wales - Charity number 1085518

Accounts

Charity registration number 1085518

Company registration number 4090701 (England and Wales)

WATFORD AND THREE RIVERS TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

WATFORD AND THREE RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	John Casstles Harjit Grewal Steve McNicholas Pam Parmar Alec Ray Syd Nadim
Honorary Presidents	Dean Russell MP Peter Taylor, elected Mayor of Watford Baroness Thornhill MBE
Honorary Vice Presidents	Pearline McFarlane Phil Willerton
Chair	Guy Foxell (retired 18 May 2022) Syd Nadim (from 18 May 2022)
Vice Chair	Alec Ray
Treasurer and Company Secretary	John Casstles
Chief Executive Officer	Bob Jones
Charity number	1085518
Company number	4090701
Principal address and Registered Office	Holywell Community Centre Chaffinch Lane Tolpits Lane Watford Hertfordshire WD18 9QD
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Hertfordshire WD4 8SZ
Bankers	CAF Bank Ltd 25 King's Hill Avenue King's Hill West Malling Kent ME19 4JQ

WATFORD AND THREE RIVERS TRUST

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WATFORD AND THREE RIVERS TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their report and accounts for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Watford and Three Rivers Trust

Our mission and purpose

The charitable aims and objectives of Watford and Three Rivers Trust (W3RT) as defined by our Articles of Association, are:

> *The promotion of any charitable purposes for the benefit of the community in the Borough of Watford or the District of Three Rivers or their surrounding areas, and in particular the advancement of education, the protection of health and the relief of poverty, distress and sickness.*

What we believe

Volunteering and a good public spirit are at the heart of every successful community and every contented individual. We've worked for nearly fifty years to ensure that our community benefits from voluntary groups that are welcoming, effective, accountable and sustainable, and to ensure that people can contribute to the design and delivery of the services on which they rely.

What we do

W3RT has initiated or supported many community initiatives in Watford, Three Rivers and across Hertfordshire and currently:

- with partners, we host the Hertfordshire Community Leaders Forum providing connections, support and a voice to charities across the county;
- runs CVS services for Watford and Three Rivers, representing around local charities and supporting them on all aspects of governance and management;
- hosts the Watford Community Fund raising monies for local charities;
- hosts up to fourteen clubs or activities each week for older people;
- provides additional support for vulnerable people living at home;
- hosts a community car service providing journeys for people to attend medical and other appointments;
- manages two community centres;
- hosts Hertfordshire's social prescribing partnership aimed at supporting 14,000 people a year to relieve pressures on the NHS and adult care services.

Our vision

W3RT's vision is of a community in which people are connected, informed and take responsibility for the wellbeing of themselves and others.

Our Purpose

In particular, we work to:

- ensure that our community benefits from voluntary organisations that are welcoming, effective, sustainable and accountable;
- help older and vulnerable people to build social networks and design and secure services appropriate to their needs;
- encourage and support people to be active in their communities for the wellbeing of themselves and others.

Statement on compliance with Charity Commission guidance on public benefit

When deciding on activities and programmes, Trustees pay due regard to the Charity Commission's guidance on public benefit.

Review of the Year

Objectives for year

W3RT's objectives for 2022-23 were set out in a one-year business plan and a five-year strategic plan agreed by the Board of trustees in February 2022.

The **Strategic Plan** sets out W3RT's:

- Distinctive role and values
  We believe that people (despite or because of their differences) have immense power and capacity to work together purposefully for mutual benefit and the common good. We will always:
  - seek effective partnerships with organisations sharing similar values and aims;
  - work for organisations to be accountable to the communities they serve;
  - support a strong and diverse voluntary sector as a necessary feature of a successful community;
  - encourage people to be engaged in the planning, design and delivery of community services.

- Focus for development
  W3RT works at the borders and margins – with individuals or communities that might feel marginalised, poorly connected or "under-served". We aim to build services and connections so no-one is isolated or overlooked and everyone can play a part in their community, influence decisions and access services. We particularly help people navigate the borders that exist between individuals, their community and the state:
  - what relationship do individuals have to their neighbours and their community?
  - how do individuals navigate their way through the state's manifold institutions and services?
  - how can we ensure that voluntary organisations work to strengthen their communities?

- Plans for the future
  We know to remain flexible and not place too much reliance on forward planning. We want to ensure W3RT can:
  - be attentive, responsive and innovative;
  - have scalable systems to underpin successful project delivery;
  - make a distinctive contribution to policy discussions;
  - be an exemplar of good governance;
  - develop a long-term financial strategy;
  - be an effective champion for our members and communities;
  - be recognised for our achievements.

The **Business Plan** set out our specific targets for the year – largely reflecting a "return to normalcy" after the unprecedented years of the Coronavirus. Key targets included:

- New systems to recruit at least 200 volunteers and at least 500 hours of volunteering;
- At least fifty instances of support provided to local voluntary organisations;
- Return activity at our community venues to pre-pandemic levels;
- Increase the number of active volunteer drivers to 40;
- Deliver twelve support programmes to vulnerable adults through A Slice of Happiness;
- Secure 300 attendances each week for our Getting Together programme;
- Complete the Waiting Well pilot providing support to people awaiting NHS treatment;
- For the Hospital and Community Navigation Service, create a new process for managing contracts, assist all partners to secure DSPt accreditation, and draft a complete new suite of partnership agreements.

Governance and management

W3RT completed its Governance review started in 2021-22. One significant outcome was that during 2022-23 W3RT completed the necessary processes to become a Charity Incorporated Organisation. This transition will be completed during 2023-24.

At the start of 2022-23, W3RT was a Corporate Director of Herts CVS Trading Ltd (jointly owned by all Herts CVSs). During the year, the company was closed by mutual consent.

Meanwhile, W3RT also entered into discussions with Watford and West Herts Chamber of Commerce, about closer working. Watford and West Herts Chamber supports local businesses as W3RT supports local charities. The Chamber is a limited company without charitable status, but actively supports a great number of community initiatives. After extensive discussions, the Chamber voted to dissolve and donate its net assets to W3RT, and we will use the monies to support our ongoing charitable work including to:

- ensuring that Watford and neighbouring communities are prosperous and benefit from good employment opportunities;
- promoting good corporate citizenship, ensuring that businesses play a full and positive role in the local community.

Partnership first

W3RT holds a broad remit to develop activities that encourage constructive local engagement and strengthen the local community. In all circumstances, W3RT aims to work through partnerships to improve quality, learning, accessibility and impact. Through 2022-23, W3RT helped bring together different sectors, organisations, projects, systems and individuals and we worked with:

- hundreds of local voluntary organisations;
- local government and especially WBC, TRDC and HCC;
- the NHS as it reorganized to the new Integrated Care Service, and created the new Voluntary, Community, Faith and Social Enterprise Alliance;
- Community Help Herts (led by Communities 1st and including Community Action Dacorum, North Herts CVS, Welwyn Hatfield CVS, Broxbourne and East Herts Community Alliance, and CDA Herts);
- Herts Sports Partnership;
- Herts Hospital and Community Navigation Service (including Age UK Herts, Age UK Dacorum, British Red Cross, Carers in Herts, Dacortium, Herts Hearing Advisory Service, Home-Start Watford and Three Rivers, Pohwer and Watford Community Housing);
- hundreds of local individuals who supported their families and neighbours, donated money or food, volunteered, organised their communities, or worked for essential services such as health and care services, food distribution or retail.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

CVS and volunteering

Our aim was to deliver at least fifty instances of support provided to local charities. Improved performance and better recording meant that we recorded well over 100 instances of support provided to individual charities spread throughout Watford and Three Rivers.

Volunteering

We aimed to recruit 200 volunteers and to record 500 hours of volunteering. We attracted over 300 volunteer registrations and recorded over 700 hours of volunteering. We also held a volunteer fair, hosted by Atria, that showcased fourteen CVS members and attracted over 250 potential new volunteers.

Community venues

Our aim was to return community venues bookings to pre-pandemic levels. Attendance was improved at 2022-23 year end by finally reaching agreement for Home-Start Watford and Three Rivers to move into the The Barn. However, this was offset by the temporary closure of the Holywell Community Centre following a small electrical fire. In the event, the Centre was closed for more than four months while safety and refurbishment work was carried out. We are now, through 2023-24, making steady progress toward improved use of all venues.

Community Cars

We aimed to increase the number of active volunteer drivers to forty. However, in common with many other charities, in the wake of Covid disruption and the "cost of living crisis" we found extremely challenging to recruit and retain volunteer drivers. We ended the year with just fourteen active drivers. We continue to push recruitment and we are working closely with key partners including Watford General Hospital and Go Herts Volunteering.

Wellbeing: A Slice of Happiness

Throughout 2022-23, W3RT continued to host A Slice of Happiness as a self-funding activity led entirely by volunteer Caroline Powell. Backoffice support and governance was provided by W3RT. Caroline raised sufficient funds to successfully deliver twelve support programmes as planned. We are constantly reviewing how we can help make this innovative programme more accessible to Hertfordshire residents.

Wellbeing: Getting Together

Our key target for the year was to secure 300 attendances each week at our Getting Together programme. Once again, we found strong post-Covid headwinds and ended the year averaging just over 200 attendances per week. We continue to open new clubs and innovate new activities and we are confident of further improvements.

Hospital and Community Navigation Service

This major project continue to deliver across a wide range of activities. During 2022-23, HCNS saw a 26% increase in referrals. There was a total of 21,951 referrals, of 16,542 unique individuals and including 26,269 separate issues. In its turn, HCNS made 26,276 onward referrals with the most common being to: HertsHelp for crisis intervention support, HILS for community meals, AUKH services, Reach out for befriending, Citizens' Advice and Money Advice Unit for benefits support, Care4Freedom for hoarding support and HCC Adult Social Care.

W3RT contributed to these total alongside the nine other HCNS partners. W3RT also focused on creating new processes for managing contracts, assist all partners to secure DSPt accreditation for their ICT systems, and preparing a complete new suite of partnership agreements.

Waiting well

W3RT completed the Waiting Well pilot – calling to offer support to people awaiting NHS treatment. The programme was assessed as successful and was commissioned as an ongoing part of our HCNS provision – now outsourced and delivered through our HCNS partner Age UK Dacorum.

Investment performance

W3RT funds are all invested through the "CAF Gold" account offered by our bankers CAF Bank. Interest rates and returns have remained very low. W3RT expects to maintain a cautious approach to investments.

Financial review and prospects

Financial review

Income rose £167,040 (5%) to £3,608,145 while expenditure fell by £4,527 (0%) to £3,257,469. This produced a surplus on the year of £350,676 (representing a surplus of 9.72% of total income). Net assets rose to £896,229 (2022: £545,553).

Funds

At year end the amount of restricted funds not yet spent was £56,750 (2022: £159,471). The total unrestricted General Fund reserve was £839,479 (2022: £386,082).

Reserves policy

The Trustees have agreed that W3RT should hold General Fund Reserves between one third of annual running costs and that amount required to meet W3RT's reasonable cash flow needs for the coming twelve months while holding at least £50,000 for contingency. For 2022-23 this sets a reserve of between £50,000 and £1,085,823. At the end of the year, we held an unrestricted and designated reserve of £839,479.

Principal sources of income and how expenditure meets our objects

W3RT has two main income streams; income from statutory contracts (HCC, HVCCG, NHS, WBC, TRDC) and income generated through the delivery of services.

Each service is designed and delivered for public benefit and each activity is funded differently and contributes to core costs such as management, marketing and telecoms.

Donations and legacies consists of the core grant for the CVS from Watford Borough Council plus fundraised and donated income.

Income from charitable activities totalled £3,392,284 (2022: £3,283,771) and the largest component of this is project grants of £3,179,161 (2022: £2,668,688).

Investment policy

W3RT's reserves policy is designed to maximise the resources that can be applied to charitable objectives. Consequently, W3RT has few surplus funds, and particularly in the current market, does not expect to generate a significant income from these funds. To date, W3RT has invested solely through accounts offered by our bankers CAF Bank.

