

1991/1992

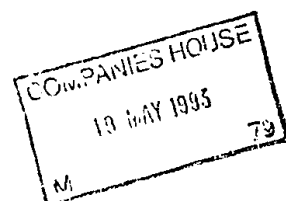
**TSB FOUNDATION  
FOR  
ENGLAND AND  
WALES**

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*ANNUAL REPORT & ACCOUNTS*

*1992*

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# TSB FOUNDATION FOR ENGLAND AND WALES

## REPORT AND ACCOUNTS

Year ended 31st October 1992

<b>Chairman</b>	His Grace the Duke of Westminster DL		
<b>Deputy Chairman</b>	Joanna K Foster		<i>Appointed 12th November 1991</i>
<b>Trustees</b>	D A Hinton	- Tyne Tees	
	J P R Holt JP	- Yorkshire	
	K A Millichap	- North West	<i>Retired 21st July 1992</i>
	H W E Thompson	- North West	<i>Appointed 26th November 1992</i>
	E Rea OBE DL	- Wales	<i>Retired 21st July 1992</i>
	P D Allen CBE	- Wales	<i>Appointed 28th August 1992</i>
	J R T Douglas OBE	- West Midlands	
	Lord Edward FitzRoy DL	- Eastern	
	Lady Mary Holborow JP	- South West	
	J W Robertson	- South East	
	The Lady Prior	- Independent	
	P B Eilwood	- Independent	<i>Retired 30th September 1992</i>
	J K Elbourne	- Independent	<i>Appointed 1st October 1992</i>
<b>Director General</b>	Kathleen N Duncan		
<b>Secretary</b>	Christine J Muskett		
<b>Address</b>	25 Milk Street, London EC2V 8LU		
<b>Telephone</b>	071-606 7070		
<b>Facsimile</b>	071-600 3711		
<b>Bankers</b>	TSB Bank plc, Lombard Street, London EC3V 9EA		
<b>Solicitors</b>	Theodore Goddard		
<b>Auditors</b>	KPMG Peat Marwick		
<b>Company Limited by Guarantee</b>	Registered Number 1971242		
<b>Registered Charity</b>	Charity Commissioners' Reference Number 327114		

## TSB FOUNDATION FOR ENGLAND AND WALES

### CHAIRMAN'S STATEMENT

Year ended 31st October 1992

I have pleasure in presenting this report on the activities of the Foundation during its sixth full year of operation, ending 31st October 1992.

The results for the year are given on page 5. The Foundation receives 1% of TSB Group's profits, averaged over three years, in lieu of dividend on its 5% shareholding in TSB Group. Income under the TSB Group Deed of Covenant was substantially reduced from that received in 1991. Overall, 636 donations were approved and paid, totalling £947,849 (compared with 762 totalling £1.6 m in 1991). The number of appeals received continues to place great pressure on the funds available.

The Board undertook a further review of its policy relating to Scientific and Medical Research in the light of the reduced funds available for distribution, and decided to continue to make no further commitments in this field until funds permit in the future.

The head office of TSB Retail Banking and Insurance completed its move to Birmingham in 1992, and to mark this the Foundations made three special donations to charities in the Birmingham area: £25,000 to the Heartlands Trust towards the purchase of a canal boat to become a floating community centre, £25,000 to Radio Lollipop towards a Roadshow Unit for fundraising events, and £10,000 to the Foundation for Conductive Education to furnish a room at the new National Centre to be opened in Birmingham during 1993. In conjunction with these donations the bank organised a photographic competition, inviting young photographers to record the work of the three winning charities. Jimmy Gaston, a student at Gwent College, won first prize and has been commissioned to take the photographs for the Foundation's new brochure, to be produced in 1993.

In June 1992, the Foundation funded the first National Conference on Theatre and Disability, organised by the Arts Council of Great Britain and held at the University of Manchester. This was the first time that disabled artists and groups, theatre and training organisations and funders have met on a national scale. A published report of the Conference will include specific recommendations on training and funding.

As in previous years, the four Foundations have contributed to nationwide appeals, with the England & Wales share now 15% of its income, a proportion which will remain the same for 1993.

