

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

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THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022

Trustees

J Bannister (resigned 5 May 2021)
H Moss, Vice Chair
C Mottram
A Phelps
C Simmons
PC Stone, Chair
R Walker
H Patel (appointed 26 July 2022)

Company registered number

05338827

Charity registered number

1108278

Registered office and principal address

Emmanuel Court
12-14 Mill Street
Sutton Coldfield
West Midlands
B72 1TJ

Company secretary

Auriga Services Limited

Senior management team

The Trust has no employees and has engaged Auriga Services Limited to provide administration and management services on behalf of the Trustees.

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Bankers

Santander UK Ltd
1 Cornwall Street
Birmingham
B3 2DX

Investment Manager

Barclays Bank PLC
1 Snowhill
Snow Hill Queensway
Birmingham
B4 6GN

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees are pleased to present their report and the financial statements for the year ended 31 March 2022:

As everyone has continued to adjust to the challenges presented by the COVID-19 pandemic the Trusts primary focus remained on supporting Severn Trent Water clients with debt relief grants. Trustees proactively listen to clients through the medium of case studies and it was easy to see that cost of living pressures combined with the long lasting changes brought about during the pandemic meant that the biggest financial impact was being felt by the most vulnerable. Perversely it is this vulnerability which makes these people difficult to reach with details of help and support. However, we were able to work with Severn Trent Water to reach these individuals in the right way and the Trust provided financial help via a special COVID-19 Fund. This was incredibly well received. This strong partnership approach ensures that those STW clients who need the support but would otherwise not be aware of where to go to for help, actually get that support.

As we enter 2022 the Trust will have been helping STW clients with water debt relief for 25 years. The Trust is grateful to have had such a strong donor and in May 2022 Severn Trent Water announced that they will be providing access to a £30 million support fund and they have pledged to support an extra 100,000 customers who are struggling to pay their water bills. Elements of this support will be coming from the Big Difference Scheme, administered by the Trusts trading company Auriga Services. As Severn Trent Water continue to work through the detail of their future plans the Trust remains committed to supporting STW customers. The Trust is proud of its record of helping those in need so that they can sustain their financial independence as we recognise this is also plays an important part of our clients mental health.

Since the previous report the Trust has continued to support innovation in grant administration processes and we anticipate that we will start to experience reduced administration costs for water grants in 2022/3. The Trustee has also reviewed and revised the reserves policy. Following a prudent approach the Trust intends that monies generated from these sources will be shared with those in need over the next couple of years. A good example of how these monies can be applied can be found in the special project at University Hospital Birmingham helping those diagnosed with kidney disease. Through Auriga Assist the Trust is able to help patients to plan their finances and secure other forms of support meaning one less thing to worry about. In 2022, in partnership with a number of water and energy trusts we are commissioning an independent review of Social Return on Investment to share with key stakeholders.

The Trustees remain proud of the work being carried out by the Auriga Board, management team and Auriga Services staff. Auriga Services has been through many changes in the past 12 months but they have remained unwavering in their service to clients of the Trust. As a business partner they have added value to the Trust and to other public service organisations through the courage of challenge and the integrity of the colleagues. The Board of the Trust thank you for your support.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure and Management

Formed in 1997, Severn Trent Water Charitable Trust Fund is a company limited by guarantee with no share capital (company no.5338827). It is registered with the Charity Commission (no.1108278). The Charity modernised and refreshed its Articles in October 2020 pursuant with the Companies Act 2006.

In 2004 the Charity created a wholly owned trading subsidiary Auriga Services Limited. Auriga Services is a limited company (company no.05093179) operating for public benefit. Auriga Services operates within its Memorandum and Articles of Association dated 11 April 2004 and is registered with the Financial Conduct Authority. Auriga Services provides services to a broad range of public service and private clients. Auriga Services has its own Board with independent Non-Executives.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

The Charity has a Board of Trustee Directors separate from its trading subsidiary. The Charity does not have any employees. Auriga Services provides contracted services for grant administration and company secretarial services for the Charity. This is covered in a separate Management Agreement contract which was renewed in 2021.

Board of Trustees

The Charity is governed by a Board of Trustees ('the Board') and currently consists of 7 Trustees. For the purposes of company law all Trustees are Directors of the Charity and members.

