

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED 30 SEPTEMBER 2012

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

A Limited Charitable Company

Registered Office 4 Carlton Court, Team Valley, Gateshead, Tyne and Wear,
NE11 0AZ

Registered in England and Wales

Company Number: 01741451

Charity Registration Number: 287700



UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

COMPANY INFORMATION

DIRECTORS - MEMBERS OF THE BOARD

The following are members of the Board

Dr M J Atkinson

Resigned 25/2/2012

Utility Networks Director, SBGI

Mr A R F Cooke

Senior Independent Director, Jersey Water

Former Managing Director, Bournemouth and West Hampshire Water PLC

Mrs L Cooper

Chief Executive, Institute of Water

Mr M Foster

Chief Executive, Energy & Utilities Alliance (EUA)

(Appointed 15/3/2012)

Mr M J Kane

Director of Severn Trent plc

Dr D G Smoker

Business Development Director, Saint-Gobain PAM UK Limited

Chairman, Society of British Water and Wastewater Industries

The elected officers during this period were as follows -

Mr M J Kane

Chairman, USIT

R.S. Hodge - Resigned 01/06/12

Company Secretary, USIT

Mrs C A Hickman

Company Secretary, USIT

(Appointed 01/06/2012)

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

COMPANY INFORMATION

Professional Advisers

Bankers: NatWest Bank Plc
Basingstoke Corporate Centre
19/23 Winchester Street
Basingstoke
Hampshire
RG21 7NS

Auditors: Tait Walker LLP
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Charity

Correspondent: Mrs Carol Hickman
USIT Secretary
38 Holly Walk
Leamington Spa
Warwickshire
CV32 4LY

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

CONTENTS

	Page
Trustees' report	1 - 5
Auditor's report	6 - 7
Income and expenditure account	8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 - 13

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

INTRODUCTION

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 30 September 2012

Legal and administrative information set out on the company information page forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities, SORP 2005

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

The powers of the company are set out in its Memorandum and Articles of Association, dated 21 July 1983, which were last amended on 29 April 2010

Board of Directors/Trustees

The Charity is governed by its Board of Trustees - who are the appointed directors of the Company. The number of trustees at present is 5

Method of recruitment of trustees

As set out in the Articles of Association the control of the property and funds of the Company is vested in a Board consisting of not less than three and not more than eight members who are charity trustees. Upon election to Board any person who is not already a member of the Company shall become a member of the Company

The Chairman of the Board who is also Chairman of the Company is elected by the Board from their number for such a period and on such terms as they may decide

The Board has the power to fill a casual vacancy in its number. Any person so appointed shall hold office until the Annual General Meeting following their appointment

The Board has the power from time to time to co-opt not more than two persons to be members of the Board. Such persons hold office during such period and on such terms as the Board shall from time to time decide

The existing Board comprises five members. Each member has substantial experience at senior levels in the utility sector and all are committed to furthering the objects of the Charity by developing and implementing plans to provide grants and bursaries for educational purposes. EUA (previously SBGI) representation, changed to Mike Foster, Chief Executive of the Energy & Utilities Alliance, on 30 April 2012

Policies and procedures for induction and training of trustees

All trustees appointed are provided with documentary evidence regarding the Charity's recent activities and future plans. Each is provided with a copy of the Company's Memorandum and Articles of Association and is made aware of the advice obtainable from the Charity Commission in respect of trustees' duties and responsibilities. Governance is discussed at each trustee meeting and, where trustees deem it necessary external advice is sought regarding the management of the charity

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Organisational structure

The Company's governing body is its Board whose members are directors of the Company and charity trustees. The Board met on four occasions during the year.

Risk management

During the year the Board continued to review the major risks to which the Company is exposed by using the Assurance Framework developed previously. This lists all the major risks identified by the trustees and includes an assessment of the potential severity, likelihood and consequences of each risk. The controls put in place to manage the risks are described together with any further action required in the future.

OBJECTIVES AND ACTIVITIES

Summary of objects within governing document

The objects of the charity are to advance education and training for the public benefit primarily in the water industry but also in addition in other public utilities, the service industries and government departments and agencies.