Fundraising

W3RT has managed three community funds in Watford, now merged into a single fund. During 2022-23, we raised £25,100 and had total charges and grants of £52,647, leaving a year end balance of £19,064 for future grants. W3RT has also managed grant funds on behalf of TRDC and WBC.

Risk assessment

The Board of Trustees regularly carries out a risk assessment of W3RT activities and agrees on actions to manage and mitigate risks. The most recent risk assessment was carried out in May 2022.

Future plans

The Trustees meet each January to discuss plans for the coming year, and they review and refine these at each meeting. 2022-23 demonstrated that we must expect and manage change, and Russia's aggressive attack on Ukraine has generated another round of unprecedented volatility, uncertainty, complexity and ambiguity.

In the coming period, subject to Covid, financial pressures, inflation, and international politics, W3RT aims to:

- draft a plan on becoming carbon neutral – understanding what this will mean for services and service users
- renew NHS DSPt accreditation and finalise data sharing agreement between HCNS and NHS
- record at least 200 volunteers, at least 200 volunteering roles and at least 500 hours of volunteering
- prepare long-term maintenance and development plans for our community venues
- asap after restrictions end, restore venues to pre-Covid levels of activity
- asap increase the number of active volunteer drivers to 40
- generate sufficient income to deliver twelve programmes of A Slice of Happiness:
- recruit 400 members to Getting Together with 300 attendances each week, generating £70k pa;
- continue to support the Hospital and Community Navigation Service partnership;
- continue to contribute fully to the Community Herts Help partnership.
- tilt our services to focus more on mental wellbeing and on the "cost of living" crisis.

Structure, governance and management

The charity is a company limited by guarantee, governed by a Memorandum and Articles of Association most recently amended in 2012-13.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

John Casstles	
Lisa Dunstan	(Resigned 26 September 2022)
Harjit Grewal	
Steve McNicholas	
Pam Parmar	
Alec Ray	
Vicki Costello	(Resigned 22 May 2022)
Syd Nadim	
Guy Foxell	(Resigned 18 May 2022)
Ann Beatty	(Resigned 26 September 2022)

The company is limited by guarantee and none of the Trustees has a beneficial interest in the charity.

All of the Trustees are members of the company and guarantee to contribute £5 in the event of winding up. New Trustees are co-opted to the Trustee board and the Trustees have adopted a recruitment policy to ensure that recruitment of new Trustees is based on the assessed needs of the charity. No external body is entitled to appoint any Trustees of W3RT.

W3RT Trustees define their main roles as:

- creating a clear vision for W3RT;
- formulating plans and policies to bring about W3RT's objectives;
- recruiting and supervising the Chief Executive Officer;
- ensuring compliance with the law;
- overseeing W3RT's finances.

New Trustees are provided with key documentation, invited to spend a day meeting staff and service users, and encouraged to attend a course on Trustee roles and responsibilities.

Governance

The Trustees meet as required, but not less than four times a year. Throughout 2022-23, W3RT's board had a Chairman, a Vice Chairman and a Treasurer. Working groups are established as required, usually with a limited duration and always with delegated powers clearly defined.

Each Trustee meeting receives reports on W3RT's finances and activities.

Decisions about day-to-day operational matters, including staffing, work planning and finance are delegated to the Chief Executive Officer, who has regular meetings with the Board's Chairman.

Affiliations

During 2022-23, W3RT held affiliations with:

- Community Transport Association;
- Herts Care Providers Association;
- CDA Herts;
- Institute of Corporate Responsibility and Sustainability (through the CEO);
- Institute of Fundraising (through the CEO);
- Living Wage Foundation;
- Locality;
- National Association for Voluntary and Community Action;
- National Voices;
- National Council of Voluntary Organisations;
- Watford and West Herts Chamber of Commerce.

W3RT is a Corporate Director of Herts CVS Trading Ltd (jointly owned by all Herts CVSs). The company manages a three-year contract under the Building Better Communities programme. W3RT is not itself a delivery partner for this project, but our CEO, Bob Jones, is Company Secretary and W3RT provides the secretariat and accounting functions for the trading company. As of early 2023, this company is being closed down.

W3RT hosts many projects, activities, services and forums. This is part of our work to support and develop the local voluntary sector. Some of these activities may operate under particular brands or names different to W3RT, but none has any independent legal existence and all publicity materials, correspondence and publications quote W3RT's details and make clear that these activities are undertaken as part of W3RT.

Auditor

In accordance with the company's articles, a resolution proposing that Gowers Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the Auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Auditors are aware of such information.

The Trustees' report was approved by the Board of Trustees.

Syd Nadim
Trustee
Dated: 20 September 2023

WATFORD AND THREE RIVERS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees, who are also the directors of Watford and Three Rivers Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WATFORD AND THREE RIVERS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

Opinion

We have audited the financial statements of Watford and Three Rivers Trust (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the Trustees, who are also the directors of the charity for the purpose 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 charity'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 144 of the Charities Act 2011 and report in accordance with the Act 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of the above, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in management override of controls. In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements in this case, specifically in this context, Companies Act 2006, and tax legislation. 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 may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gowers Limited 5 October 2023

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Hertfordshire
WD4 8SZ

Gowers Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Current financial year

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	3	151,920	44,391	196,311	156,460
Charitable activities	5	3,251,076	141,208	3,392,284	3,283,771
Activities for generating funds	4	19,457	-	19,457	857
Investment income	6	93	-	93	17
Total income		3,422,546	185,599	3,608,145	3,441,105
Expenditure on:					
Fundraising costs	7	20	-	20	20
Charitable activities	8	2,967,308	290,141	3,257,449	3,261,976
Total expenditure		2,967,328	290,141	3,257,469	3,261,996
Net incoming/(outgoing) resources before transfers		455,218	(104,542)	350,676	179,109
Gross transfers between funds		(1,821)	1,821	-	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		453,397	(102,721)	350,676	179,109
Other recognised gains and losses					
Actuarial (loss)/gain on defined benefit pension schemes		-	-	-	11,568
Net movement in funds		453,397	(102,721)	350,676	190,677
Fund balances at 1 April 2022		386,082	159,471	545,553	354,876
Fund balances at 31 March 2023		839,479	56,750	896,229	545,553

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

Prior financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:				
Donations and legacies	3	132,448	24,012	156,460
Charitable activities	5	2,575,211	708,560	3,283,771
Activities for generating funds	4	857	-	857
Investment income	6	17	-	17
Total income		2,708,533	732,572	3,441,105
Expenditure on:				
Fundraising costs	7	20	-	20
Charitable activities	8	2,567,261	694,715	3,261,976
Total expenditure		2,567,281	694,715	3,261,996
Gross transfers between funds		(1,813)	1,813	-
Net income/(expenditure) for the year/ Net incoming/(outgoing) resources		139,439	39,670	179,109
Other recognised gains and losses				
Actuarial (loss)/gain on defined benefit pension schemes		11,568	-	11,568
Net movement in funds		151,007	39,670	190,677
Fund balances at 1 April 2021		235,075	119,801	354,876
Fund balances at 31 March 2022		386,082	159,471	545,553

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Debtors	12	116,223		316,010	
Cash at bank and in hand		1,134,353		1,307,046	
		1,250,576		1,623,056	
Creditors: amounts falling due within one year	13	(351,782)		(1,073,479)	
Net current assets			898,794		549,577
Provisions for liabilities	14		(2,565)		(4,024)
Net assets			896,229		545,553
Income funds					
Restricted funds	17		56,750		159,471
Unrestricted funds					
Designated funds	19	-		8,606	
General unrestricted funds		842,044		381,500	
Pension reserve		(2,565)		(4,024)	
			839,479		386,082
			896,229		545,553

The Balance Sheet continues on the next page

WATFORD AND THREE RIVERS TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 September 2023

John Castles
Trustee

Syd Nadim
Trustee

Company Registration No. 4090701

WATFORD AND THREE RIVERS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	22		(172,786)		619,217
Investing activities					
Interest received		93		17	
Net cash generated from investing activities			93		17
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(172,693)		619,234
Cash and cash equivalents at beginning of year			1,307,046		687,812
Cash and cash equivalents at end of year			1,134,353		1,307,046

1 Accounting policies

Charity information

Watford and Three Rivers Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Holywell Community Centre, Chaffinch Lane, Tolpits Lane, Watford, Hertfordshire.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are funds received which can only be used for the specific purpose as laid out by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overhead costs. The aim and use of each restricted fund is set out in the note to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of services provided by the volunteers is not included in the Statement of Financial Activities.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

1.5 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

1 Accounting policies **(Continued)**

The Trustees have a policy of charging individual items with a negligible projected net residual value after one year from purchase directly to the Statement of Financial Activities in the year of purchase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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 assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/ (expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.10 Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations and other voluntary income	20,887	44,391	65,278	73,287
Grants receivable for core activities	131,033	-	131,033	83,173
	151,920	44,391	196,311	156,460
For the year ended 31 March 2022	132,448	24,012		156,460
Donations and gifts				
Watford Council	-	4,300	4,300	2,500
Brick by Brick	13,297	-	13,297	-
The Childwick Trust	-	-	-	9,720
TKMaxx	-	-	-	6,480
Watford Community Housing Trust	-	-	-	6,480
Garfield Weston Foundation	-	-	-	10,000
Jaspar Foundation	5,000	-	5,000	3,600
Community Cup Golf Day	-	8,515	8,515	-
Warner Bros	-	2,000	2,000	2,000
Other	2,590	29,576	32,166	32,507
	20,887	44,391	65,278	73,287
Grants receivable for core activities				
Watford Council - CVS Grant	79,173	-	79,173	79,173
Watford Council - COVID-19 Grant - Barn	-	-	-	4,000
Three Rivers District Council - CVS Grant	40,000	-	40,000	-
Watford Council - Community Funds Co-ordinator	9,360	-	9,360	-
Watford Community Housing Trust	2,500	-	2,500	-
	131,033	-	131,033	83,173

4 Activities for generating funds

	Unrestricted funds 2023	Unrestricted funds 2022
	£	£
Membership subscriptions	19,457	857

5 Charitable activities

	Room hire and facilities	Fees and contracts	Lunch clubs and transport	Total 2023	Total 2022
	£	£	£	£	£
Income from charitable activities	118,791	64,077	30,255	213,123	615,083
Project grants	-	3,179,161	-	3,179,161	2,668,688
	118,791	3,243,238	30,255	3,392,284	3,283,771
Analysis by fund					
Unrestricted funds	116,883	3,103,938	30,255	3,251,076	2,575,211
Restricted funds	1,908	139,300	-	141,208	708,560
	118,791	3,243,238	30,255	3,392,284	3,283,771
Project grants					
Watford Council	-	214,319	-	214,319	546,670
Hertfordshire County Council	-	2,103,299	-	2,103,299	1,655,926
Big Lottery Fund	-	-	-	-	98,959
Communities 1st - Community Help Hertfordshire	-	52,928	-	52,928	27,100
Herts Valleys Clinical Commissioning Group	-	76,468	-	76,468	-
Three Rivers District Council	-	49,500	-	49,500	255,718
Dacorum Borough Council	-	15,787	-	15,787	-
Community Action Dacorum	-	5,841	-	5,841	-
PCN Link Workers	-	378,037	-	378,037	-
NHS	-	280,583	-	280,583	5,367
Other	-	2,399	-	2,399	78,948
	-	3,179,161	-	3,179,161	2,668,688

6 Investment income

	Unrestricted funds 2023	Unrestricted funds 2022
	£	£
Interest receivable	93	17

7 Fundraising costs

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Fundraising costs		
Other fundraising costs	20	20
	20	20

8 Charitable activities

	2023 £	2022 £
Staff costs	1,034,285	1,017,695
Other staff costs	48,061	33,408
Project costs	1,506,707	1,676,841
Premises costs	72,085	47,663
Insurance costs	10,753	8,710
Repairs and maintenance costs	303,677	156,515
Office costs	44,586	30,727
Computer costs	128,412	178,340
Promotion and publicity costs	22,362	11,310
Travel and subsistence costs	33,473	54,555
General expenses	19,022	8,447
Legal and professional costs	26,924	33,661
Bank charges and other finance costs	2,998	1,704
Governance costs	4,104	2,400
	3,257,449	3,261,976
Analysis by fund		
Unrestricted funds	2,967,308	2,567,261
Restricted funds	290,141	694,715
	3,257,449	3,261,976

Governance costs comprise fees paid to the Auditors for audit services (£2,700) and the costs of the Annual Board of Trustees planning day (£1,404).

