

**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

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

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# WATFORD AND THREE RIVERS TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

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### 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

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# 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

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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.

# **WATFORD AND THREE RIVERS TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

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#### 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.

# **WATFORD AND THREE RIVERS TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### ***FOR THE YEAR ENDED 31 MARCH 2022***

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#### 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, Dacorum, 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.

# **WATFORD AND THREE RIVERS TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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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.



# **WATFORD AND THREE RIVERS TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### 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.

# WATFORD AND THREE RIVERS TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 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 Castles	
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.

# WATFORD AND THREE RIVERS TRUST

## TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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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.

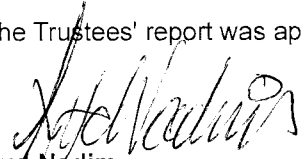
### **Auditor**

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***

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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

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#### 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.

# WATFORD AND THREE RIVERS TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

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#### **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.

# WATFORD AND THREE RIVERS TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

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#### 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 £
<b>Income from:</b>					
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	-
<b>Total income</b>		<b>2,708,533</b>	<b>732,572</b>	<b>3,441,105</b>	<b>2,358,373</b>
<b>Expenditure on:</b>					
Fundraising costs	7	20	-	20	20
Charitable activities	8	2,567,261	694,715	3,261,976	2,313,409
<b>Total expenditure</b>		<b>2,567,281</b>	<b>694,715</b>	<b>3,261,996</b>	<b>2,313,429</b>
<b>Net incoming resources before transfers</b>		<b>141,252</b>	<b>37,857</b>	<b>179,109</b>	<b>44,944</b>
Gross transfers between funds		(1,813)	1,813	-	-
<b>Net income for the year/ Net incoming resources</b>		<b>139,439</b>	<b>39,670</b>	<b>179,109</b>	<b>44,944</b>
<b>Other recognised gains and losses</b>					
Actuarial gain on defined benefit pension schemes		11,568	-	11,568	-
<b>Net movement in funds</b>		<b>151,007</b>	<b>39,670</b>	<b>190,677</b>	<b>44,944</b>
Fund balances at 1 April 2021		235,075	119,801	354,876	309,932
<b>Fund balances at 31 March 2022</b>		<b>386,082</b>	<b>159,471</b>	<b>545,553</b>	<b>354,876</b>

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

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<b><u>Income from:</u></b>				
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
<b>Total income</b>		<b>2,035,583</b>	<b>322,790</b>	<b>2,358,373</b>
<b><u>Expenditure on:</u></b>				
Fundraising costs	7	20	-	20
Charitable activities	8	2,057,203	256,206	2,313,409
<b>Total expenditure</b>		<b>2,057,223</b>	<b>256,206</b>	<b>2,313,429</b>
<b>Net income for the year/ Net incoming resources</b>		<b>(21,640)</b>	<b>66,584</b>	<b>44,944</b>
<b>Other recognised gains and losses</b>				
<b>Net movement in funds</b>		<b>(21,640)</b>	<b>66,584</b>	<b>44,944</b>
Fund balances at 1 April 2020		256,715	53,217	309,932
<b>Fund balances at 31 March 2021</b>		<b>235,075</b>	<b>119,801</b>	<b>354,876</b>

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

The Balance Sheet continues on the next page

# WATFORD AND THREE RIVERS TRUST

## BALANCE SHEET (CONTINUED)

**AS AT 31 MARCH 2022**

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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.

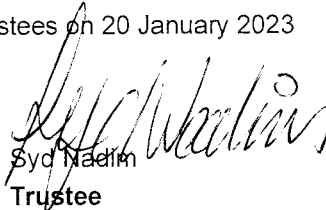
The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 Cassles  
Trustee



Syd Nadin  
Trustee

Company Registration No. 4090701

# WATFORD AND THREE RIVERS TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

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

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 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.

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 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.

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 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.