The Board has in place a governance code and Matters Reserved for the Board. Similarly Auriga Services has a Schedule of Matters Reserved for the Board. These documents set out the respective roles and responsibilities of the two organisations.

Over the financial year the Charity Board continued to conduct virtual meetings. Four formal Board meetings took place and a small number of ancillary meetings took place to progress governance documents and to maintain contact with Auriga Services. Through the formal meetings the Charity focuses on achieving its objectives and complying with its legal and regulatory obligations. The Charity also receives reports on the progress of Auriga Services.

All non-administrative decisions are made by the Trustees jointly. Administrative decisions for the operation of the Charity are delegated to Auriga Services via the Management Agreement and supporting Scheme of Delegation.

In 2021/22 a Trustee performance appraisal process was introduced for the Chair and all Trustees

In July 2018 the Charity Board established an Audit and Risk Committee. Some specific duties of the Board are delegated to this committee as laid out in a Terms of Reference.

Trustee Induction

The induction of new Trustees is facilitated by the Chair of the Charity and Chief Executive of Auriga Services. Trustees receive a comprehensive induction pack comprising governance documents, information covering the background of the Charity and Auriga Services and the environment in which they operate, structures, method of operations and finances. Trustees are required to carefully read the Trust Deed, the donors' directions and the latest financial statements. In addition they must familiarise themselves with the Charity Governance Code and the Charity Commission publications that give detailed guidance. Trustees are encouraged to maintain continuing professional development through workshops and seminars offered by the Charity's legal and financial advisers.

All Trustees are required to undertake e-learning for the handling of confidential information and GDPR compliance. This learning is subject to assessment, requiring an 80% pass rate.

Trustees are required to familiarise themselves with the operation of the Charity's objects and Articles and this includes a review of the service offerings provided by Auriga Services on behalf of the Charity.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

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

Recruitment and Appointment of Trustees

The Charity is committed to the principles of diversity in its recruitment practices. Recruitment is managed against a clear role description and applications are assessed against agreed competencies using a consistent set of questions. Roles are widely advertised and applicants encouraged from different ethnic backgrounds.

New Trustees are initially elected for a term of three years subject to approval by the Board. The Trustees receive no remuneration for their services, but do receive reimbursement of expenses incurred on Charity business.

Audit & Risk Committee

This committee is responsible for providing oversight of financial and risk management activity for the Charity and Auriga Services. This includes reviewing the Trustees' Report and Financial Statements and the effectiveness of the external audit services. The Committee reviews the risk management frameworks and challenges evidence for the internal controls and systems. Operating on behalf of the Group the Committee comprises three Trustee Directors together with a Non-Executive Director of Auriga Services. The Chief Executive and Director of Finance of Auriga Services are invited to attend all meetings. The four Committee meetings took place virtually this year.

The Trustees have considered the risks to which the Charity is exposed and taken steps to mitigate those risks. Four key areas of risk have been identified, these are; Reduced financial support from Severn Trent Water; ensuring the ongoing success of Auriga Services Limited the charity trading subsidiary; governance risks and other legal and financial risk.

As mentioned above a key risk for the Charity is the potential loss of financial support by the key donor Severn Trent Water. The Charity maintains regular contact with Severn Trent Water to provide reassurance of excellent customer service levels and value for money and to demonstrate that the Charity continues to innovate in its service provision. In May 2022 Severn Trent Water announced they would be supporting an additional 100,000 customers who are struggling with their water bills, and they have set aside £30m to do this. The annual grant to STTF has not been confirmed for the coming year as Severn Trent work through the detail of this important project. Acknowledging that this creates some uncertainty the Trust continues to work closely with the donor to inform future decisions.

We are pleased to report that Auriga Services Limited has traded successfully over the past twelve months. As the current strategic plan reaches its conclusion the Board is developing a new progressive strategy to address the needs of its clients.

The Committee reviews and discusses changes to existing risks and new risks in each of its meetings. Separate risk registers are maintained for the Charity and Auriga Services and these are reviewed regularly by the two Boards. Good practice is employed and risk reviews involve identifying the types of risks the two entities face, prioritising them in terms of potential impact and the likelihood of occurrence, and identifying the means of mitigating those risks. Any changes to the Charity's controls would be agreed by the Trustees.