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Charitable and administrative	40	44

Employment costs	2023 £	2022 £
Wages and salaries	928,542	918,836
Social security costs	80,150	73,376
Other pension costs	25,593	25,483
	1,034,285	1,017,695

There were no employees whose annual remuneration was £60,000 or more.

11 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

12 Debtors

Amounts falling due within one year:	2023 £	2022 £
Trade debtors	108,444	314,765
Other debtors	703	115
Prepayments and accrued income	7,076	1,130
	116,223	316,010

13 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Deferred income	15	11,430	860,168
Trade creditors		326,687	196,801
Other creditors		8,765	10,110
Accruals		4,900	6,400
		351,782	1,073,479

14 Provisions for liabilities

	Notes	2023 £	2022 £
Retirement benefit obligations	16	2,565	4,024
		2,565	4,024

15 Deferred income

	2023 £	2022 £
Other deferred income	11,430	860,168

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	11,430	860,168
Movements in the year:		
Deferred income at 1 April 2022	860,168	281,848
Released from previous periods	(860,168)	(281,848)
Resources deferred in the year	11,430	860,168
Deferred income at 31 March 2023	11,430	860,168

16 Retirement benefit schemes

Defined contribution schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 April 2022 to 31 January 2025:	£3,312,000 per annum
(payable monthly and increasing by 3% each on 1st April)	

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	31 March 2023 (£s)	31 March 2022 (£s)	31 March 2021 (£s)
Present value of provision	2,565	4,024	20,874

Reconciliation of opening and closing provisions	Period Ended 31 March 2023 (£s)	Period Ended 31 March 2022 (£s)
Provision at start of period	4,024	20,874
Unwinding of the discount factor (interest expense)	76	120
Deficit contribution paid	(1,466)	(5,282)
Remeasurements - impact of any change in assumptions	(69)	(92)
Remeasurements - amendments to the contribution schedule	-	(11,596)
Provision at end of period	2,565	4,024

16 Retirement benefit schemes **(Continued)**

Income and Expenditure Impact	Period Ended 31 March 2023 (£s)	Period Ended 31 March 2022 (£s)
Interest expense	76	120
Remeasurements – impact of any change in assumptions	(69)	(92)
Remeasurements – amendments to the contribution schedule	-	(11,596)
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	31 March 2023 % per annum	31 March 2022 % per annum	31 March 2021 % per annum
Rate of discount	5.52	2.35	0.66

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

17 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds				Movement in funds			
	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Balance at 31 March 2023
	£	£	£	£	£	£	£	£	£
Watford Community Fund	28,580	25,689	(7,658)	-	46,611	-	(27,547)	-	19,064
W3RT Watford Community Fund	-	-	-	-	-	24,000	(24,000)	-	-
Watford (WBC) Community Fund	-	-	-	-	-	1,100	(1,100)	-	-
Circus Society	126	-	-	-	126	-	(126)	-	-
Neighbours Together	69,992	107,279	(100,426)	-	76,845	700	(77,649)	104	-
Chorleywood Fund	3,821	-	-	-	3,821	-	-	-	3,821
Croxley Welcome Club	2,217	-	-	-	2,217	-	(200)	-	2,017
Covid Food Grants	-	6,000	(6,000)	-	-	-	-	-	-
BBBC (Brick by Brick)	-	-	-	-	-	13,297	-	1,426	14,723
Three Rivers Community Renewal Fund	-	-	-	-	-	30,000	(30,000)	-	-
Watford Community Renewal Fund	-	-	-	-	-	30,000	(30,000)	-	-
Watford BC Household Support Grants	-	-	-	-	-	70,000	(70,000)	-	-
Three Rivers Sustainability Fund	14,196	20,718	(14,344)	-	20,570	10,000	(16,438)	-	14,132
Three Rivers Community Development Fund	869	-	-	-	869	-	(869)	-	-
Three Rivers Additional Restrictions Grant	-	47,500	(47,500)	-	-	-	-	-	-
Three Rivers Health Protection Board	-	187,500	(180,000)	-	7,500	(500)	(7,000)	-	-
Watford Additional Restrictions Grant	-	92,500	(92,500)	-	-	-	-	-	-
Watford Health Protection Board	-	237,500	(236,588)	-	912	-	(912)	-	-
External fundraising	-	7,886	(9,699)	1,813	-	3,240	(504)	-	2,736
Other	-	-	-	-	-	3,762	(3,796)	291	257
	119,801	732,572	(694,715)	1,813	159,471	185,599	(290,141)	1,821	56,750

17 Restricted funds **(Continued)**

Watford Community Fund is the community fund for Watford charities and provides funding to local initiatives – and also aims to build an endowment to support and safeguard local voluntary activity long into the future.

Chorleywood Fund represents funds from Dementia Friendly, Groundwork UK and Hertfordshire County Council Locality Budgets to run a memory cafe in Chorleywood.

Circus Society is funding to run circus skills courses at schools.

Neighbours Together is funding from the Big Lottery Fund for the development of our existing Getting Together programme. It will work with community volunteers to help older people overcome social isolation and sustain their independence. It is aimed at those aged 70-85 who are most at risk of social isolation, mental health problems or loss of independence due to isolation, inactivity, lack of knowledge and relative poverty.

Croxley Welcome Club is funds received to sustain the activities of Croxley Welcome Club within Watford and Three Rivers Trust.

Covid Food Grants is funding from Watford Borough Council to support charitable organisations that have been supporting the individuals/families impacted by the Covid19 pandemic in Watford with food.

Three Rivers Sustainability Fund is funds received from Three Rivers District Council to assist voluntary organisations in Three Rivers on climate change and sustainability.

Three Rivers Community Development Fund is funds received from Three Rivers District Council to process volunteering offers and assess the changing needs of the voluntary sector supporting residents in Three Rivers.

Three Rivers Additional Restrictions Grant is to support Three Rivers based charities and CICs which have been affected by the impact of Covid-19 to resume develop or innovate their business operations. In turn, this supports their service delivery and objectives.

Three Rivers Health Protection Board is an extension of the support provided by the Three Rivers Additional Restrictions Grant.

Watford Additional Restrictions Grant is to support Watford based charities and CICs which have been affected by the impact of Covid-19 to resume develop or innovate their business operations. In turn, this supports their service delivery and objectives.

Watford Health Protection Board is an extension of the support provided by the Watford Additional Restrictions Grant.

External fundraising was fundraising in aid of Home-Start Watford and humanitarian aid for Ukraine.

18 Analysis of net assets between funds

	Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	£	£	£	£	£	£
Fund balances at 31 March 2023 are represented by:						
Current assets/(liabilities)	842,044	56,750	898,794	390,106	159,471	549,577
Provisionsand pensions	(2,565)	-	(2,565)	(4,024)	-	(4,024)
	839,479	56,750	896,229	386,082	159,471	545,553

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

		Movement in funds			
	Balance at 1 April 2021	Incoming resources	Balance at 1 April 2022	Resources expended	Balance at 31 March 2023
	£	£	£	£	£
Premises Maintenance Fund	4,646	-	4,646	(4,646)	-
Development Fund	3,960	-	3,960	(3,960)	-
	8,606	-	8,606	(8,606)	-

The Premises Maintenance Fund is to provide for the costs of replacing the boiler and creating a new card entry system.

The Development Fund is to fund general developments in service delivery including an online booking platform and upgrading virtual platforms, our website and intranet.

20 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

21 Analysis of changes in net funds

The charity had no debt during the year.

22	**Cash generated from operations**	**2023**	**2022**
		£	**£**
	Surplus for the year	350,676	179,109
	Adjustments for:		
	Investment income recognised in statement of financial activities	(93)	(17)
	Difference between pension charge and cash contributions	(1,459)	(5,282)
	Movements in working capital:		
	Decrease/(increase) in debtors	199,787	(123,431)
	Increase/(decrease) in creditors	127,041	(9,482)
	(Decrease)/increase in deferred income	(848,738)	578,320
	Cash (absorbed by)/generated from operations	(172,786)	619,217

WATFORD AND THREE RIVERS TRUST

England & Wales - Charity number 1085518

Accounts

Charity registration number 1085518

Company registration number 4090701 (England and Wales)

WATFORD AND THREE RIVERS TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

WATFORD AND THREE RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	John Casstles Harjit Grewal Steve McNicholas Pam Parmar Alec Ray Syd Nadim
Honorary Presidents	Dean Russell MP Peter Taylor, elected Mayor of Watford Baroness Thornhill MBE
Honorary Vice Presidents	Pearline McFarlane Phil Willerton
Chair	Guy Foxell (retired 18 May 2022) Syd Nadim (from 18 May 2022)
Vice Chair	Alec Ray
Treasurer and Company Secretary	John Casstles
Chief Executive Officer	Bob Jones
Charity number	1085518
Company number	4090701
Principal address and Registered Office	Holywell Community Centre Chaffinch Lane Tolpits Lane Watford Hertfordshire WD18 9QD
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Hertfordshire WD4 8SZ

WATFORD AND THREE RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers	Lloyds Bank 32 & 32a Intu Shopping Centre High Street Watford Hertfordshire WD17 2UB CAF Bank 25 Kings Hill Avenue West Malling Kent ME19 4JQ

WATFORD AND THREE RIVERS TRUST

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WATFORD AND THREE RIVERS TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their report and accounts for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Watford and Three Rivers Trust

Our mission and purpose

The charitable aims and objectives of Watford and Three Rivers Trust (W3RT) as defined by our Articles of Association, are:

> *The promotion of any charitable purposes for the benefit of the community in the Borough of Watford or the District of Three Rivers or their surrounding areas, and in particular the advancement of education, the protection of health and the relief of poverty, distress and sickness.*

What we believe

Volunteering and a good public spirit are at the heart of every successful community and every contented individual. We've worked for over forty years to ensure that our community benefits from voluntary groups that are welcoming, effective, accountable and sustainable, and to ensure that people can contribute to the design and delivery of the services on which they rely.

What we do

Before, through and after the impact of Covid-19, we:

- ran the Watford CVS service supporting local charities on fundraising and governance;
- initiated or supported community initiatives in Watford;
- hosted the Watford Community Fund raising monies for local charities;
- produced a "What's On" guide with details of around 5,000 activities for older people each quarter;
- hosted up to fourteen weekly clubs or activities for older people;
- completed around 200 interventions each month to help vulnerable people living at home,
- completed around 25,000 miles taking people to medical and other appointments;
- managed two community centres hosting 2,500 community activities each year, and
- hosted a social prescribing partnership aimed at supporting 14,000 people a year to relieve pressures on the NHS and adult care services.

In the ongoing response to the Covid-19 virus since March 2020, W3RT played a central role supporting the local response:

- supporting the response of Watford Borough Council (WBC), Three Rivers District Council (TRDC), Hertfordshire County Council (HCC) and the NHS;
- identifying needs and providing information;
- helping recruit and manage local response volunteers;
- making welfare support calls to people isolating;
- running emergency food centres;
- providing urgent journeys;
- delivering prescriptions, emergency test kits and food parcels;
- supporting local voluntary organisations.

Our vision

W3RT's vision is of a community in which people are connected, informed and take responsibility for the wellbeing of themselves and others.

Our purpose

In particular, we work to:

- ensure that our community benefits from voluntary organisations that are welcoming, effective, sustainable and accountable;
- help older and vulnerable people to build social networks and design and secure services appropriate to their needs;
- encourage and support people to be active in their communities for the wellbeing of themselves and others.