Aims and objectives for the year

The aims and objectives for the year were to -

- Continue to promote and develop the three separate types of awards currently offered using feedback from the recipients of awards and the relevant industry sectors
- Continue to review whether closer links with other national organisations in industry sectors relevant to the Charity might enable the awards to be brought to the attention of a wider audience
- Continue to develop the website as part of a marketing plan in order that the Charity's plans can be made known to a wider audience of those who might benefit from the financial support it will be offering in the furtherance of its charitable objects
- Continue to review long term plans and budgets

Trustees are committed to these objectives and will continue to develop plans accordingly.

Strategies and activities

The key elements of the Charity's medium to long term strategy are -

- To encourage those organisations which employ staff in the sectors relevant to the Charity's objects to support its aims such that the benefits of its awards are maximised
- To maintain high quality intelligence regarding education and training needs in relevant areas and to ensure that the Charity's funds are clearly focused on supporting those needs for the public benefit
- To ensure that all financial support provided is utilised in accordance with the objectives for the specific awards made and the objects of the Charity

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

ACHIEVEMENT AND PERFORMANCE

Review of activities and performance against objectives

The activities undertaken and performance achieved against objectives were as follows -

- The three existing awards continued to be successfully marketed throughout the year. Awards were made in all three of the categories, Harvard, Business Skills and Continuing Professional Development
- Closer links continued to be sought with other national organisations in industry sectors relevant to the Charity to enable the awards to be brought to the attention of a wider audience. Previously the trustees had identified that certain organisations would be prepared to become "Partner organisations" such that they would assist the charity in the promotion of its charitable objectives. During the year SBGI reformed as Energy & Utilities Alliance (EUA) continuing as the third Partner Organisation, alongside the Institute of Water and the Society of British Water and Wastewater Industries (SBWWI)
- Ongoing development of the website continued as part of the marketing plan in order that the Charity's plans can be made known to a wider audience of those who might benefit from the financial support it will be offering in the furtherance of its charitable objects
- A continuous review of long term plans and budgets was maintained
- For the immediate future the award structure will continue as -
 - o Harvard award
 - o Business Skills award
 - o Continuing Professional Development award

Performance of fundraising activities against fundraising objectives

No fundraising activities were planned and none took place

Investment performance against objectives

The trustees reviewed investment opportunities during the year in order to maintain the optimum investment strategy for the Charity's reserves. After careful consideration the trustees concluded that, for the time being, the Charity's reserves should continue to be invested in an interest bearing fixed term deposit or bond, or high interest reserve account, except for small sums needed for day to day business. These arrangements are in place with National Westminster Bank Plc.

Factors within and outside of the Charity's control relevant to achievement of objectives

The trustees continue to be disappointed that no matched funding opportunities have been identified to support the achievement of the Charity's objects.

PUBLIC BENEFIT STATEMENT

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities.

The charitable objectives also are set in order to provide a clear and demonstratable public benefit.

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

FINANCIAL REVIEW

Review of financial position

During the year a number of awards have been made in areas where the trustees conclude the Charity's financial support is most likely to produce maximum benefits. Expenditure in respect of governance and administration has been minimised, consistent with the need for prudent and secure management of the Charity's affairs. Reserves have reduced as expected and continue to be represented entirely by cash deposits.

Reserves policy

The company's reserves of approximately £0.63 million comprise entirely of cash. These reserves are held for charity use and will continue to be used to fulfil the charitable objectives. The current plans, which are subject to continuous review, would fully utilise these reserves by 2015 based on income being derived wholly from investment of reserves and the anticipated take up of planned awards / bursaries.

Principal funding sources

Income during the year has been derived wholly from interest on investment of reserves.

Investment policy and objectives

Under the articles of association, the Charity has the power to invest the monies of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.