Charity Governance Code

The Charity has embraced the governance framework published by the Charity Commission in 2017. The Charity is committed to maintaining the highest standards of governance, including opening itself to external scrutiny with the purpose of driving a process of continuous improvement built on the Code's principles, rationale and outcomes. The Code's seven principles cover the organisation's purpose, leadership, integrity, decision making, risk and control, board effectiveness, diversity and openness and transparency.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Trustees' Indemnity Insurance

The Charity's Articles provide, subject to the provisions of UK legislation, for the power to insure the Trustees against the costs of a successful defence to a criminal prosecution brought against them as Trustees or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty, unless the Trustee concerned knew that, or was reckless whether, the act or omission was a breach of trust or breach of duty. Appropriate liability insurance cover is in place for all the Charity's Trustees.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Charity's objects are the relief of those persons who are in condition of need, poverty, hardship or other distress and are unable to meet the cost of charges for the supply of water and/or sewerage services provided to premises used or occupied by them by Severn Trent Water Limited as water and/or sewerage undertaker appointed pursuant to the Water Industry Act 1991 (or any statutory modification or amendment to that Act at such time or times and in such manner as the Trustees think fit.

The Trustees provide grants to assist eligible people or organisations to achieve the Charity's objects. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives in setting the grant making policy for the year.

ACHIEVEMENTS AND PERFORMANCE

Donations amounting to £3,500,000 were received from Severn Trent Water Ltd. In this financial year the Charity also received restricted funding for Energy Redress of £3,240. The latter has been fully paid out. A Gift Aid donation of £230,000 in relation to the 31st March 2021 financial statements was received from Auriga Services during the year.

This is the twenty fourth year of the Charity's activities and it has concentrated on informing potential beneficiaries of help available in addition to providing grants where applicable.

Help for Individuals

The Charity awarded grants toward water and other costs. Grant payments have been made, as far as possible, directly to the organisation to which the amount is due. The Charity has also worked with the 'Big Difference Scheme' to provide grant support for those accepted onto the scheme and who are receiving help with current charges.

The aim of the Charity is to help people out of immediate crisis and financial difficulty and, wherever possible, to encourage future financial stability. During the year the Charity received 10,161 (2021: 12,366) water grant applications and was able to provide grants to 4,026 (2021: 4,316) individuals or families amounting to £3,147,129 (2021: £2,749,749).

Working with STW the Trust was able to launch a special COVID-19 support fund which provided £100,000 to 138 people.

The Energy Redress fuel voucher payments to STW customer provided 4,969 vouchers to 3,003 households amounting to £274,228.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL REVIEW

The Trustees consider the financial position of the Charity and Auriga Services to be satisfactory. The total income of the group for the year was £6.5m (2021: £6.8m). £3.5m was from the donation received from Severn Trent Water Limited and £3.0m was from trading activity undertaken by Auriga Services. The Charity also obtained restricted funding for Energy Redress of £274,228 which has now been distributed. The Charity does not carry out public fundraising.

Reserves and Going Concern

The Charity maintains reserves to ensure that it is able to continue to fulfil its charitable purpose by providing for business continuity and to support future capital and revenue expenditure requirements which may not be covered by incoming resources.

In 2021/22 Coronavirus continued to test the financial resilience of all charities. Well operated controls and a robust operating infrastructure means that the Charity and Auriga Services were able to respond well to all clients without resort to government funding or reducing reserves. The Charity and Auriga Services have proactively reviewed the reserves policy for the group.

At the end of the period total funds held by the Charity were £870,270 (2021: £1,044,081) represented by £514,020 (2021: £688,093) of unrestricted general funds, £356,250 (2021: £85,000) of unrestricted designated funds and £Nil (2021: £270,988) of restricted funds.

The Charity received grant money of £270,988 from the Energy Saving Trust (EST) on 3 March 2021 and a further payment of £3,240 on 8 November 2021 following a successful application to the Energy Redress Scheme COVID-19 Crisis Fund. The EST award was made to enable the Charity to identify applicants for emergency fuel vouchers and issue vouchers to applicants who have been assessed as needing help. Since this award can only be used for the purposes of this project and for no other purpose whatsoever it is classified as restricted funds.