Statement on compliance with Charity Commission guidance on public benefit

When deciding on activities and programmes, Trustees pay due regard to the Charity Commission's guidance on public benefit.

Review of the Year

Objectives for year

W3RT's objectives for 2021-22 were set out in a one year business plan and a three year strategic plan agreed by the Board of trustees in February 2021.

The one year business plan was developed and agreed at a time of great turmoil. Externally, the first vaccinations were being made available to the most vulnerable older people, "non-essential retail" was still closed, and government rules forbade people from different households meeting outdoors. No-one knew what the future held. Within W3RT, the CEO was recovering from a heart attack, we were losing our Deputy CEO after ten years dedicated service, and there were other key staff changes as latest "lockdowns" took their toll.

W3RT's plans therefore focused on resilience, flexibility and partnership. This involved three main streams:

- reviewing governance and management to establish clearer and more resilient lines of accountability;
- ending W3RT's reliance on internal data solutions and improve flexibility by adopting "best in class" out-of-the-box solutions hosted on external servers;
- continue to strengthen and extend our partnerships and take a full role in the local response to Covid and in rebuilding our community in the recovery phase.

Resilient governance and management

After ten years, W3RT's Chairman of Trustees sought to pass on the baton. W3RT appointed external consultants to help review needs and pave the way for this change. This resulted in the retirement of our Chairman just after the end of the 2021-22 financial year, and a planned internal transition to a new Chairman. W3RT owes a huge debt of thanks to Guy Foxell and looks ahead with confidence under the Chairmanship of Syd Nadim.

In addressing the necessary review of management, W3RT initially recruited externally for three new senior managers to support staff and oversee operations segmented into three areas: community development, community wellbeing and central services. It is natural that change creates a degree of disruption to external partnerships, staff relationships and internal culture. These changes are of course creative and useful. But within W3RT, the wheel has turned and we are now again working through a CEO and Deputy CEO. However, there is a new cadre of operational managers ensuring effective collaboration across all services.

Flexible new systems

During the year, after much work and attention, W3RT has now implemented a range of new management information systems to serve and underpin our different services:

- Optimize to support Community Cars;
- Golden Volunteer support volunteer recruitment and management within W3RT and the local community;
- NationBuilder supports our website, CVS membership and local fundraising;
- Elemental supports much of our adult wellbeing programmes;
- Bright HR for employment records.

These new systems sit alongside established QuickBooks systems for bookkeeping and payroll. We are now looking to introduce new accounting, payroll and management software to tie together all our disparate systems.

Partnership first

W3RT holds a broad remit to develop activities that encourage constructive local engagement and strengthen the local community. In all circumstances, W3RT aims to work through partnerships to improve quality, learning, accessibility and impact. In the unprecedented circumstances of 2021-22, W3RT was well-placed to help bring together different sectors, organisations, projects, systems and individuals.

Through the year, we worked in close partnership with many individuals and organisations:

- local government and especially WBC, TRDC and HCC
- the NHS including HVCCG, WHHT, other NHS foundations, and Primary Care Networks of GP surgeries
- hundreds of local voluntary organisations
- Community Help Herts, led by Communities 1st and including Community Action Dacorum, North Herts CVS, Welwyn Hatfield CVS, Broxbourne and East Herts Community Alliance, and CDA Herts
- Herts Sports Partnership
- Herts Hospital and Community Navigation Service including Age UK Herts, Age UK Dacorum, British Red Cross, Carers in Herts, Dacortium, Herts Hearing Advisory Service, Home-Start Watford and Three Rivers, Pohwer and Watford Community Housing
- hundreds of local individuals who supported their families and neighbours, donated money or food, volunteered, organised their communities, or worked for essential services such as health and care services, food distribution or retail.

Community and Voluntary Services supports local voluntary organisations with funding applications and business planning, charity registration, board development, training, volunteering, networking, news, benchmarking and much else. We help the local sector exert greater influence by representing and championing the sector in forums, helping groups promote the needs of their members, or by helping groups come together to have a louder voice. We also run a programme of regular networking opportunities, conferences, training and events.

We worked closely with WBC and TRDC to help deliver the local response to Covid. We helped recruit and deploy volunteers, respond to queries from isolating and vulnerable, helped support people who were isolating at home, helped co-ordinate food hubs, and promoted the vaccination programmes.

We worked with TRDC and WBC on many grant programmes, distributing nearly £1m in grants to local groups throughout the pandemic. We also continued working with WBC on the Watford Helps Covid-19 appeal – led and championed by Mayor Peter Taylor and Luther Blissett, and generously supported by many individuals and businesses.

As the lockdown rules were lifted, W3RT began reviving its long-established programmes:

- Getting Together, supported by HCC and providing health and wellbeing clubs and activities for older people across Watford and Three Rivers, reducing loneliness and social isolation. The model enables members to develop lasting social connections, build emotional resilience, and manage their independence. The programme comprises "up and doing" activities, chair exercises, shared memories, informative talks, music therapy and more.
- W3RT Community Cars, supported by HVCCG and HCC, and using volunteer drivers to provide essential journeys for those unable to use public transport – particularly to assist patients attending medical appointments and therapies.
- Community Venues, supported by WBC, providing community facilities at the Holywell Community Centre and The Barn for activities such as a children's breakfast and after school club, health and wellbeing programmes, a youth club, karate, indoor bowls and soft play and art sessions for babies and toddlers etc.
- Neighbours Together, funded by the National Lottery Community Fund to build stronger communities, recruit community champions, and produce a listings guide of "What's On" for local older people.

One programme that persisted throughout was A Slice of Happiness, a self-funding project using the "Three Principles" approach to support individuals who face challenges to their personal wellbeing.

Similarly, the HertsHelp Hospital and Community Navigation Service has continued to deliver essential support for the community throughout all the challenges of Covid. Since 2018, the partnership has worked with individuals to find practical solutions to circumstances that might threaten their ability to live independently, and non-clinical solutions to any wellbeing issues. The intention is to build resilience and reduce unnecessary dependence on clinical services. The service provides an essential link between the NHS, adult care services, and local voluntary services.

W3RT remains closely engaged in all this important work. We are very grateful to funders and partners for their flexibility and support in helping us deliver this: Watford Borough Council, Three Rivers District Council, Herts County Council, Herts Valleys CCG, Primary Care Networks throughout Herts, and the National Lottery Community Fund. We are also grateful to our staff, volunteers and partners for their strength and support.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

During the year, we:

- engaged with more than 1,500 volunteering enquiries;
- supported 1,500 individual households;
- completed nearly 20,000 support actions;
- delivered 600 emergency food parcels;
- delivered more than 400 prescriptions;
- provided a "food hub" for donations and sorting;
- collected and distributed more than 7 tonnes of food and PPE;
- worked closely with other CVSs as part of the Community Help Herts programme;
- supported NHS testing and vaccination centres;

Volunteers

W3RT values the significant contribution that volunteers make to our organisation. Since the Covid-19 crisis, we have (with considerable support from TeamHerts, WBC and TRDC) registered over 1,500 volunteers. Around 1,000 have actively volunteered for W3RT or been referred to one of our local partners. In the future, we hope to sustain contact with these "good neighbours" and offer more opportunities for volunteering and good neighbourliness.

Investment performance

W3RT funds are all invested through the "CAF Gold" account offered by our bankers CAF Bank. Interest rates and returns have remained very low. W3RT expects to maintain a cautious approach to investments.

Financial review and prospects

Financial review

Income rose by 46% to £3,441,105 while expenditure rose by 41% to £3,261,996. This allowed us an overall surplus on the year of £179,109 (representing a surplus of just 5.2% of total income). Net assets rose to £545,553 from £354,876 in 2021.

Funds

At the year end the amount of restricted funds not yet spent was £159,471 (2021: £119,801). The total unrestricted General Fund reserve was £386,082 (2021: £235,075) – of which £3,960 has been designated for a Development Fund to fund several necessary future developments and £4,646 has been designated for a Premises Maintenance Fund.

Reserves policy

The Trustees have agreed that W3RT should hold General Fund Reserves between one third of annual running costs and that amount required to meet W3RT's reasonable cash flow needs for the coming twelve months while holding at least £50,000 for contingency. For 2021-22 this sets a reserve of between £50,000 and £1,087,332. At the end of the year, we held an unrestricted and designated reserve of £386,082.

Principal sources of income and how expenditure meets our objects

W3RT has two main income streams; income from statutory contracts (HCC, HVCCG, NHS, WBC, TRDC) and income generated through the delivery of services.

Each service is designed and delivered for public benefit and each activity is funded differently and contributes to core costs such as management, marketing and telecoms.

Donations and legacies consists of the core grant for the CVS from Watford Borough Council plus fundraised and donated income.

Income from charitable activities totalled £3,283,771 (2021: £2,044,501) and the largest component of this is project grants of £2,668,688 (2021: £1,599,035).

Investment policy

W3RT's reserves policy is designed to maximise the resources that can be applied to charitable objectives. Consequently, W3RT has few surplus funds, and particularly in the current market, does not expect to generate a significant income from these funds. To date, W3RT has invested solely through accounts offered by our bankers CAF Bank.

Fundraising

W3RT has made some advances in the year as government increased funding for the voluntary sector as a key part of the response to Covid-19. W3RT has also (with close support from WBC) raised and distributed £164,160 through the Watford Community Fund and £39,131 through the Three Rivers Community Fund.

Risk assessment

The Board of Trustees regularly carries out a risk assessment of W3RT activities and agrees on actions to manage and mitigate risks. The most recent risk assessment was carried out in May 2022.

Future plans

The Trustees meet each January to discuss plans for the coming year, and they review and refine these at each meeting. 2021-22 demonstrated that we must expect and manage change, and Russia's aggressive attack on Ukraine has generated another round of unprecedented volatility, uncertainty, complexity and ambiguity.

In the coming period, subject to Covid, financial pressures, inflation, and international politics, W3RT aims to:

- draft a plan on becoming carbon neutral – understanding what this will mean for services and service users
- renew NHS *DSPt* accreditation and finalise data sharing agreement between *HCNS* and NHS
- record at least 200 volunteers, at least 200 volunteering roles and at least 500 hours of volunteering
- prepare long-term maintenance and development plans for our community venues
- asap after restrictions end, restore venues to pre-Covid levels of activity
- asap increase the number of active volunteer drivers to 40
- generate sufficient income to deliver twelve programmes of A Slice of Happiness:
- recruit 400 members to Getting Together with 300 attendances each week, generating £70k pa;
- continue to support the Hospital and Community Navigation Service partnership;
- continue to contribute fully to the Community Herts Help partnership.
- tilt our services to focus more on mental wellbeing and on the "cost of living" crisis.

Structure, governance and management

The charity is a company limited by guarantee, governed by a Memorandum and Articles of Association most recently amended in 2012-13.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Ann Beatty	(Resigned 22 February 2022)
John Casstles	
Lisa Dunstan	(Resigned 26 September 2022)
Guy Foxell	(Retired 18 May 2022)
Harjit Grewal	
Steve McNicholas	
Pam Parmar	
Alec Ray	
Parwez Samnakay	(Resigned 22 February 2022)
Juliette Sibson	(Resigned 13 October 2021)
Mo Usman	(Resigned 8 April 2021)
Vicki Costello	(Appointed 5 May 2021 and resigned 22 May 2022)
Syd Nadim	(Appointed 5 May 2021)

The company is limited by guarantee and none of the Trustees has a beneficial interest in the charity.

All of the Trustees are members of the company and guarantee to contribute £5 in the event of winding up. New Trustees are co-opted to the Trustee board and the Trustees have adopted a recruitment policy to ensure that recruitment of new Trustees is based on the assessed needs of the charity. No external body is entitled to appoint any Trustees of W3RT.

W3RT Trustees define their main roles as:

- creating a clear vision for W3RT;
- formulating plans and policies to bring about W3RT's objectives;
- recruiting and supervising the Chief Executive Officer;
- ensuring compliance with the law;
- overseeing W3RT's finances.

New Trustees are provided with key documentation, invited to spend a day meeting staff and service users, and encouraged to attend a course on Trustee roles and responsibilities.

