

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.

WATFORD AND THREE RIVERS TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

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.

WATFORD AND THREE RIVERS TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

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, 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.

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.

WATFORD AND THREE RIVERS TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

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 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.

WATFORD AND THREE RIVERS TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

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.

WATFORD AND THREE RIVERS TRUST

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

FOR THE YEAR ENDED 31 MARCH 2023

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 Castles

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.

WATFORD AND THREE RIVERS TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

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.



Syed 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.

WATFORD AND THREE RIVERS TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF WATFORD AND THREE RIVERS TRUST

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

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

| | | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total 2023 £ | Total 2022 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|--------------------|
| | Notes | | | | |
| 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

| | | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ |
|---|-------|------------------------------------|----------------------------------|--------------------|
| | Notes | | | |
| <u>Income from:</u> | | | | |
| 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 |
| <u>Expenditure on:</u> | | | | |
| 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 | |
| | | <u>1,250,576</u> | | <u>1,623,056</u> | |
| 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 | | | <u>896,229</u> | | <u>545,553</u> |
| Income funds | | | | | |
| Restricted funds | 17 | | 56,750 | | 159,471 |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds | 19 | - | | 8,606 | |
| General unrestricted funds | | 842,044 | | 381,500 | |
| Pension reserve | | (2,565) | | (4,024) | |
| | | <u></u> | 839,479 | <u></u> | 386,082 |
| | | | <u>896,229</u> | | <u>545,553</u> |

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.

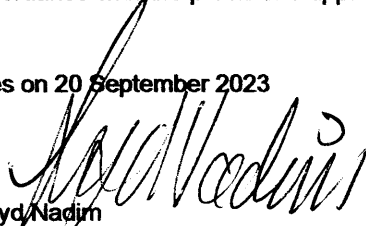
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 Caestles
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 £ | £ | 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 | | | <u>1,134,353</u> | | <u>1,307,046</u> |

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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.

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 2023

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 |
| | <u>151,920</u> | <u>44,391</u> | <u>196,311</u> | <u>156,460</u> |
| For the year ended 31 March 2022 | <u>132,448</u> | <u>24,012</u> | | <u>156,460</u> |
| 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 |
| | <u>20,887</u> | <u>44,391</u> | <u>65,278</u> | <u>73,287</u> |
| 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 | - |
| | <u>131,033</u> | <u>-</u> | <u>131,033</u> | <u>83,173</u> |

4 Activities for generating funds

| | Unrestricted funds | Unrestricted funds |
|--------------------------|--------------------|--------------------|
| | 2023 | 2022 |
| | £ | £ |
| Membership subscriptions | <u>19,457</u> | <u>857</u> |

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 |
| | <u>118,791</u> | <u>3,243,238</u> | <u>30,255</u> | <u>3,392,284</u> | <u>3,283,771</u> |
| 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 |
| | <u>118,791</u> | <u>3,243,238</u> | <u>30,255</u> | <u>3,392,284</u> | <u>3,283,771</u> |
| 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 |
| | <u>-</u> | <u>3,179,161</u> | <u>-</u> | <u>3,179,161</u> | <u>2,668,688</u> |

6 Investment income

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---------------------|------------------------------------|------------------------------------|
| Interest receivable | <u>93</u> | <u>17</u> |

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Fundraising costs

| | Unrestricted funds | Unrestricted funds |
|-------------------------|--------------------|--------------------|
| | 2023 | 2022 |
| | £ | £ |
| Fundraising costs | | |
| Other fundraising costs | 20 | 20 |
| | <u>20</u> | <u>20</u> |

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 |
| | <u>3,257,449</u> | <u>3,261,976</u> |
| Analysis by fund | | |
| Unrestricted funds | 2,967,308 | 2,567,261 |
| Restricted funds | 290,141 | 694,715 |
| | <u>3,257,449</u> | <u>3,261,976</u> |

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.

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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

| | 2023 £ | 2022 £ |
|--------------------------------------|-----------|-----------|
| Amounts falling due within one year: | | |
| 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 |

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

| 14 Provisions for liabilities | Notes | 2023 £ | 2022 £ |
|--------------------------------|-------|--------------|--------------|
| Retirement benefit obligations | 16 | 2,565 | 4,024 |
| | | <u>2,565</u> | <u>4,024</u> |

15 Deferred income

| | 2023 £ | 2022 £ |
|-----------------------|---------------|----------------|
| Other deferred income | 11,430 | 860,168 |
| | <u>11,430</u> | <u>860,168</u> |

Deferred income is included in the financial statements as follows:

| | 2023 £ | 2022 £ |
|-------------------------------------|---------------|----------------|
| Deferred income is included within: | | |
| Current liabilities | 11,430 | 860,168 |
| | <u>11,430</u> | <u>860,168</u> |
| 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 |
| | <u>11,430</u> | <u>860,168</u> |
| Deferred income at 31 March 2023 | <u>11,430</u> | <u>860,168</u> |

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 | Period Ended 31 March 2022 |
| | | (£s) | (£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 |

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

16 Retirement benefit schemes

(Continued)

| Income and Expenditure Impact | Period Ended 31 | Period Ended 31 |
|--|-----------------|-----------------|
| | March 2023 | March 2022 |
| | (£s) | (£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 | 31 March 2022 | 31 March 2021 |
|------------------|---------------|---------------|---------------|
| | % per annum | % per annum | % 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.

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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 |
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Watford Community Fund | 28,580 | 25,689 | (7,658) | - | 46,611 | - | (27,547) | - |
| 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 | - | - | - |
| Croxley Welcome Club | 2,217 | - | - | - | 2,217 | - | (200) | - |
| Covid Food Grants | - | 6,000 | (6,000) | - | - | - | - | - |
| BBBC (Brick by Brick) | - | - | - | - | - | 13,297 | - | 1,426 |
| 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) | - |
| 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) | - |
| Other | - | - | - | - | - | 3,762 | (3,766) | 291 |
| | <u>119,801</u> | <u>732,572</u> | <u>(694,715)</u> | <u>1,813</u> | <u>159,471</u> | <u>185,599</u> | <u>(290,141)</u> | <u>1,821</u> |
| | | | | | | | | <u>56,750</u> |

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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.

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 |
| Provisions and pensions | (2,565) | - | (2,565) | (4,024) | - | (4,024) |
| | <u>839,479</u> | <u>56,750</u> | <u>896,229</u> | <u>386,082</u> | <u>159,471</u> | <u>545,553</u> |

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) | - |
| | <u>8,606</u> | <u>-</u> | <u>8,606</u> | <u>(8,606)</u> | <u>-</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.

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.

WATFORD AND THREE RIVERS TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

| 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 |