In order to ensure that Auriga Services and the Charity are cushioned against new and emerging risks the Board of the Charity and the Auriga Board has developed a group reserves policy for the future. The new group reserves policy takes account of the medium term strategic needs of the Charity and Auriga including known risks. Under the new reserves policy Auriga Services will adopt responsibility for the payments of the lease and dilapidation liabilities for the Head Office premises. A provision is already in place within Auriga Services reserves to cover this liability. The Charity will set aside reserves to cover 1 years payment of the UHB contract and to cover wind-up costs. This will release reserves which will be available to special projects over the next 2-3 years, therefore continuing to enable the Charity to deliver its objects.

In 2021/2022 Auriga Services held reserves of £1,410,545 (2021: £1,519,686) at the end of the period. These are held to cover contractual and legal obligations and key IT projects. Monies are invested with Rathbones Investment Management and, similar to the Charity, the market value of these investments increased by £34,865.

INVESTMENT POWERS

The Articles grant the Trustees the power to invest funds, employ a fund manager and arrange for investments or other property of the Charity to be held in the name of a nominee subject to the same conditions permitted by the Trustee Act 2000. The Trustees have selected Barclays as the Charity's Investment Manager.

The Trustees have also adopted a policy to transfer any excess funds from the current account to a special interest bearing account. This is done automatically on a daily basis.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

PLANS FOR FUTURE PERIODS

The Charity continues to focus on the needs of clients requiring financial support and income maximisation services. Whilst the Charity and Auriga Services have performed well during the last 12 months we are not complacent and we recognise that we all need to change and adapt.

With 25 years of experience helping those most in need we have built a special knowledge base to enable clients to make sustainable changes to how well they manage their finances. As Severn Trent Water work through their deliberations of how best to help 100,000 people we will continue to provide grant support via Auriga Services and be available to share our experience. We have also commissioned an independent Social Return on Investment review in collaboration with other Trusts to share the value of our work with key stakeholders. The important learnings we gain will inform how we distribute some of the Charity reserves to best effect. The COVID-19 fund being a great example.

In addition to serving the Charity clients Auriga Services has performed exceptionally well over the past twelve months. As the current Auriga Services Strategy reaches its natural conclusion the Auriga Board will be focusing on developing a new Strategy to take the organisation into the future.

FUNDS RECEIVED AS AGENT

At 31 March 2022 Auriga Services holds cash amounting to £1,117,413 (2021: £517,488) on behalf of Gloucestershire County Council, £73,237 (2021: £21,300) on behalf of British Gas Energy Trust and £413,627 (2021: £Nil) on behalf of Somerset County Council. These funds have been excluded from the financial statements.

RESPONSIBILITIES OF TRUSTEES

The Trustees (who are also directors of The Severn Trent Water Charitable Trust Fund for the purposes 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. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure for that year. In preparing those financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable group 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the Trustees who held office at the date when this report was approved has confirmed that:

- so far as each of the Trustees is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that Trustee has taken all the steps that he ought to have taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
PC Stone

Trustee

Date:

22/10/22

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SEVERN TRENT WATER CHARITABLE TRUST FUND

Opinion

We have audited the financial statements of The Severn Trent Water Charitable Trust Fund (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, 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 Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SEVERN TRENT WATER CHARITABLE TRUST FUND (CONTINUED)

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SEVERN TRENT WATER CHARITABLE TRUST FUND (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over income, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

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

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SEVERN TRENT WATER CHARITABLE TRUST FUND (CONTINUED)

Use of our report

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

Kerry Brown

Kerry Brown (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 5 December 2022

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies		3,500,002	3,240	3,503,242	3,771,008
Other trading activities		2,992,084	-	2,992,084	3,011,285
Investments	3	14,353	-	14,353	14,272
Total income		6,506,439	3,240	6,509,679	6,796,565
Expenditure on:					
Trading activities		2,894,100	-	2,894,100	2,649,252
Charitable activities		3,675,281	274,228	3,949,509	3,536,617
Total expenditure		6,569,381	274,228	6,843,609	6,185,869
Net (expenditure)/income before net gains on investments		(62,942)	(270,988)	(333,930)	610,696
Net gains on investments		63,052	-	63,052	212,478
Net income/(expenditure) before taxation		110	(270,988)	(270,878)	823,174
Taxation	9	(12,074)	-	(12,074)	-
Net movement in funds		(11,964)	(270,988)	(282,952)	823,174
Reconciliation of funds:					
Total funds brought forward		2,292,779	270,988	2,563,767	1,740,593
Total funds carried forward		2,280,815	-	2,280,815	2,563,767