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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
	<u>132,448</u>	<u>24,012</u>	<u>156,460</u>	<u>313,576</u>
<b>For the year ended 31 March 2021</b>	<u>157,992</u>	<u>155,584</u>		<u>313,576</u>
<b>Donations and gifts</b>				
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
	<u>49,275</u>	<u>24,012</u>	<u>73,287</u>	<u>160,631</u>
<b>Grants receivable for core activities</b>				
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
	<u>83,173</u>	<u>-</u>	<u>83,173</u>	<u>152,945</u>



# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 4 Activities for generating funds

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

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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
	<u>80,980</u>	<u>3,113,927</u>	<u>88,864</u>	<u>3,283,771</u>	<u>2,044,501</u>
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	
	<u>80,980</u>	<u>3,113,927</u>	<u>88,864</u>	<u>3,283,771</u>	
<b>For the year ended 31 March 2021</b>					
Unrestricted funds	12,916	1,862,149	2,230		1,877,295
Restricted funds	-	167,206	-		167,206
	<u>12,916</u>	<u>2,029,355</u>	<u>2,230</u>		<u>2,044,501</u>
<b>Project grants</b>					
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
	<u>-</u>	<u>2,668,688</u>	<u>-</u>	<u>2,668,688</u>	<u>1,599,035</u>

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 6 Investment income

	Unrestricted funds	Total
	2022 £	2021 £
Interest receivable	17	-
	<u>17</u>	<u>-</u>

### 7 Fundraising costs

	Unrestricted funds	Unrestricted funds
	2022 £	2021 £
<u>Fundraising costs</u>		
Other fundraising costs	20	20
	<u>20</u>	<u>20</u>
	<u>20</u>	<u>20</u>

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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
	<u>3,261,976</u>	<u>2,313,409</u>
<b>Analysis by fund</b>		
Unrestricted funds	2,567,261	
Restricted funds	694,715	
	<u>3,261,976</u>	
<b>For the year ended 31 March 2021</b>		
Unrestricted funds		2,057,203
Restricted funds		256,206
		<u>2,313,409</u>

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.

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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

	2022 £	2021 £
Amounts falling due within one year:		
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

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

13 Provisions for liabilities	Notes	2022 £	2021 £
Retirement benefit obligations	15	4,024	20,874
		<u>4,024</u>	<u>20,874</u>

#### 14 Deferred income

	2022 £	2021 £
Other deferred income	860,168	281,848
	<u>860,168</u>	<u>281,848</u>

Deferred income is included in the financial statements as follows:

	2022 £	2021 £
Deferred income is included within:		
Current liabilities	860,168	281,848
	<u>860,168</u>	<u>281,848</u>
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
	<u>860,168</u>	<u>281,848</u>
Deferred income at 31 March 2022	860,168	281,848
	<u>860,168</u>	<u>281,848</u>

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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	Period Ended 31 March 2021	
	(£s)	(£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	

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 15 Retirement benefit schemes

(Continued)

Income and Expenditure Impact	Period Ended 31	Period Ended 31
	March 2021	March 2020
	(£s)	(£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	31 March 2021	31 March 2020
	% per annum	% per annum	% 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.



# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 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:

	Balance at 1 April 2020 £	Movement in funds		Balance at 1 April 2021 £	Movement in funds		Transfers	Balance at 31 March 2022 £
		Incoming resources £	Resources expended £		Incoming resources £	Resources expended £	£	
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

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 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.

# **WATFORD AND THREE RIVERS TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **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.

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 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
Provisions and pensions	(4,024)	-	(4,024)	(20,874)	-	(20,874)
	<u>386,082</u>	<u>159,471</u>	<u>545,553</u>	<u>235,075</u>	<u>119,801</u>	<u>354,876</u>

#### 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
	<u>20,286</u>	<u>(11,680)</u>	<u>8,606</u>	<u>-</u>	<u>8,606</u>

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.

# WATFORD AND THREE RIVERS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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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
	<b>Cash generated from operations</b>	<b>619,217</b>	<b>433,947</b>

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