Governance

The Trustees meet as required, but not less than four times a year. Throughout 2021-22, W3RT's board had a Chairman, a Vice Chairman and a Treasurer. Working groups are established as required, usually with a limited duration and always with delegated powers clearly defined.

Each Trustee meeting receives reports on W3RT's finances and activities.

Decisions about day-to-day operational matters, including staffing, work planning and finance are delegated to the Chief Executive Officer, who has regular meetings with the Board's Chairman.

Affiliations

During 2021-22, W3RT held affiliations with:

- Community Transport Association;
- Herts Care Providers Association;
- CDA Herts;
- Institute of Corporate Responsibility and Sustainability (through the CEO);
- Institute of Fundraising (through the CEO);
- Living Wage Foundation
- Locality;
- National Association for Voluntary and Community Action;
- National Voices
- National Council of Voluntary Organisations;
- Watford and West Herts Chamber of Commerce.

W3RT is a Corporate Director of Herts CVS Trading Ltd (jointly owned by all Herts CVSs). The company manages a three-year contract under the Building Better Communities programme. W3RT is not itself a delivery partner for this project, but our CEO, Bob Jones, is Company Secretary and W3RT provides the secretariat and accounting functions for the trading company. As of early 2023, this company is being closed down.

W3RT hosts many projects, activities, services and forums. This is part of our work to support and develop the local voluntary sector. Some of these activities may operate under particular brands or names different to W3RT, but none has any independent legal existence and all publicity materials, correspondence and publications quote W3RT's details and make clear that these activities are undertaken as part of W3RT.

Auditor

In accordance with the company's articles, a resolution proposing that Gowers Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the Auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Auditors are aware of such information.

The Trustees' report was approved by the Board of Trustees.

Syd Nadim
Trustee
Dated: 20 January 2023

WATFORD AND THREE RIVERS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees, who are also the directors of Watford and Three Rivers Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WATFORD AND THREE RIVERS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

Opinion

We have audited the financial statements of Watford and Three Rivers Trust (the 'charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the Trustees, who are also the directors of the charity for the purpose 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 charity'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 144 of the Charities Act 2011 and report in accordance with the Act 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of the above, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in management override of controls. In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements in this case, specifically in this context, Companies Act 2006, and tax legislation. 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 may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gowers Limited 20 January 2023

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Hertfordshire
WD4 8SZ

Gowers Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Current financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	3	132,448	24,012	156,460	313,576
Charitable activities	5	2,575,211	708,560	3,283,771	2,044,501
Activities for generating funds	4	857	-	857	296
Investment income	6	17	-	17	-
Total income		2,708,533	732,572	3,441,105	2,358,373
Expenditure on:					
Fundraising costs	7	20	-	20	20
Charitable activities	8	2,567,261	694,715	3,261,976	2,313,409
Total expenditure		2,567,281	694,715	3,261,996	2,313,429
Net incoming resources before transfers		141,252	37,857	179,109	44,944
Gross transfers between funds		(1,813)	1,813	-	-
Net income for the year/ Net incoming resources		139,439	39,670	179,109	44,944
Other recognised gains and losses					
Actuarial gain on defined benefit pension schemes		11,568	-	11,568	-
Net movement in funds		151,007	39,670	190,677	44,944
Fund balances at 1 April 2021		235,075	119,801	354,876	309,932
Fund balances at 31 March 2022		386,082	159,471	545,553	354,876

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

Prior financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:				
Donations and legacies	3	157,992	155,584	313,576
Charitable activities	5	1,877,295	167,206	2,044,501
Activities for generating funds	4	296	-	296
Total income		2,035,583	322,790	2,358,373
Expenditure on:				
Fundraising costs	7	20	-	20
Charitable activities	8	2,057,203	256,206	2,313,409
Total expenditure		2,057,223	256,206	2,313,429
Net income for the year/ Net incoming resources		(21,640)	66,584	44,944
Other recognised gains and losses				
Net movement in funds		(21,640)	66,584	44,944
Fund balances at 1 April 2020		256,715	53,217	309,932
Fund balances at 31 March 2021		235,075	119,801	354,876

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	**11**	316,010		192,579	
Cash at bank and in hand		1,307,046		687,812	
		1,623,056		880,391	
Creditors: amounts falling due within one year	**12**	(1,073,479)		(504,641)	
Net current assets			549,577		375,750
Provisions for liabilities	**13**		(4,024)		(20,874)
Net assets			545,553		354,876
Income funds					
Restricted funds	**16**		159,471		119,801
Unrestricted funds					
Designated funds	**18**	8,606		8,606	
General unrestricted funds		381,500		247,343	
Pension reserve		(4,024)		(20,874)	
			386,082		235,075
			545,553		354,876

The Balance Sheet continues on the next page

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 January 2023

John Castles
Trustee

Syd Nadim
Trustee

Company Registration No. 4090701

WATFORD AND THREE RIVERS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	**21**		619,217		433,947
Investing activities					
Interest received		17		-	
Net cash generated from/(used in) investing activities			17		-
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			619,234		433,947
Cash and cash equivalents at beginning of year			687,812		253,865
Cash and cash equivalents at end of year			1,307,046		687,812

1 Accounting policies

Charity information

Watford and Three Rivers Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Holywell Community Centre, Chaffinch Lane, Tolpits Lane, Watford, Hertfordshire.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are funds received which can only be used for the specific purpose as laid out by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overhead costs. The aim and use of each restricted fund is set out in the note to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of services provided by the volunteers is not included in the Statement of Financial Activities.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

The Trustees have a policy of charging individual items with a negligible projected net residual value after one year from purchase directly to the Statement of Financial Activities in the year of purchase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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 assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.10 Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations and other voluntary income	49,275	24,012	73,287	160,631
Grants receivable for core activities	83,173	-	83,173	152,945
	132,448	24,012	156,460	313,576
For the year ended 31 March 2021	157,992	155,584		313,576
Donations and gifts				
Camelot UK Lotteries	-	-	-	106,292
Watford Council	2,500	-	2,500	13,500
Berkeley Homes (North East London)	-	-	-	2,000
The Childwick Trust	9,720	-	9,720	-
TKMaxx	6,480	-	6,480	-
Watford Community Housing Trust	6,480	-	6,480	-
Garfield Weston Foundation	10,000	-	10,000	-
Jaspar Foundation	3,600	-	3,600	-
Everyone Active	-	6,450	6,450	-
Warner Bros	-	2,000	2,000	-
Other	10,495	15,562	26,057	38,839
	49,275	24,012	73,287	160,631
Grants receivable for core activities				
Watford Council - CVS Grant	79,173	-	79,173	79,173
Watford Council - COVID-19 Grant - Holywell Community Centre	-	-	-	44,843
Watford Council - COVID-19 Grant - Barn	4,000	-	4,000	14,429
Three Rivers District Council - COVID-19 Grant	-	-	-	5,000
CDA Herts - COVID Champions Grant	-	-	-	9,500
	83,173	-	83,173	152,945

4 Activities for generating funds

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Membership subscriptions	857	296

5 Charitable activities

	Room hire and facilities	Fees and contracts	Lunch clubs and transport	Total 2022	Total 2021
	£	£	£	£	£
Income from charitable activities	80,980	445,239	88,864	615,083	445,466
Project grants	-	2,668,688	-	2,668,688	1,599,035
	80,980	3,113,927	88,864	3,283,771	2,044,501
Analysis by fund					
Unrestricted funds	79,470	2,409,290	86,451	2,575,211	
Restricted funds	1,510	704,637	2,413	708,560	
	80,980	3,113,927	88,864	3,283,771	
For the year ended 31 March 2021					
Unrestricted funds	12,916	1,862,149	2,230		1,877,295
Restricted funds	-	167,206	-		167,206
	12,916	2,029,355	2,230		2,044,501
Project grants					
Watford Council	-	216,670	-	216,670	86,680
Hertfordshire County Council	-	1,655,926	-	1,655,926	1,283,373
Big Lottery Fund	-	98,959	-	98,959	96,456
Communities 1st - Community Help Hertfordshire	-	27,100	-	27,100	42,917
Herts Valleys Clinical Commissioning Group	-	-	-	-	17,800
Three Rivers District Council Sustainability & Community Development	-	20,718	-	20,718	56,000
Three Rivers District Council Additional Restrictions & Health Protection Board Grants	-	235,000	-	235,000	-
Watford Borough Council Additional Restrictions & Health Protection Board Grants	-	330,000	-	330,000	-
NHS England	-	5,367	-	5,367	11,833
Other	-	78,948	-	78,948	3,976
	-	2,668,688	-	2,668,688	1,599,035

6 Investment income

	Unrestricted funds	Total
	2022	2021
	£	£
Interest receivable	17	-

7 Fundraising costs

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising costs		
Other fundraising costs	20	20
	20	20

8 Charitable activities

	2022	2021
	£	£
Staff costs	1,017,695	880,832
Other staff costs	33,408	19,707
Project costs	1,676,841	1,084,241
Premises costs	47,663	40,734
Insurance costs	8,710	8,965
Repairs and maintenance costs	156,515	39,499
Office costs	30,727	35,371
Computer costs	178,340	82,272
Promotion and publicity costs	11,310	18,626
Travel and subsistence costs	54,555	44,475
General expenses	8,447	12,699
Legal and professional costs	33,661	41,229
Bank charges and other finance costs	1,704	2,359
Governance costs	2,400	2,400
	3,261,976	2,313,409
Analysis by fund		
Unrestricted funds	2,567,261	
Restricted funds	694,715	
	3,261,976	
For the year ended 31 March 2021		
Unrestricted funds		2,057,203
Restricted funds		256,206
		2,313,409

Governance costs comprise fees paid to the Auditors for audit services.

9 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year.

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Charitable and administrative	44	45

Employment costs	2022 £	2021 £
Wages and salaries	918,836	793,496
Termination payments	-	5,350
Social security costs	73,376	63,787
Other pension costs	25,483	23,549
	1,017,695	886,182

There were no employees whose annual remuneration was £60,000 or more.

11 Debtors

Amounts falling due within one year:	2022 £	2021 £
Trade debtors	314,765	170,098
Other debtors	115	115
Prepayments and accrued income	1,130	22,366
	316,010	192,579

12 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Deferred income	14	860,168	281,848
Trade creditors		196,801	155,268
Other creditors		10,110	5,295
Accruals		6,400	62,230
		1,073,479	504,641

13 Provisions for liabilities

	Notes	2022 £	2021 £
Retirement benefit obligations	15	4,024	20,874
		4,024	20,874

14 Deferred income

	2022 £	2021 £
Other deferred income	860,168	281,848

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	860,168	281,848
Movements in the year:		
Deferred income at 1 April 2021	281,848	-
Released from previous periods	(281,848)	-
Resources deferred in the year	860,168	281,848
Deferred income at 31 March 2022	860,168	281,848

15 Retirement benefit schemes

Defined contribution schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 April 2016 to 30 September 2025:	£11,243,000 per annum
(payable monthly and increasing by 3% each on 1st April)	

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	31 March 2022 (£s)	31 March 2021 (£s)	31 March 2020 (£s)
Present value of provision	4,024	20,874	24,733

Reconciliation of opening and closing provisions	Period Ended 31 March 2022 (£s)	Period Ended 31 March 2021 (£s)
Provision at start of period	20,874	24,733
Unwinding of the discount factor (interest expense)	120	556
Deficit contribution paid	(5,282)	(5,129)
Remeasurements - impact of any change in assumptions	(92)	714
Remeasurements - amendments to the contribution schedule	(11,596)	-
Provision at end of period	4,024	20,874

15 Retirement benefit schemes **(Continued)**

Income and Expenditure Impact	Period Ended 31 March 2021 (£s)	Period Ended 31 March 2020 (£s)
Interest expense	120	556
Remeasurements – impact of any change in assumptions	(92)	714
Remeasurements – amendments to the contribution schedule	(11,596)	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	31 March 2022 % per annum	31 March 2021 % per annum	31 March 2020 % per annum
Rate of discount	2.35	0.66	2.53

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£	£	£
Watford Community Fund	22,406	170,334	(164,160)	28,580	25,689	(7,658)	-	46,611
Chorleywood Fund	3,821	-	-	3,821	-	-	-	3,821
Circus Society	126	-	-	126	-	-	-	126
Neighbours Together	24,647	96,456	(51,111)	69,992	107,279	(100,426)	-	76,845
Croxley Welcome Club	2,217	-	-	2,217	-	-	-	2,217
Covid Food Grants	-	-	-	-	6,000	(6,000)	-	-
Three Rivers Sustainability Fund	-	16,000	(1,804)	14,196	20,718	(14,344)	-	20,570
Three Rivers Community Development Fund	-	40,000	(39,131)	869	-	-	-	869
Three Rivers Additional Restrictions Grant	-	-	-	-	47,500	(47,500)	-	-
Three Rivers Health Protection Board	-	-	-	-	187,500	(180,000)	-	7,500
Watford Additional Restrictions Grant	-	-	-	-	92,500	(92,500)	-	-
Watford Health Protection Board	-	-	-	-	237,500	(236,588)	-	912
External fundraising	-	-	-	-	7,886	(9,699)	1,813	-
	53,217	322,790	(256,206)	119,801	732,572	(694,715)	1,813	159,471

16 Restricted funds **(Continued)**

Watford Community Fund is the community fund for Watford charities and provides funding to local initiatives – and also aims to build an endowment to support and safeguard local voluntary activity long into the future.