PLANS FOR FUTURE PERIODS

- The three separate types of awards currently offered will continue to be promoted and developed using feedback from the recipients of awards and the relevant industry sectors.
- The trustees, with support from the Partner Organisations, will continue to review the award structure in order to determine whether further developments might improve the effectiveness of the awards.
- The trustees have been successful in recent years in encouraging other national organisations in industry sectors relevant to the Charity to become "Partner organisations" to enable the awards to be brought to the attention of a wider audience. As a result of this success and the benefits now being achieved the trustees will not be actively seeking further Partner Organisations in the coming year but will concentrate on developing the activities and influence of the existing Partner Organisations. However, the trustees will continue to monitor other relevant national organisations which could play a constructive role as Partner Organisations in the longer term.
- The website will continue to be developed as part of a marketing plan in order that the Charity's plans can be made known to a wider audience of those who might benefit from the financial support it will be offering in the furtherance of its charitable objects.
- Long term plans and budgets will continue to be subject to continuous review.

Trustees are committed to these plans and will continue to manage the Charity to ensure their achievement.

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

TRUSTEES' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2012

Trustees

The trustees, who are also the directors, who have served in the year are

M J Atkinson	Retired 25/2/2012
A R F Cooke	
L Cooper	
M Foster	Appointed 15/3/2012
M J Kane	
D G Smoker	

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Utilities and Service Industries Training Limited for the purposes of company law) are responsible for preparing the Trustees Annual 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 that give a true and fair view of the state of affairs of the Charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so 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
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 maintaining proper accounting records which disclose with reasonable accuracy at the time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the trustees are aware

- there is no relevant audit information of which the Charity's auditors are unaware and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information


Auditors

A resolution will be proposed at the Annual General Meeting that Tait Walker LLP be re-appointed as auditors to the Charity for the ensuing year.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the trustees



M J Kane

Dated 8/2/2013

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

YEAR ENDED 30 SEPTEMBER 2012

We have audited the financial statements of Utilities and Service Industries Training Limited for the year ended 30 September 2012, set out on pages 8 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 September 2012 and of its 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 properly prepared in accordance with the Companies Act 2006.

**UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTILITIES AND
SERVICE INDUSTRIES TRAINING LIMITED (continued)**

YEAR ENDED 30 SEPTEMBER 2012

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report



Mark Brunton BSc FCA (Senior Statutory Auditor)
For and on behalf of
Tait Walker LLP, Chartered Accountants & Statutory Auditor
Statutory Auditors
Bulman House
Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS

12.2 2013

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	2012	2011
		£	£
Income			
Turnover		-	-
		<u>-</u>	<u>-</u>
Expenditure			
Administration costs		115,736	114,478
Other operating expenses / (income)		-	-
		<u>115,736</u>	<u>114,478</u>
Operating deficit before interest	2	(115,736)	(114,478)
Interest receivable		14,271	14,085
Deficit for the year		<u>(101,465)</u>	<u>(100,393)</u>

The Company's results are wholly derived from continuing activities

The notes on pages 11 to 13 form part of these financial statements.

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	Total Funds 2012 £	Total Funds 2011 £
Incoming resources			
Incoming resources from generated funds			
Investment income - bank interest		14,271	14,085
Other income receivable		-	-
Total incoming resources		<u>14,271</u>	<u>14,085</u>
Resources expended			
Charitable activities	3	95,395	99,510
Governance costs	4	20,341	14,968
Total resources expended		<u>115,736</u>	<u>114,478</u>
Net outgoing resources		(101,465)	(100,393)
Net movement of funds		<u>(101,465)</u>	<u>(100,393)</u>
Balance brought forward as at 1 October 2011		678,219	778,612
Balance carried forward as at 30 September 2012		<u>576,754</u>	<u>678,219</u>

The Charity's results are wholly derived from unrestricted funds

The Charity's results are wholly derived from continuing activities

The notes on pages 11 to 13 form part of these financial statements.