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 18 to 37 form part of these financial statements.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND

(A Company Limited by Guarantee)

REGISTERED NUMBER: 05338827

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	10	206,658	61,765
Tangible assets	11	59,790	31,140
Investments	12	1,163,542	1,100,490
		<u>1,429,990</u>	<u>1,193,395</u>
Current assets			
Debtors	13	1,234,185	1,196,310
Cash at bank and in hand		732,776	1,703,039
		<u>1,966,961</u>	<u>2,899,349</u>
Creditors: amounts falling due within one year	14	(1,068,881)	(1,528,977)
Net current assets		<u>898,080</u>	<u>1,370,372</u>
Provisions for liabilities		(47,255)	-
Total net assets		<u><u>2,280,815</u></u>	<u><u>2,563,767</u></u>
Charity funds			
Restricted funds		-	270,988
Unrestricted funds		2,280,815	2,292,779
Total funds		<u><u>2,280,815</u></u>	<u><u>2,563,767</u></u>

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
PC Stone

Trustee

Date:

22/11/22

The notes on pages 18 to 37 form part of these financial statements.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05338827

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	12	534,249	506,062
Current assets			
Debtors	13	411	7,911
Cash at bank and in hand		357,390	547,918
		<u>357,801</u>	<u>555,829</u>
Creditors: amounts falling due within one year	14	(21,780)	(17,810)
Net current assets		<u>336,021</u>	<u>538,019</u>
Total net assets		<u><u>870,270</u></u>	<u><u>1,044,081</u></u>
Charity funds			
Restricted funds		-	270,988
Unrestricted funds		870,270	773,093
Total funds		<u><u>870,270</u></u>	<u><u>1,044,081</u></u>

The surplus/(deficit) for the year dealt with in the accounts of the Charity was (£173,811) (2021: £504,601).

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

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

.....
PC Stone
 Trustee
 Date:

The notes on pages 18 to 37 form part of these financial statements.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	19	(766,001)	1,111,439
Cash flows from investing activities			
Dividends and interests from investments		14,353	14,272
Purchase of intangible assets		(153,602)	(54,806)
Purchase of tangible fixed assets		(65,013)	(6,636)
Net cash used in investing activities		(204,262)	(47,170)
Change in cash and cash equivalents in the year		(970,263)	1,064,269
Cash and cash equivalents at the beginning of the year		1,703,039	638,770
Cash and cash equivalents at the end of the year	20	<u><u>732,776</u></u>	<u><u>1,703,039</u></u>

The notes on pages 18 to 37 form part of these financial statements

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

The Severn Trent Water Charitable Trust Fund is a Company Limited by Guarantee (registered number 05338827), registered in England and Wales. The charity registration number is 1108278. The registered office and principal place of business is 12-14 Mill Street, Sutton Coldfield, West Midlands, B72 1TJ.

The members of the charity are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2015), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Severn Trent Water Charitable Trust Fund meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Going concern

The Trustees consider that the Group has sufficient reserves and cash to continue operating on a going concern basis for the foreseeable future.

As stated in the Trustees' Report, the Trustees believe there are no material uncertainties that call into doubt the Group's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the Group is a going concern. In light of the current climate in relation to the COVID-19 pandemic the Trustees have reviewed the Group's finances. In the short term cash holdings are sufficient to ensure adequate cashflow for the foreseeable future. In the medium to long term plans for, and the structure of, The Severn Trent Water Charitable Trust Fund, remain extant and will continue to be reviewed regularly.

2.3 Income

All income is recognised once the Charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The principal source of income comes from donations from Severn Trent Water Limited.

Investment income is accounted for when due.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

The costs of each activity are made up of costs that can be allocated directly and those of an indirect nature necessary to support them. Support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Governance costs include those costs associated with the constitutional and statutory requirements of the charity and include audit fees and costs linked to the strategic management of the charity.