I am delighted to report on the launch of the Employee Fundraising Matched Giving Scheme, for staff across TSB Group. The four TSB Foundations match amounts raised by staff for charities which fall within the Foundations' guidelines, up to a maximum of £250. In the first nine months, 98 donations were matched.

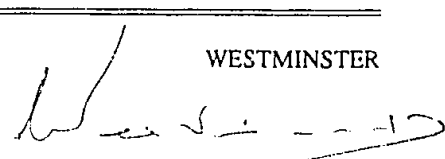
1992 has seen a number of changes in the Trustees. I would like to thank Ken Millichap whose long connection with TSB in the North West region has been of great value over the past three years, and Eddie Rea who has overseen the Foundation's activities in Wales. My warm thanks also go to Peter Ellwood for his time as an Independent Trustee, and I congratulate him on his promotion to Group Chief Executive. The important relationship between the Foundation and the Retail Bank network has flourished during his time as a Trustee.

I am delighted to welcome three new Trustees: Peter Allen and Hubert Thompson who take over responsibility for Wales and the North West respectively, and John Elbourne, Chief Operating Officer of TSB Retail Banking and Insurance, who has succeeded Peter Ellwood.

I am most grateful to all the Trustees for their tireless work in reviewing appeals, chairing regional meetings, and giving freely of their time and expertise during the year. The breadth of experience brought by Joanna Foster as my Deputy Chairman of the Board of Trustees has been of particular value.

1993 will present even greater challenges as the Trustees seek to make the most effective use of the limited resources available for the benefit of the community.

WESTMINSTER



TSB FOUNDATION FOR ENGLAND AND WALES

*DIRECTOR GENERAL'S REPORT*

Year ended 31st October 1992

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I am pleased to reflect on my second full year as Director General. Applications received amounted to some 3,750, compared with 3,705 in 1991.

The year has been spent building on the growing awareness of the Foundation's activities both externally and amongst the staff within TSB Group. We are particularly pleased to welcome Debra Lenton, a member of the bank Press Office, who works from the Foundation's office, and for four months during the summer, we enjoyed having Jamie Hobbs, a Youth Trainee on the Bank of England Training Scheme, as part of our team.

The Foundation's support for juvenile crime prevention was acknowledged at a conference organised by Crime Concern at which the Princess Royal gave a keynote speech on "Youth and Crime". The work of the TSB Foundations was also featured at a seminar organised by Business in the Community and at the Pearson Group Company Secretaries' Conference.

A highlight of the year was the visit of HM The Queen Mother in December 1991 as the guest of TSB Group Chairman, Sir Nicholas Goodison. The Foundation staff were honoured to be presented to Her Majesty, who was shown a display of the Foundations' work.

Internally, there have continued to be regular features in the TSB Bank in-house magazine "Banknotes" and other Group-wide publications, and a special supplement was once again published this year, focussing in particular on the new Matched Giving Scheme for staff.

1992 has seen a restructuring of the bank network. A new administrative system has been established which enables us to work directly with a chosen Area Director for each of the Foundation's eight Regions who have nominated a member of their staff to work on Foundation matters. The new system has proved beneficial in streamlining communication between the Foundation and the bank network, and we are grateful for the time and energy put in by Area Directors and Co-ordinators.

The Foundation's emphasis on Education and Training focussing on disabled and disadvantaged people has been further enhanced by the increasing role of the Group's Community Affairs activities in mainstream schools.

The volume of appeals received by all four Foundations has made it clear that a new computer database was required to enable us to have quick access to in-depth analysis of applications and donations both geographically and across the fields of charitable activity supported. I am very grateful to Christine Musket and Tina Clacys for their work which has ensured that this project was completed on time, and to the Group and bank for funding this important development.

As the pressure on our financial resources increases, I am pleased to report on a new initiative by the TSB Group Management College in Solihull. In-house training course places have been made available free of charge to managers from the charitable sector, and this initiative has been widely welcomed as a valuable alternative to a cash donation.

We have continued to find membership of the Association of Charitable Foundations very valuable, by attending seminars on such varied issues as Childcare Provision, Rural Issues, the Charities Act 1992 and Grant Conditions.