Chorleywood Fund represents funds from Dementia Friendly, Groundwork UK and Hertfordshire County Council Locality Budgets to run a memory cafe in Chorleywood.

Circus Society is funding to run circus skills courses at schools.

Neighbours Together is funding from the Big Lottery Fund for the development of our existing Getting Together programme. It will work with community volunteers to help older people overcome social isolation and sustain their independence. It is aimed at those aged 70-85 who are most at risk of social isolation, mental health problems or loss of independence due to isolation, inactivity, lack of knowledge and relative poverty.

Croxley Welcome Club is funds received to sustain the activities of Croxley Welcome Club within Watford and Three Rivers Trust.

Covid Food Grants is funding from Watford Borough Council to support charitable organisations that have been supporting the individuals/families impacted by the Covid19 pandemic in Watford with food.

Three Rivers Sustainability Fund is funds received from Three Rivers District Council to assist voluntary organisations in Three Rivers on climate change and sustainability.

Three Rivers Community Development Fund is funds received from Three Rivers District Council to process volunteering offers and assess the changing needs of the voluntary sector supporting residents in Three Rivers.

16 Restricted funds **(Continued)**

Three Rivers Additional Restrictions Grant is to support Three Rivers based charities and CICs which have been affected by the impact of Covid-19 to resume develop or innovate their business operations. In turn, this supports their service delivery and objectives.

Three Rivers Health Protection Board is an extension of the support provided by the Three Rivers Additional Restrictions Grant.

Watford Additional Restrictions Grant is to support Watford based charities and CICs which have been affected by the impact of Covid-19 to resume develop or innovate their business operations. In turn, this supports their service delivery and objectives.

Watford Health Protection Board is an extension of the support provided by the Watford Additional Restrictions Grant.

External fundraising was fundraising in aid of Home-Start Watford and humanitarian aid for Ukraine.

17 Analysis of net assets between funds

	Unrestricted funds 2022	Restricted funds 2022	Total 2022	Unrestricted funds 2021	Restricted funds 2021	Total 2021
	£	£	£	£	£	£
Fund balances at 31 March 2022 are represented by:						
Current assets/ (liabilities)	390,106	159,471	549,577	255,949	119,801	375,750
Provisionsand pensions	(4,024)	-	(4,024)	(20,874)	-	(20,874)
	386,082	159,471	545,553	235,075	119,801	354,876

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020	Resources expended	Balance at 1 April 2021	Movement in funds: Incoming resources	Balance at 31 March 2022
	£	£	£	£	£
Premises Maintenance Fund	4,646	-	4,646	-	4,646
Development Fund	15,640	(11,680)	3,960	-	3,960
	20,286	(11,680)	8,606	-	8,606

The Premises Maintenance Fund is to provide for the costs of replacing the boiler and creating a new card entry system.

The Development Fund is to fund general developments in service delivery including an online booking platform and upgrading virtual platforms, our website and intranet.

19 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

20 Analysis of changes in net funds

The charity had no debt during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

21	Cash generated from operations	2022 £	2021 £
	Surplus for the year	179,109	44,944
	Adjustments for:		
	Investment income recognised in statement of financial activities	(17)	-
	Difference between pension charge and cash contributions	(5,282)	(5,129)
	Movements in working capital:		
	(Increase)/decrease in debtors	(123,431)	25,021
	(Decrease)/increase in creditors	(9,482)	87,263
	Increase in deferred income	578,320	281,848
	Cash generated from operations	619,217	433,947

WATFORD AND THREE RIVERS TRUST

England & Wales - Charity number 1085518

Accounts

Charity Registration No. 1085518

Company Registration No. 4090701 (England and Wales)

WATFORD AND THREE RIVERS TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

WATFORD AND THREE RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Ann Beatty John Casstles Lisa Dunstan Guy Foxell Harjit Grewal Steve McNicholas Pam Parmar Alec Ray Parwez Samnakay Juliette Sibson Mo Usman
Honorary Presidents	Dean Russell MP Peter Taylor, elected Mayor of Watford Baroness Thornhill MBE
Honorary Vice Presidents	Pearline McFarlane Phil Willerton
Chair	Guy Foxell
Vice Chair	Alec Ray
Treasurer and Company Secretary	John Casstles
Chief Executive Officer	Bob Jones
Charity number	1085518
Company number	4090701
Principal address and Registered Office	Holywell Community Centre Chaffinch Lane Tolpits Lane Watford Hertfordshire WD18 9QD
Auditor	Gowers Limited The Old School House Bridge Road Hunton Bridge Kings Langley Hertfordshire WD4 8SZ

WATFORD AND THREE RIVERS TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Lloyds Bank
32 & 32a Intu Shopping Centre
High Street
Watford
Hertfordshire
WD17 2UB

CAF Bank
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

WATFORD AND THREE RIVERS TRUST

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WATFORD AND THREE RIVERS TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their report and accounts for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)".

Watford and Three Rivers Trust

Our mission and purpose

The charitable aims and objectives of Watford and Three Rivers Trust (W3RT) as defined by our Articles of Association, are:

> *The promotion of any charitable purposes for the benefit of the community in the Borough of Watford or the District of Three Rivers or their surrounding areas, and in particular the advancement of education, the protection of health and the relief of poverty, distress and sickness.*

What we believe

Volunteering and a good public spirit are at the heart of every successful community and every contented individual. We've worked for over forty years to ensure that our community benefits from voluntary groups that are welcoming, effective, accountable and sustainable, and to ensure that people can contribute to the design and delivery of the services on which they rely.

What we do

In the days before Covid-19, we:

- ran the Watford CVS service supporting local charities on fundraising and governance;
- initiated or supported community initiatives in Watford;
- hosted the Watford Community Fund raising monies for local charities;
- produced a quarterly "What's On" guide with details of around 300 activities for older people;
- hosted up to fourteen weekly clubs or activities for older people;
- completed around 200 interventions each month to help vulnerable people living at home,
- completed around 25,000 miles taking people to medical and other appointments;
- managed two community centres hosting 2,500 community activities each year, and
- hosted a social prescribing partnership aimed at supporting 14,000 people a year to relieve pressures on the NHS and adult care services.

Since the arrival of the Covid-19 virus in March 2020, we have played a central role in the local response.

Our vision

W3RT's vision is of a community in which people are connected, informed and take responsibility for the wellbeing of themselves and others.

Our purpose

In particular, we work to:

- ensure that our community benefits from voluntary organisations that are welcoming, effective, sustainable and accountable;
- help older and vulnerable people to build social networks and design and secure services appropriate to their needs;
- encourage and support people to be active in their communities for the wellbeing of themselves and others.

Statement on compliance with Charity Commission guidance on public benefit

When deciding on activities and programmes, Trustees pay due regard to the Charity Commission's guidance on public benefit.

Review of the Year

Objectives for year

W3RT's objectives for 2020-21 were set out in a one year business plan and a three year strategic plan agreed by the Board of trustees in February 2020. This plan included specific targets for each of our different activities and set out W3RT's commitments to:

- deliver on existing programmes;
- respond to changes and emerging needs;
- modernise systems to be more responsive and scalable;
- improve impact reporting
- review its constitution;
- seek out new development opportunities.

But within weeks of this plan being agreed, the Government announced the first "lockdown" in response to the Covid-19 pandemic. W3RT had to rapidly shelve its plans and suspend most of its activities.

Remit and partnerships

W3RT holds a broad remit to develop activities that encourage constructive local engagement and strengthen the local community. Under this remit, we work in close partnership with many individuals and organisations:

- local government including WBC, TRDC and HCC
- the NHS including HVCCG, WHHT, other NHS foundations, and GP surgeries
- hundreds of local voluntary organisations
- TeamHerts on Volunteering
- Herts CVS to deliver the Community Help Herts programme.
- Age UK Herts, Age UK Dacorum, British Red Cross, Carers in Herts, Dacortium, Pohwer and Watford Community Housing, and other to deliver the HertsHelp Hospital and Community Navigation Service
- wellbeing providers on the Watford and Three Rivers Health and Wellbeing network
- hundreds of local individuals who supported their families and neighbours, donated money or food, volunteered, organised their communities, or worked for essential services such as health and care services, food distribution or retail.

Covid response

W3RT's plans and activities may not have survived the first weeks of lockdown, but there was no retreat into "self-isolation".

We never doubted for a moment that our local community would respond to the crisis with courage, generosity and togetherness. And we never doubted that W3RT would play a key role in the local response, inspired by our values, relying on our networks, systems and determination - and drawing on the strength and commitment of our staff, volunteers and trustees.

None of our staff were furloughed, many learned completely new skills and accepted major changes in their working arrangements to better serve their community.

W3RT CVS

W3RT's work supporting Community and Voluntary Services has been funded by Watford Borough Council for many years and W3RT supports its member organisations with funding applications and business planning, charity registration, board development, training, volunteering, networking, news, benchmarking and much else. We help the local sector exert greater influence by representing and championing the sector in forums, helping groups promote the needs of their members, or by helping groups come together to have a louder voice. We also run a programme of regular networking opportunities, conferences, training and events.

After Covid-19 arrived, we:

- immediately suspended "paid for" CVS membership and offered all support free of charge;
- worked with WBC and others to help set up the Watford Helps Covid-19 appeal – led and championed by Mayor Peter Taylor and Luther Blissett, and generously supported by many individuals and businesses including Camelot;
- surveyed groups on their plans and needs, keeping in regular contact with many groups as they navigated their way through lockdown while supporting their members and service users;
- employed new staff to liaise with the many neighbourhood groups that emerged to support isolated and vulnerable people;
- worked with TeamHerts, HCC, WBC, TRDC and the NHS to recruit and deploy volunteers;
- supported WBC and TRDC initiatives to set up emergency networks to co-ordinate the community response, including on emergency food distribution;
- with support from TRDC, extended our CVS support into Three Rivers;
- in partnership with WBC and TRDC, distributed £160k in grants to local charities.

Community Wellbeing

Prior to the first lockdown, W3RT managed many programmes of activity including:

- Getting Together, supported by HCC and providing health and wellbeing clubs and activities for older people across Watford and Three Rivers, reducing loneliness and social isolation. The model enables members to develop lasting social connections, build emotional resilience, and manage their independence. The programme comprises "up and doing" activities, chair exercises, shared memories, informative talks, music therapy and more.
- W3RT Community Cars, supported by HVCCG and HCC, and using volunteer drivers to provide essential journeys for those unable to use public transport – particularly to assist patients attending medical appointments and therapies.
- Community Venues, supported by WBC, providing community facilities at the Holywell Community Centre and The Barn for activities such as a children's breakfast and after school club, health and wellbeing programmes, a youth club, Scouts group, Karate, indoor bowls and soft play and art sessions for babies and toddlers etc.
- Neighbours Together, funded by the National Lottery Community Fund to build stronger communities, recruit community champions, and produce a listings guide of "What's On" for local older people.