Support costs are those costs incurred directly in support of expenditure on the objects of the company.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Consolidated Statement of Financial Activities.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets costing £350 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following bases:

Software	- 33 % straight line
Operational database	- 33 % straight line

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on the following bases: .

Depreciation is provided on the following basis:

Fixtures and fittings	- 33% straight line
Office equipment	- 33% straight line
Computer equipment	- 33% straight line

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

2.9 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.10 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

2.11 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Dividend income	13,441	13,441
Business reserve account interest	912	912
	<u>14,353</u>	<u>14,353</u>

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Dividend income	13,408	13,408
Business reserve account interest	864	864
	<u>14,272</u>	<u>14,272</u>

4. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Grant funding of activities 2022 £	Support costs 2022 £	Total funds 2022 £
Grant making	<u>787,765</u>	<u>3,147,129</u>	<u>14,615</u>	<u>3,949,509</u>

	<i>Activities undertaken directly 2021 £</i>	<i>Grant funding of activities 2021 £</i>	<i>Support costs 2021 £</i>	<i>Total funds 2021 £</i>
Grant making	<u>775,300</u>	<u>2,749,749</u>	<u>11,568</u>	<u>3,536,617</u>

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2022 £	<i>Total funds 2021 £</i>
Bank charges	502	543
Professional fees	4,432	2,323
Other expenses	381	92
Governance costs	9,300	8,610
	14,615	11,568

5. Grants payable

	2022 £	<i>2021 £</i>
Payable direct to creditors in respect of debts owed		
Water debt - Severn Trent Water	2,779,121	2,654,716
	2,779,121	2,654,716
Further assistance payments to individuals		
Other household needs	90,670	93,873
Bankruptcy orders	3,110	1,160
Energy Redress Fuel Vouchers	274,228	-
	368,008	95,033
	3,147,129	2,749,749

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Net income/expenditure

This is stated after charging:

	2022 £	<i>2021</i> £
Depreciation of tangible fixed assets	36,363	27,523
Amortisation of intangible fixed assets	8,709	10,576
Auditor's remuneration - audit	12,050	11,500
Auditor's remuneration - non audit	2,350	2,200
Auditor's remuneration - tax	900	850
Operating lease expense	85,000	81,603
	145,372	134,252

7. Staff costs

	Group 2022 £	<i>Group 2021</i> £
Wages and salaries	2,377,101	2,252,117
Social security costs	134,747	121,619
	2,511,848	2,373,736

A settlement payment in Auriga Services Ltd totalling £76,682 (2021 - £Nil) was paid during the year.

The average number of persons employed by the Charity during the year was as follows:

	Group 2022 No.	<i>Group 2021</i> No.
Operations	64	55
Administration	25	23
	89	78

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	<i>Group 2021 No.</i>
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1
In the band £100,001 - £110,000	1	-
In the band £110,001 - £120,000	-	1

The total emoluments paid to key management personnel during 2022 including pension contributions, management fees and ex-gratia payments was £326,471 (2021 - £368,632).

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, expenses totalling £144 were reimbursed or paid directly to 1 Trustee (2021 - £57 to 2 Trustees).

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Taxation

	2022 £	2021 £
Corporation tax		
Adjustments in respect of previous periods	12,074	-
Taxation on net income/(expenditure)	12,074	-

The tax assessed for the year is higher than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Net income/(expenditure) before tax	(270,878)	823,174
Net income/(expenditure) multiplied by the standard rate of corporation tax in the UK of 19 (2021 - 19%).	(51,467)	156,403
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	735	(1,122)
Fixed asset differences	(975)	-
Losses carried back	7,251	-
(Deficit) / surplus not chargeable to taxation	33,635	(95,875)
Adjustments to tax charge in respect of prior periods	12,074	-
Deferred tax not recognised	17,445	(36,763)
Income not taxable	(6,624)	(22,643)
Total tax charge for the year	12,074	-

There are no factors considered likely to affect future tax charges.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Intangible assets