During the year a thorough review of the Foundation's Guidelines of Policy has been carried out, and specific priority areas identified for next year.

The staff are very grateful to the Trustees for their willingness to give advice and guidance at all times. 1993 promises to present a continuing challenge in effective giving but one which we are determined to meet.

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KATHLEEN DUNCAN

*Kathleen N Duncan*

# TSB FOUNDATION FOR ENGLAND AND WALES

## TRUSTEES' REPORT

Year ended 31st October 1992

The Trustees present their annual report and the audited accounts for the year ended 31st October 1992.

- Incorporation** The TSB Foundation for England and Wales was incorporated on 13th December 1985 as a company limited by guarantee. It is one of four Foundations created to preserve in a permanent framework the TSB's traditional role of contributing to the life of the community. The other three Foundations cover Scotland, Northern Ireland and the Channel Islands. Each Foundation is separate from the other and from the TSB Group and is directed by its own independent Board of Trustees.
- Objects** The TSB Foundation for England and Wales is established to do anything which is a charitable purpose according to the laws of England and Wales from time to time principally in, but not limited to, England and Wales and the Isle of Man including in particular:
- To advance education and training in all aspects of knowledge by means of (but not limited to) the making of grants, including the establishment of scholarships and prizes, and other like awards.
  - To advance scientific or medical research, on the condition that all useful results of such scientific or medical research are published, and education in scientific or medical research by means of (but not limited to) the making of grants, including the establishment of scholarships and prizes, and other like awards.
  - To promote the provision of facilities in the interest of social and community welfare for recreation and leisure time occupation and enjoyment of the arts with the object of improving the conditions of life of people who are disadvantaged by youth, age, infirmity or disablement, poverty or social and economic circumstances.
- Activities** The Income and Expenditure Account on page 5 shows the income received under the Deed of Covenant with TSB Group plc, together with the expenditure, the overall result for the year and the balance carried forward to next year. The authorised donations amounted to some £954,536.
- Future Prospects** The Foundation, following the publication of the TSB Group results, is expecting to receive further income in 1992-93 under the Deed of Covenant.
- Trustees** The Trustees who are also directors are as listed on page 1.
- Auditors** KPMG Peat Marwick have signified their willingness to be reappointed auditors and a resolution to that effect will be proposed at the Annual General Meeting.

By Order of the Board

Christine Muskett  
Secretary  
23rd February 1993

C. J. Muskett

**TSB FOUNDATION FOR ENGLAND AND WALES**

**INCOME AND EXPENDITURE ACCOUNT**

Year ended 31st October 1992

	Note		1992 £	1991 £
<b>Income</b>	3	Covenant Interest	971,216 107,327	2,097,489 120,500
			<hr/>	<hr/>
			1,078,543	2,217,989
<b>Expenditure</b>		Administration expenses	131,848	167,582
	9	Donations	954,536	1,655,701
			<hr/>	<hr/>
<b>Surplus/(deficit)</b>		For the year	(7,841)	394,706
<b>Surplus</b>		Brought forward from last year	521,347	126,641
			<hr/>	<hr/>
<b>Surplus</b>		Carried forward	<u>513,506</u>	<u>521,347</u>

The notes on page 8 form part of these accounts.

**AUDITORS' REPORT TO THE TRUSTEES OF THE TSB FOUNDATION FOR ENGLAND AND WALES**

We have audited the accounts on pages 5 to 8 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Foundation at 31st October 1992 and of its deficit and cash flows for the year then ended, and have been properly prepared in accordance with the Companies Act 1985 and with Statement of Recommended Practice No 2 "Accounting by Charities".