After Covid-19 arrived, we had to suspend nearly all activities for Getting Together, Neighbours Together, Community Venues and Community Cars. Instead, with the consent of funders, all staff became "home-based" and we created a single new *Wellbeing Hub* to address needs arising from the Covid-19 public health crisis. We worked with WBC, TRDC, HCC and HertsHelp to ensure there were direct pathways to access local voluntary services. We created new ICT solutions to manage significantly increased referrals and workload, and many new volunteers. We:

- solicited and processed volunteering enquiries;
- received and processed support requests from individuals;
- helped collect, pack and distribute emergency food supplies;
- delivered prescriptions to isolating households;
- worked closely with other CVSs as part of the Community Help Herts programme;
- supported NHS testing and vaccination centres.

A Slice of Happiness

W3RT hosts this self-funding project to use the “Three Principles” approach to support individuals who face challenges to their personal wellbeing.

HertsHelp Hospital and Community Navigation Service

This is a county-wide social prescribing partnership in which W3RT plays a key hosting role, while working closely with funders and voluntary sector partners: Age UK Herts, Age UK Dacorum, British Red Cross, Carers in Herts, Dacortium, Pohwer and Watford Community Housing. Since 2018, the partnership has worked with individuals to find practical solutions to circumstances that might threaten their ability to live independently, and non-clinical solutions to any wellbeing issues. The intention is to build resilience and reduce unnecessary dependence on clinical services. The service provides an essential link between the NHS, adult care services, and local voluntary services.

After Covid-19 arrived, the service faced a significant increase in demand and our Community Navigators and Link Workers were at the fore of the local response - supporting GPs, Hospitals and isolated, vulnerable people.

W3RT remains closely engaged in this important work. We are very grateful to funders and partners for their flexibility and support in helping us deliver this: Watford Borough Council, Three Rivers District Council, Herts County Council, Herts Valleys CCG, the National Lottery Community Fund. We are also grateful to our staff, volunteers and partners for their strength and support.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Trustees to present a strategic report.

Achievements and performance

During the year, we:

- engaged with more than 1,500 volunteering enquiries;
- supported 1,500 individual households;
- completed nearly 20,000 support actions;
- delivered 600 emergency food parcels;
- delivered more than 400 prescriptions;
- provided a “food hub” for donations and sorting;
- collected and distributed more than 7 tonnes of food and PPE;
- worked closely with other CVSs as part of the Community Help Herts programme;
- supported NHS testing and vaccination centres;
- with support from WBC, Camelot and others, raised and distributed nearly £200,000 to local charities.

Other achievements

- W3RT holds accreditation from the National Living Wage Foundation as a “Living Wage” employer.
- W3RT has held the Investors In People standard since 2011.
- We are one of the first recipients of the iQ quality award.
- With other charities across Hertfordshire, W3RT plays a key role sustaining the Herts Community Leaders’ Forum.

Volunteers

W3RT values the significant contribution that volunteers make to our organisation. Since the Covid-19 crisis, we have (with considerable support from TeamHerts, WBC and TRDC) registered over 1,500 volunteers. Around 1,000 have actively volunteered for W3RT or been referred to one of our local partners. In the future, we hope to sustain contact with these “good neighbours” and offer more opportunities for volunteering and good neighbourliness.

Investment performance

W3RT funds are all invested through the “CAF Gold” account offered by our bankers CAF Bank. Interest rates and returns have remained very low. W3RT expects to maintain a cautious approach to investments.

Financial review and prospects

Financial review

Income rose by 35% to £2,358,373 while expenditure rose by 35.8% to £2,313,429. This allowed us an overall surplus on the year of £44,944 (representing a surplus of just 1.9% of total income). Net assets rose to £354,876 from £311,202 in 2020.

Funds

At the year end the amount of restricted funds not yet spent was £114,191 (2020: £53,217). The total unrestricted General Fund reserve was £238,434 (2020: £257,985) – of which £3,960 has been designated for a Development Fund to fund several necessary future developments and £4,646 has been designated for a Premises Maintenance Fund.

Reserves policy

The Trustees have agreed that W3RT should hold General Fund Reserves between one third of annual running costs and that amount required to meet W3RT’s reasonable cash flow needs for the coming twelve months while holding at least £50,000 for contingency. For 2020-21 this sets a reserve of between £50,000 and £606,142. At the end of the year, we held an unrestricted and designated reserve of £238,434.

Principal sources of income and how expenditure meets our objects

W3RT has two main income streams; income from statutory contracts (HCC, HVCCG, NHS, WBC, TRDC) and income generated through the delivery of services.

Each service is designed and delivered for public benefit and each activity is funded differently and contributes to core costs such as management, marketing and telecoms.

Donations and legacies consists of the core grant for the CVS from Watford Borough Council plus fundraised and donated income.

Income from charitable activities totalled £2,042,751 (2020: £1,643,084) and the largest component of this is project grants of £1,597,2885 (2020: £1,348,614).

Investment policy

W3RT’s reserves policy is designed to maximise the resources that can be applied to charitable objectives. Consequently, W3RT has few surplus funds, and particularly in the current market, does not expect to generate a significant income from these funds. To date, W3RT has invested solely through accounts offered by our bankers CAF Bank.

Fundraising

W3RT has made some advances in the year as government increased funding for the voluntary sector as a key part of the response to Covid-19. W3RT has also (with close support from WBC) raised and distributed £164,160 through the Watford Community Fund and £39,131 through the Three Rivers Community Fund.

Risk assessment

The Board of Trustees regularly carries out a risk assessment of W3RT activities and agrees on actions to manage and mitigate risks. The most recent risk assessment was carried out in May 2021.

Future plans

In the coming period, W3RT will:

- add resilience by creating a new senior management team;
- work with external consultants to review and strengthen W3RT's governance;
- provide an ongoing response to Covid-19 needs;
- create a new local framework for volunteering;
- tackle digital exclusion;
- restore Getting Together, Community Venues, Community Cars and Neighbours Together;
- strengthen relations within HCNS, creating a single integrated budget;
- work with WBC and TRDC to establish local CVSs;
- prepare for future re-commissioning of Getting Together and HCNS;
- underpin our work with ICT systems that are secure, flexible, scalable and externally hosted;
- sustain our current level of activity and broaden the range of activities.

Structure, governance and management

The charity is a company limited by guarantee, governed by a Memorandum and Articles of Association most recently amended in 2012-13.

The Trustees, who are also the Directors for the purpose of company law, and who served during the year were:

Ann Beatty
John Casstles
Lisa Dunstan (Appointed 22 September 2020)
Guy Foxell
Harjit Grewal
Steve McNicholas
Pam Parmar
Alec Ray
Parwez Samnakay
Juliette Sibson
Mo Usman
Peter Wright (Resigned 22 September 2020)

The company is limited by guarantee and none of the Trustees has a beneficial interest in the charity.

All of the Trustees are members of the company and guarantee to contribute £5 in the event of winding up. New Trustees are co-opted to the Trustee board and the Trustees have adopted a recruitment policy to ensure that recruitment of new Trustees is based on the assessed needs of the charity. No external body is entitled to appoint any Trustees of W3RT.

W3RT Trustees define their main roles as:

- creating a clear vision for W3RT;
- formulating plans and policies to bring about W3RT's objectives;
- recruiting and supervising the Chief Executive Officer;
- ensuring compliance with the law;
- overseeing W3RT's finances.

New Trustees are provided with key documentation, invited to spend a day meeting staff and service users, and encouraged to attend a course on Trustee roles and responsibilities.

Governance

The Trustees meet as required, but not less than four times a year. Throughout 2020-21, W3RT's board had a Chairman, a Vice Chairman and a Treasurer. At the end of this year, the Trustees established a Finance, Risk and Audit Committee to undertake detailed work in these areas and make recommendations to the Board. Other working groups are established when required, usually with a limited duration and always with delegated powers clearly defined.

Each Trustee meeting receives reports on W3RT's finances and activities.

Decisions about day-to-day operational matters, including staffing, work planning and finance are delegated to the Chief Executive Officer, who has regular meetings with the Board's Chairman.

Affiliations

During 2020-21, W3RT held affiliations with:

- Community Transport Association;
- Herts Care Providers Association;
- CDA Herts;
- Institute of Corporate Responsibility and Sustainability (through the CEO);
- Institute of Fundraising (through the CEO);
- Living Wage Foundation
- Locality;
- National Association for Voluntary and Community Action;
- National Voices
- National Council of Voluntary Organisations;
- Watford and West Herts Chamber of Commerce.

W3RT is a member of Herts Community Solutions – an informal network of local voluntary sector support agencies serving Hertfordshire.

W3RT is a Corporate Director of Herts CVS Trading Ltd (jointly owned by all Herts CVSs). The company manages a three-year contract under the Building Better Communities programme. W3RT is not itself a delivery partner for this project, but our CEO, Bob Jones, is Company Secretary and W3RT provides the secretariat and accounting functions for the trading company.

W3RT hosts many projects, activities, services and forums. This is part of our work to support and develop the local voluntary sector. Some of these activities may operate under particular brands or names different to W3RT, but none has any independent legal existence and all publicity materials, correspondence and publications quote W3RT's details and make clear that these activities are undertaken as part of W3RT.

Auditor

In accordance with the company's articles, a resolution proposing that Gowers Limited be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the Trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the Auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the Auditors are aware of such information.

The Trustees' report was approved by the Board of Trustees.

Guy Foxell
Trustee
Dated: 20 January 2022

WATFORD AND THREE RIVERS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2021

The Trustees, who are also the directors of Watford and Three Rivers Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WATFORD AND THREE RIVERS TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

Opinion

We have audited the financial statements of Watford and Three Rivers Trust (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 charity 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 charity'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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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, the Trustees, who are also the directors of the charity for the purpose 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 charity'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 144 of the Charities Act 2011 and report in accordance with the Act 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- the nature of the charitable sector, the charity's control environment and performance,
- results of our enquiries of management about their own identification and assessment of irregularities;
- any matters we identified having reviewed the charity's procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal systems established to mitigate risks related to fraud or non-compliance with laws and regulations.
- the matters discussed among the engagement team and involving relevant internal specialists, including tax, regarding where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of the above, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in management override of controls. In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory framework in which the company operates, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements in this case, specifically in this context, Companies Act 2006, and tax legislation. 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 may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Having performed the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, concerning actual and potential litigation and claims;
- review of minutes of trustees' meetings;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- in addressing the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gowers Limited .....