Group

	Software £	Operational database £	Total £
Cost			
At 1 April 2021	53,424	54,806	108,230
Additions	11,666	141,936	153,602
At 31 March 2022	<u>65,090</u>	<u>196,742</u>	<u>261,832</u>
Amortisation			
At 1 April 2021	46,465	-	46,465
Charge for the year	8,709	-	8,709
At 31 March 2022	<u>55,174</u>	<u>-</u>	<u>55,174</u>
Net book value			
At 31 March 2022	<u>9,916</u>	<u>196,742</u>	<u>206,658</u>
<i>At 31 March 2021</i>	<u>6,959</u>	<u>54,806</u>	<u>61,765</u>

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Tangible fixed assets

Group and Charity

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	144,871	24,113	148,787	317,771
Additions	49,891	5,539	9,583	65,013
At 31 March 2022	<u>194,762</u>	<u>29,652</u>	<u>158,370</u>	<u>382,784</u>
Depreciation				
At 1 April 2021	134,357	23,524	128,750	286,631
Charge for the year	21,023	1,111	14,229	36,363
At 31 March 2022	<u>155,380</u>	<u>24,635</u>	<u>142,979</u>	<u>322,994</u>
Net book value				
At 31 March 2022	<u><u>39,382</u></u>	<u><u>5,017</u></u>	<u><u>15,391</u></u>	<u><u>59,790</u></u>
At 31 March 2021	<u><u>10,514</u></u>	<u><u>589</u></u>	<u><u>20,037</u></u>	<u><u>31,140</u></u>

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 April 2021	1,100,490
Revaluations	63,052
At 31 March 2022	<u>1,163,542</u>
Net book value	
At 31 March 2022	<u>1,163,542</u>
At 31 March 2021	<u>1,100,490</u>

Charity	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2021	2	506,060	506,062
Revaluations	-	28,187	28,187
At 31 March 2022	<u>2</u>	<u>534,247</u>	<u>534,249</u>
Net book value			
At 31 March 2022	<u>2</u>	<u>534,247</u>	<u>534,249</u>
At 31 March 2021	<u>2</u>	<u>506,060</u>	<u>506,062</u>

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

Quoted investments are represented by:

	2022 £	<i>2021</i> £
UK Fixed interest securities	92,796	56,282
UK Equity Shares	651,395	628,871
Overseas Equity Shares	290,551	266,081
Alternatives	103,605	113,176
UK cash deposits	25,195	36,080
	1,163,542	<i>1,100,490</i>

13. Debtors

	Group 2022 £	<i>Group</i> <i>2021</i> £	Charity 2022 £	<i>Charity</i> <i>2021</i> £
Due within one year				
Trade debtors	409,062	509,528	-	-
Amounts owed by group undertakings	-	-	-	7,500
Other debtors	710,286	587,452	411	411
Prepayments and accrued income	107,587	99,330	-	-
Tax recoverable	7,250	-	-	-
	1,234,185	<i>1,196,310</i>	411	<i>7,911</i>

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Trade creditors	115,289	145,839	5,401	5,696
Amounts owed to group undertakings	-	-	125	-
Other taxation and social security	189,923	151,071	-	-
Other creditors	871	790	-	-
Accruals and deferred income	762,798	1,231,277	16,254	12,114
	<u>1,068,881</u>	<u>1,528,977</u>	<u>21,780</u>	<u>17,810</u>

Creditors: Amounts falling due within one year (continued)

	2022 £	<i>2021 £</i>
Deferred income at 1 April 2021	17,523	17,523
Resources deferred during the year	33,091	21,685
Amounts released from previous periods	(17,523)	(17,523)
	<u>33,091</u>	<u>21,685</u>

Deferred income relates to service contracts within Auriga to be delivered in the following year.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Financial instruments

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Financial assets				
Financial assets measured at fair value through income and expenditure	1,163,542	<i>1,100,490</i>	-	-
Financial assets measured at amortised cost	1,134,917	<i>1,096,980</i>	411	<i>411</i>
	2,298,459	<i>2,197,470</i>	411	<i>411</i>
	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Financial liabilities				
Financial liabilities measured at amortised cost	845,742	<i>1,356,221</i>	21,655	<i>17,810</i>

Financial assets measured at fair value through income and expenditure comprise investments in UK listed securities.