*KPMG Peat Marwick*

London  
23rd February 1993

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors

# TSB FOUNDATION FOR ENGLAND AND WALES

## BALANCE SHEET

31st October 1992

	Note	1992 £	1991 £
<b>Fund</b>	Income and expenditure account	<u>513,506</u>	<u>521,347</u>
<b>Represented by:</b>			
<b>Fixed Assets</b>	4 Investments	-	-
<b>Current Assets</b>	5 Debtors	23,886	35,199
	Cash at bank	766,920	891,100
		<u>790,806</u>	<u>926,299</u>
<b>Current Liabilities</b>	Creditors: amounts falling due within one year -		
	Donations payable	263,165	369,967
	Amounts owed to TSB Group companies	13,187	31,180
	Accruals	948	3,805
		<u>277,300</u>	<u>404,952</u>
<b>Total Assets less Current Liabilities</b>		<u>513,506</u>	<u>521,347</u>

The accounts were approved by the Trustees on 23rd February 1993 and were signed on their behalf by:

The Duke of Westminster  
Joanna Fester  
The Lady Prior  
Trustees

*[Handwritten signatures of Joanna Fester and The Lady Prior]*

The notes on page 8 form part of these accounts.

TSB FOUNDATION FOR ENGLAND AND WALES

CASH FLOW STATEMENT

Year ended 31st October 1992

	1992 £	1991 £
Net cash inflow/(outflow) from operating activities	(124,180)	874,727
Increase/(decrease) in cash and cash equivalents	(124,180)	874,727

Notes to the Cash Flow Statement

1. Reconciliation of operating surplus to net cash inflow/(outflow) from operating surplus

	1992 £	1991 £
Operating surplus/(deficit)	(7,841)	394,706
(Increase)/decrease in debtors	11,313	142,567
Increase/(decrease) in creditors	(127,652)	337,454
	(124,180)	874,727

2. Analysis of changes in cash and cash equivalents during the year

	1992 £	1991 £
Balance at 1 November	891,100	16,373
Net cash inflow/(outflow)	(124,180)	874,727
Balance at 31 October	766,920	891,100

3. Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1992 £	1991 £	Change in year £
Cash at bank and in hand	766,920	891,100	(124,180)

TSB FOUNDATION FOR ENGLAND AND WALES

NOTES TO THE ACCOUNTS

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- Note 1**  
**Guarantee Company** The Foundation is a company limited by guarantee not having a share capital. The liability of the members is limited by the Memorandum of Association to £1 each. The number of Trustees (including the Chairman) who are also members at 31st October 1992 was eleven.
- Note 2**  
**Basis of Preparation** The accounts are prepared on the basis of the accruals concept.
- Note 3**  
**Income** The Foundation derives its revenue from TSB Group plc which has entered into a covenant to make annual payments to the England and Wales Foundation of a total amount equal to 0.7212 per cent of one-third of the aggregate pre-tax profits (less pre-tax losses) of the Group for the three years ended on 31st October in the year preceding the year of payment.
- Note 4**  
**Investments** The Foundation holds 56,936,842 limited voting shares of 25p each of TSB Group plc, representing 72.12% of such shares in issue, which themselves represent 5% of the issued share capital of the TSB Group plc. The shares have no rights to dividend; have voting rights only in limited circumstances; and may be converted into ordinary shares of TSB Group plc under certain circumstances.
- The Foundation also holds a Special Rights Redeemable Preference Share of £1 in TSB Bank plc. This share carries the right to appoint two directors to the Board of TSB Bank plc.
- These investments have been stated in the accounts at a cost of nil. The Trustees consider this to be the market value. TSB Group plc is registered in Scotland. TSB Bank plc is registered in England and Wales.
- Note 5**  
**Debtors** Debtors represent amounts due from TSB Group plc and from other TSB Foundations.
- Note 6**  
**Donations** The Trustees have approved in principle the payment of donations by instalments after more than one year totalling £10,000, which have not been provided for.
- Note 7**  
**Auditors' Remuneration** The auditors' remuneration for the year was £890 (1991: £850).
- Note 8**  
**Trustees' Fees** The Trustees, who are also the directors of the Foundation, received no remuneration during the year.
- Note 9**  
**National Pool** The Foundation contributed £145,683 (1991: £314,623) to the National Pool during the year, along with contributions by the other three Foundations. Donations made from this fund amounted to £182,350. £158,088 is held in it as at 31st October 1992. Of this sum, 79.5% has been contributed by the Foundation for England and Wales.
- Note 10**  
**Staff** The number of persons employed by the Foundation during the year was four. Total salary costs amounted to £76,374. The Foundation contributed to additional pension arrangements in respect of the Director General.