Chartered Accountants
Statutory Auditor

The Old School House
Bridge Road
Hunton Bridge
Kings Langley
Hertfordshire
WD4 8SZ

Gowers Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:					
Donations and legacies	**3**	157,992	155,584	313,576	97,563
Charitable activities	**5**	1,877,295	167,206	2,044,501	1,643,084
Activities for generating funds	**4**	296	-	296	6,369
Total income		2,035,583	322,790	2,358,373	1,747,016
Expenditure on:					
Fundraising costs	**6**	20	-	20	20
Charitable activities	**7**	2,057,203	256,206	2,313,409	1,703,054
Total expenditure		2,057,223	256,206	2,313,429	1,703,074
Net (expenditure)/income for the year/ Net movement in funds		(21,640)	66,584	44,944	43,942
Fund balances at 1 April 2020		256,715	53,217	309,932	267,260
Fund balances at 31 March 2021		235,075	119,801	354,876	311,202

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:				
Donations and legacies	**3**	96,122	1,441	97,563
Charitable activities	**5**	1,517,407	125,677	1,643,084
Activities for generating funds	**4**	6,309	60	6,369
Total income		1,619,838	127,178	1,747,016
Expenditure on:				
Fundraising costs	**6**	20	-	20
Charitable activities	**7**	1,596,965	106,089	1,703,054
Total expenditure		1,596,985	106,089	1,703,074
Net (expenditure)/income for the year/ Net movement in funds		22,853	21,089	43,942
Fund balances at 1 April 2019		235,132	32,128	267,260
Fund balances at 31 March 2020		257,985	53,217	311,202

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WATFORD AND THREE RIVERS TRUST

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Debtors	**10**	192,579		217,600	
Cash at bank and in hand		687,812		253,865	
		880,391		471,465	
Creditors: amounts falling due within one year	**11**	(504,641)		(135,530)	
Net current assets			375,750		335,935
Provisions for liabilities	**14**		(20,874)		(24,733)
Net assets			354,876		311,202
Income funds					
Restricted funds	**15**		119,801		53,217
Unrestricted funds					
Designated funds	**17**	8,606		20,286	
General unrestricted funds		247,343		262,432	
Pension reserve		(20,874)		(24,733)	
			235,075		257,985
			354,876		311,202

The Balance Sheet continues on the next page

WATFORD AND THREE RIVERS TRUST

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 20 January 2022

John Casstles
Trustee

Guy Foxell
Trustee

Company Registration No. 4090701

1 Accounting policies

Charity information

Watford and Three Rivers Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Holywell Community Centre, Chaffinch Lane, Tolpits Lane, Watford, Hertfordshire.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, despite the ongoing and potential effects of COVID-19, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The trustees continue to adopt the going concern basis of accounting in preparing the financial statements and no adjustments to the results or the carrying values declared in these financial statements are required, and none have been made.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

Restricted funds are funds received which can only be used for the specific purpose as laid out by the donor. Expenditure which meets this criteria is identified to the fund, together with a fair allocation of overhead costs. The aim and use of each restricted fund is set out in the note to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

The value of services provided by the volunteers is not included in the Statement of Financial Activities.

Grants receivable are credited to the Statement of Financial Activities (SOFA) in the year for which they are received.

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which it has been received.

1 Accounting policies **(Continued)**

1.5 Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis inclusive of VAT.

The Trustees have a policy of charging individual items with a negligible projected net residual value after one year from purchase directly to the Statement of Financial Activities in the year of purchase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1.7 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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 assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.10 Creditors and provisions

Creditors and provisions 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. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

WATFORD AND THREE RIVERS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**20**		433,947		(61,863)
Net cash used in investing activities			-		-
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			433,947		(61,863)
Cash and cash equivalents at beginning of year			253,865		315,728
Cash and cash equivalents at end of year			687,812		253,865

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations and other voluntary income	5,047	155,584	160,631	18,390
Grants receivable for core activities	152,945	-	152,945	79,173
	157,992	155,584	313,576	97,563
For the year ended 31 March 2020	96,122	1,441		97,563
Donations and gifts				
Camelot UK Lotteries	-	106,292	106,292	-
Watford Council	-	13,500	13,500	-
Berkeley Homes (North East London)	-	2,000	2,000	-
Other	5,047	33,792	38,839	18,390
	5,047	155,584	160,631	18,390
Grants receivable for core activities				
Watford Council - CVS Grant	79,173	-	79,173	79,173
Watford Council - COVID-19 Grant - Holywell Community Centre	44,843	-	44,843	-
Watford Council - COVID-19 Grant - Barn	14,429	-	14,429	-
Three Rivers District Council - COVID-19 Grant	5,000	-	5,000	-
CDA Herts - COVID Champions Grant	9,500	-	9,500	-
	152,945	-	152,945	79,173

4 Activities for generating funds

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2021	2020	2020	2020
	£	£	£	£
Membership subscriptions	296	795	60	855
Other earned income	-	5,514	-	5,514
Activities for generating funds	296	6,309	60	6,369

5 Charitable activities

	Room hire and facilities	Fees and contracts	Lunch clubs and transport	Total 2021	Total 2020
	£	£	£	£	£
Income from charitable activities	12,916	430,320	2,230	445,466	294,470
Project grants	-	1,599,035	-	1,599,035	1,348,614
	12,916	2,029,355	2,230	2,044,501	1,643,084
Analysis by fund					
Unrestricted funds	12,916	1,862,149	2,230	1,877,295	
Restricted funds	-	167,206	-	167,206	
	12,916	2,029,355	2,230	2,044,501	
For the year ended 31 March 2020					
Unrestricted funds	161,140	1,329,579	26,688		1,517,407
Restricted funds	-	120,956	4,721		125,677
	161,140	1,450,535	31,409		1,643,084
Project grants					
Watford Council	-	86,680	-	86,680	93,321
Hertfordshire County Council	-	1,283,373	-	1,283,373	1,141,928
Big Lottery Fund	-	96,456	-	96,456	113,365
Communities 1st - Community Help Hertfordshire	-	42,917	-	42,917	-
Herts Valleys Clinical Commissioning Group	-	17,800	-	17,800	-
Three Rivers District Council	-	56,000	-	56,000	-
NHS England	-	11,833	-	11,833	-
Other	-	3,976	-	3,976	-
	-	1,599,035	-	1,599,035	1,348,614

6 Fundraising costs

	Unrestricted funds	Unrestricted funds
	2021	2020
	£	£
Fundraising costs		
Other fundraising costs	20	20
	20	20

7 Charitable activities

	2021	**2020**
	£	**£**
Staff costs	880,832	824,854
Other staff costs	19,707	14,618
Project costs	1,084,241	490,676
Premises costs	40,734	101,802
Insurance costs	8,965	8,180
Repairs and maintenance costs	39,499	60,907
Office costs	35,371	47,948
Computer costs	82,272	34,040
Promotion and publicity costs	18,626	33,563
Travel and subsistence costs	44,475	59,562
General expenses	12,699	9,257
Legal and professional costs	41,229	14,088
Bank charges and other finance costs	2,359	1,219
Governance costs	2,400	2,340
	2,313,409	1,703,054
Analysis by fund		
Unrestricted funds	2,057,203	
Restricted funds	256,206	
	2,313,409	
For the year ended 31 March 2020		
Unrestricted funds		1,596,965
Restricted funds		106,089
		1,703,054

Governance costs comprise fees paid to the Auditors for audit services.

8 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or expenses during the year.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable and administrative	45	52

Employment costs	2021 £	2020 £
Wages and salaries	788,146	745,713
Termination payments	5,350	-
Social security costs	63,787	56,528
Other pension costs	23,549	22,613
	880,832	824,854

There were no employees whose annual remuneration was £60,000 or more.

10 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	170,098	190,742
Other debtors	115	-
Prepayments and accrued income	22,366	26,858
	192,579	217,600

11 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Deferred income	13	281,848	-
Trade creditors		155,268	124,435
Other creditors		5,295	6,195
Accruals		62,230	4,900
		504,641	135,530

12 Provisions for liabilities

	Notes	2021 £	2020 £
Retirement benefit obligations	**14**	20,874	24,733
		20,874	24,733

13 Deferred income

	2021 £	2020 £
Other deferred income	281,848	-

14 Retirement benefit schemes

Defined contribution schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 April 2016 to 30 September 2025:	£12,945,440 per annum
(payable monthly and increasing by 3% each on 1st April)	
From 1 April 2016 to 30 September 2028:	£54,560 per annum
(payable monthly and increasing by 3% each on 1st April)	

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

	31 March 2021 (£s)	31 March 2020 (£s)	31 March 2019 (£s)
Present value of provision	20,874	24,733	30,004

Reconciliation of opening and closing provisions	Period Ended 31 March 2021 (£s)	Period Ended 31 March 2020 (£s)
Provision at start of period	24,733	30,004
Unwinding of the discount factor (interest expense)	556	379
Deficit contribution paid	(5,129)	(4,979)
Remeasurements - impact of any change in assumptions	714	(671)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	20,874	24,733

14 Retirement benefit schemes **(Continued)**

Income and Expenditure Impact	Period Ended 31 March 2021 (£s)	Period Ended 31 March 2020 (£s)
Interest expense	556	379
Remeasurements – impact of any change in assumptions	714	(671)
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions	31 March 2021 % per annum	31 March 2020 % per annum	31 March 2019 % per annum
Rate of discount	0.66	2.53	1.39

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Incoming resources	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£	£
Watford Community Fund	22,542	364	(500)	22,406	170,334	(164,160)	28,580
Chorleywood Fund	4,789	875	(1,843)	3,821	-	-	3,821
Circus Society	126	-	-	126	-	-	126
Neighbours Together	-	117,315	(92,668)	24,647	96,456	(51,111)	69,992
Croxley Welcome Club	4,520	4,983	(7,286)	2,217	-	-	2,217
Watford Deaf Community	151	1,141	(1,292)	-	-	-	-
Watford Folk Club	-	500	(500)	-	-	-	-
Ganesh Chaturthi Utsavam Watford	-	2,000	(2,000)	-	-	-	-
Three Rivers Sustainability Fund	-	-	-	-	16,000	(1,804)	14,196
Three Rivers Community Development Fund	-	-	-	-	40,000	(39,131)	869
	32,128	127,178	(106,089)	53,217	322,790	(256,206)	119,801

Watford Community Fund is the community fund for Watford charities and provides funding to local initiatives – and also aims to build an endowment to support and safeguard local voluntary activity long into the future.

Chorleywood Fund represents funds from Dementia Friendly, Groundwork UK and Hertfordshire County Council Locality Budgets to run a memory cafe in Chorleywood.

Circus Society is funding to run circus skills courses at schools.

Neighbours Together is funding from the Big Lottery Fund for the development of our existing Getting Together programme. It will work with community volunteers to help older people overcome social isolation and sustain their independence. It is aimed at those aged 70-85 who are most at risk of social isolation, mental health problems or loss of independence due to isolation, inactivity, lack of knowledge and relative poverty.

15 Restricted funds **(Continued)**

Croxley Welcome Club is funds received to sustain the activities of Croxley Welcome Club within Watford and Three Rivers Trust.

Watford Deaf Community, Watford Folk Club and Ganesh Chaturthi Utsavam Watford are funds held on behalf of small member charities to provide them with banking facilities.

Three Rivers Sustainability Fund is funds received from Three Rivers District Council to assist voluntary organisations in Three Rivers on climate change and sustainability.

Three Rivers Community Development Fund is funds received from Three Rivers District Council to process volunteering offers and assess the changing needs of the voluntary sector supporting residents in Three Rivers.

16 Analysis of net assets between funds

	Unrestricted funds 2021	Restricted funds 2021	Total 2021	Unrestricted funds 2020	Restricted funds 2020	Total 2020
	£	£	£	£	£	£
Fund balances at 31 March 2021 are represented by:						
Current assets/ (liabilities)	255,949	119,801	375,750	282,718	53,217	335,935
Provisionsand pensions	(20,874)	-	(20,874)	(24,733)	-	(24,733)
	235,075	119,801	354,876	257,985	53,217	311,202

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds					
	Balance at 1 April 2019	Incoming resources	Resources expended	Balance at 1 April 2020	Resources expended	Balance at 31 March 2021
	£	£	£	£	£	£
Premises Maintenance Fund	30,000	10,000	(35,354)	4,646	-	4,646
Development Fund	27,310	-	(11,670)	15,640	(11,680)	3,960
	57,310	10,000	(47,024)	20,286	(11,680)	8,606

The Premises Maintenance Fund is to provide for the costs of replacing the boiler and creating a new card entry system.

The Development Fund is to fund general developments in service delivery including an online booking platform and upgrading virtual platforms, our website and intranet.

18 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

19 Analysis of changes in net funds

The charity had no debt during the year.

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20	Cash generated from operations	2021 £	2020 £
	Surplus for the year	44,944	43,942
	Adjustments for:		
	Difference between pension charge and cash contributions	(5,129)	(5,272)
	Movements in working capital:		
	Decrease/(increase) in debtors	25,021	(194,244)
	Increase in creditors	87,263	98,022
	Increase/(decrease) in deferred income	281,848	(4,311)
	Cash generated from/(absorbed by) operations	433,947	(61,863)