Financial assets measured at amortised cost comprise cash at bank, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

16. Provisions

Group and Charity

	Dilapidation Provision £
Charged to profit or loss	47,255
	47,255

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2021 £	Income £	Expenditure £	Taxation £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2022 £
Designated funds	85,000	-	-	-	271,250	-	356,250
General funds	2,207,779	6,506,439	(6,569,381)	(12,074)	(271,250)	63,052	1,924,565
Restricted funds	270,988	3,240	(274,228)	-	-	-	-
	<u>2,563,767</u>	<u>6,509,679</u>	<u>(6,843,609)</u>	<u>(12,074)</u>	<u>-</u>	<u>63,052</u>	<u>2,280,815</u>

Summary of funds - prior year

	Balance at 1 April 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2021 £
Designated funds	85,000	-	-	-	85,000
General funds	1,655,593	6,525,577	(6,185,865)	212,474	2,207,779
Restricted funds	-	270,988	-	-	270,988
	<u>1,740,593</u>	<u>6,796,565</u>	<u>(6,185,865)</u>	<u>212,474</u>	<u>2,563,767</u>

Designated Funds

Designated funds represents amounts designated by the Trustees to meet the future costs of the provision of Debt Advice and other Community Support Projects.

Restricted Funds

Restricted funds relate to a grant received from The Energy Savings Trust, in relation to the energy redress scheme covid-19 crisis fund.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	59,790	59,790
Intangible fixed assets	206,658	206,658
Fixed asset investments	1,163,542	1,163,542
Current assets	1,966,961	1,966,961
Creditors due within one year	(1,068,881)	(1,068,881)
Provisions for liabilities and charges	(47,255)	(47,255)
Total	2,280,815	2,280,815

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	31,140	-	31,140
Intangible fixed assets	61,765	-	61,765
Fixed asset investments	1,100,490	-	1,100,490
Current assets	2,628,361	270,988	2,899,349
Creditors due within one year	(1,528,977)	-	(1,528,977)
Total	2,292,779	270,988	2,563,767

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2022 £	<i>Group 2021 £</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	(282,952)	823,174
Adjustments for:		
Depreciation charges	36,363	27,523
Amortisation charges	8,709	10,576
Losses / (Gains) on investments	(63,052)	(212,478)
Dividends and interests from investments	(14,353)	(14,272)
Loss on the sale of fixed assets	-	1,076
Increase in debtors	(37,875)	(216,839)
Increase/(decrease) in creditors	(412,841)	692,679
Net cash provided by/(used in) operating activities	(766,001)	1,111,439

20. Analysis of cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	732,776	1,703,039
Total cash and cash equivalents	732,776	1,703,039

21. Analysis of changes in net debt

	At 1 April 2021 £	Cash flows £	Other non- cash changes £	At 31 March 2022 £
Cash at bank and in hand	1,703,039	(1,020,991)	50,728	732,776
	1,703,039	(1,020,991)	50,728	732,776

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22. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

The contributions totalling £318 (2021 - £Nil) were payable to the fund at the balance sheet date.

23. Operating lease commitments

At 31 March 2022 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Not later than 1 year	85,000	<i>50,000</i>	85,000	<i>50,000</i>
Later than 1 year and not later than 5 years	185,833	<i>87,500</i>	185,833	<i>87,500</i>
	<u>270,833</u>	<i><u>137,500</u></i>	<u>270,833</u>	<i><u>137,500</u></i>

24. Related party transactions

No Trustee received any remuneration during the period.

The Severn Trent Water Charitable Trust paid £1,232 (2021: £1,357) for the premium on the Trustees indemnity insurance.

No Trustee or person related to the Charity had any personal interest in any contract or transaction entered into by the Charity during the period.

THE SEVERN TRENT WATER CHARITABLE TRUST FUND
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25. Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Holding
Auriga Services Limited	05093179	Emmanual Court, 12-14 Mill Street, Sutton Coldfield, West Midlands, B72 1QT	100%

Included in consolidation

Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) for the period £	Net assets £
Auriga Services Limited	3,814,798	(3,693,939)	120,859	1,410,547

Turnover includes £787,765 (2021 - £775,300) of invoices made to The Severn Trent Water Charitable Trust Fund.

It has been agreed that £Nil (2021: £230,000) in gift aid is to be paid to The Severn Trent Water Charitable Trust Fund.