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED
COMPANY REGISTRATION NUMBER 01741451
BALANCE SHEET
AS AT 30 SEPTEMBER 2012

		2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets			-		-
Investments			-		-
			-		-
Current assets					
Debtors	7	2,926		11,795	
Cash at bank and in hand		628,094		702,531	
		631,020		714,326	
Creditors' amounts falling due within the year	8	54,266		36,107	
Net current assets		576,754		678,219	
Net assets		576,754		678,219	
Reserves					
Unrestricted funds	9	576,754		678,219	
		576,754		678,219	

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

The financial statements were approved by the Board on 21/01/2013


MJ KANE
 Trustee

The notes on pages 11 to 13 form part of these financial statements

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 Accounting Policies

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006

1.2 Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and the requirements of the Statement of Recommended Practice Accounting by Charities

1.3 Incoming Resources

Interest receivable

Interest is included when receivable by the charity

1.4 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered

Expenditure directly attributable to charitable activities has been included in those cost categories

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its objects and activities. It includes the costs that can be allocated directly to those charitable activities

Governance costs comprise all costs involving the public accountability of the charitable company and its compliance with regulations and good practice

1.5 Fund accounting

Funds held by the charity are unrestricted general funds which can be used in accordance with the charitable objects at the discretion of the trustees

2 Operating deficit

	2012 £	2011 £
Operating deficit is stated after charging		
Audit fee	2,040	2,040

During the year one (2011- None) trustees were reimbursed £442 (2011- £Nil), for travel and subsistence costs incurred

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

3 Charitable expenditure

	2012 £	2011 £
IWater Conference	3,870	3,876
CPD/Leadership awards	1,299	1,800
Harvard Awards	19,414	37,056
Business skills awards	68,975	56,314
Allocated support costs	1,837	464
	<u>95,395</u>	<u>99,510</u>

All awards made, in the current and preceeding year, by the charity are made solely to individuals

4 Governance costs

	2012 £	2011 £
Auditors' remuneration	2,040	2,040
Auditors' remuneration re non audit services	(12)	12
Storage	-	101
Trustee indemnity insurance	352	352
Allocated support costs	17,961	12,463
	<u>20,341</u>	<u>14,968</u>

5 Support costs

	Allocation basis	Charitable Activities £	Governance £	2012 £	2011 £
Secretariat Fees & Exp	Time Spent	-	16,839	16,839	12,282
Administration fees	Time Spent	907	302	1,209	567
Meeting costs	Time Spent	880	770	1,650	-
Bank charges	Time Spent	50	50	100	78
		<u>1,837</u>	<u>17,961</u>	<u>19,798</u>	<u>12,927</u>

6 Taxation

The company is a registered charity and is exempt from corporation tax on non-trading activities for so long as the income is applied for charitable purposes within the original terms of the exemption

UTILITIES AND SERVICE INDUSTRIES TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2012

7	Debtors	2012 £	2011 £
	Prepayments and accrued income	2,926	11,795
		<u>2,926</u>	<u>11,795</u>
8	Creditors, amounts falling due within one year	2012 £	2011 £
	Accruals	54,266	36,107
		<u>54,266</u>	<u>36,107</u>
9	Reserves	2012 £	2011 £
	Opening reserves	678,219	778,612
	Deficit for the year	(101,465)	(100,393)
	Closing reserves	<u>576,754</u>	<u>678,219</u>

10 Related Party Transactions

During the year the charity provided the cost of fees to applicants totalling £2,970 (2011 - £3,276) in respect of the annual Institute of Water Annual Conference. The Institute of Water is related to the Charity by virtue of having a common director, Mrs L Cooper.

During the year the charity provided the cost of fees to applicants totalling £Nil (2011 £1,800) in respect of the SBGI Smart Metering Conference. SBGI is related to the Charity by virtue of having a common director, Dr M J Atkinson.

SBWWI is related to the Charity by virtue of having a common director, Dr D G Smoker. During the year the charity provided the cost of fees to applicants totalling £1,060 (2011 £Nil) in respect of the SBWWI Leakage and Metering Seminar and £198 (2011 £Nil) in respect of the SBWWI Private Sewers Seminar. SBWWI also provided secretariat services for the charity amounting to £5,356 (2011 £Nil) during the year. As at 30 September 2012 there was an amount owed of £1,340 (2011 £Nil) included in other creditors.

The charity paid £352 (2011 £352) for Trustee indemnity insurance cover.

11 Legal status of the charity

The charity is a company limited by guarantee and has no share capital.

12 Ultimate controlling party

The Trustees are considered to be the ultimate controlling party.