

Registered number: 6663601

THAMES WATER TRUST FUND

**Financial Statements
Year ended 31 March 2011**

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THAMES WATER TRUST FUND

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THAMES WATER TRUST FUND

TRUST INFORMATION

TRUSTEES

Mrs L Perham
Mrs C E C Drury
Mr P Tutton
Mr A Ullah

COMPANY SECRETARY

Auriga Services Limited

COMPANY NUMBER

6663601

CHARITY NUMBER

1126714

REGISTERED OFFICE

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

AUDITORS

Mazars LLP
45 Church Street
Birmingham
B3 2RT

BANK

The Royal Bank of Scotland
London Victoria Branch
119/121 Victoria Street
London
SW1E 6RA

THAMES WATER TRUST FUND

REPORT OF THE TRUSTEES

The Trustees present their report and the financial statements for the year ended 31 March 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company was incorporated on 4 August 2008 as a private, limited by guarantee, company having no share capital. On 14 January 2009 the company changed its accounting reference date to March.

The trustees have considered the risks to which the charity is exposed and have taken steps to mitigate those risks.

The Trustees have agreed that, as part of the induction process for new trustees, before anyone considers appointment as a trustee they should familiarise themselves with the responsibilities of charity trustees, read the charity commission booklet on this subject and carefully read the trust deed, the settlor's directions and the latest financial statements.

All non-administrative decisions are made by the Trustees jointly. Administrative decisions are delegated to either one of the Trustees alone or to Auriga Services Limited who act on behalf of Trustees under an approved Scheme of Delegation.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives in setting the grant making policy for the year.

OBJECTIVES AND ACTIVITIES

The Charity's objects are the relief of financial hardship for persons who 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 Thames Water Limited or have been affected detrimentally and caused undue hardship by the operations of Thames Water Limited or by virtue of their water supply or sewerage connection and who are unable to meet the cost of any financial loss caused thereby.

ACHIEVEMENTS AND PERFORMANCE

All the donations received by the Trust in the year were from Thames Water Limited.

Help for individuals

In pursuit of charitable objectives the Trust was able to award grants toward water and other costs. It is the policy of the Trustees that where a grant is given to assist with outstanding debt, then wherever possible, it will be paid to the person or organisation owed. The aim of the Trust was to help people out of immediate crisis and financial difficulty and, wherever possible, to encourage future financial stability. During the period the Trust received 5,257 (2010 - 3,230) applications and was able to provide grants to 3,631 (2010 - 2,213) individuals or families amounting to £2,081,208 (2010 £1,252,540).

Debt counselling

In pursuit of charitable objectives, the Trustees have recognised the value of long term help and support to individuals of professional money advice services, the Trustees adopted a policy of making grants available to organisations that provide free debt advice and debt counselling services. £131,673 (2010 £5,000) has been given during the year.

Measurement of criteria and the continuing achievement of the Trust's objectives by funded organisations was by a detailed application process, initial assessment, agreed outputs and regular monitoring.

Payments out of this fund are generated only after positive vetting of quarterly monitoring forms.

FINANCIAL REVIEW

The Trustees consider the financial position of the Trust satisfactory.

Reserves

The general fund of £221,403 (2010 £869,498) held at the year end is required to meet the future working capital requirement of the Trust. The designated fund balance was £68,327 as at 31 March 2011 (2010 £195,000). In total the fund has £289,730 (2010 £1,064,498) unrestricted funds. Trustees have considered carefully what level of reserves should be held in the light of the significant reduction in funding for 2011/12. They have taken the view that it is appropriate to hold £10,000 (2010 - £150,000) to cover contractual and legal obligations and any unforeseen contingencies and will keep this under review.

THAMES WATER TRUST FUND

REPORT OF THE TRUSTEES

Unrestricted income fund

The income during the period is as expected

Debt counselling fund

A debt counselling fund has been designated by the trustees for grants expected to be payable over the next twelve months and relevant successive years. A transfer of £200,000 (2010 £200,000) was made to the designated fund at 31 March 2011.

PLANS FOR FUTURE PERIODS

For 2011-12 there has been a change to the operation of the Trust. Following information from the major donor, Thames Water Utilities, that it would not be repeating the previous year's level of funding for 2011-12, alternative arrangements were put in place by Thames Water with Auriga Services to provide help for individuals with water debt, through a customer assistance fund. Two of the Trustees have agreed to take advisory roles for 2011-12 in this operation to maintain close links to the Trust operations. During this temporary change, the donation to the Trust fund is £254,000 (2010-11 £1,875,000). With this reduced level of funding and within the objects of the Trust the Trustees have decided to focus on continuing two very important aspects of its work to relieve poverty and hardship for those who live in the geographical boundary served by Thames Water. The Trust will continue the programme of providing grants to organisations that provide free debt advice and debt counselling services. The Trust will also allocate a small fund to provide individual assistance to people who have been helped with their water debt, but also need other emergency help, applications being referred from the customer assistance fund. These programmes are operated for the Trust by Auriga Services under a scheme of delegation, and approximately 7% of available funds are retained towards administrative costs.

TRUSTEES' INDEMNITY

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for trustees and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have done or omitted, by them as officers or employees of the Company.

Appropriate trustees' and officers' liability insurance cover is in place in respect of all the Company's trustees.

FINANCIAL INSTRUMENTS

The company does not enter into any hedging transactions. The company has normal exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling.

TRUSTEES

The trustees of the charity have held office from 1 April 2010 to the date of this report, unless otherwise stated,

Mrs L Perham
Mrs C E C Drury
Mr P Tutton (appointed 27 May 2010)
Mr A Ullah

RESPONSIBILITIES OF TRUSTEES

The trustees are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

UK company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 Company will continue in business

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

AUDITORS

Mazars LLP will continue in office in accordance with CA 2006 s487(2)

Approved by the Trustees on 15 July 2011
and signed on their behalf



L Perham
Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAMES WATER TRUST FUND

We have audited the financial statements of Thames Water Trust Fund for the year ended 31 March 2011 which comprise of a statement of financial activities, balance sheet and the related notes. 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors 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 (APB's) Ethical Standards for Auditors. This report is made solely to the charity'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 charity'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 charity and the charity's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of the 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' 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.



Ian Holder (Senior statutory auditor)
for and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)
45 Church Street
Birmingham
B3 2RT

3 August 2011

THAMES WATER TRUST FUND

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 March 2011

	Notes	General fund £	Designated fund £	2011 £	2010 £
INCOMING RESOURCES					
Voluntary income – donations		1,875,000	-	1,875,000	2,500,000
Investment income	2	450	-	450	76
TOTAL INCOMING RESOURCES		<u>1,875,450</u>	<u>-</u>	<u>1,875,450</u>	<u>2,500,076</u>
RESOURCES EXPENDED					
Cost of generating funds		-	-	-	-
Charitable expenditure					
Grants payable	3	2,081,209	131,673	2,212,882	1,257,540
Associated Costs	4	429,656	-	429,656	419,730
Governance	5	<u>7,680</u>	<u>-</u>	<u>7,680</u>	<u>7,248</u>
TOTAL RESOURCES EXPENDED		<u>2,518,545</u>	<u>131,673</u>	<u>2,650,218</u>	<u>1,684,518</u>
NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS					
Transfer to Debt Counselling fund		(643,095)	(131,673)	(774,768)	815,558
		<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
NET MOVEMENTS IN FUNDS		<u>(843,095)</u>	<u>68,327</u>	<u>(774,768)</u>	<u>815,558</u>
FUND BALANCES BROUGHT FORWARD AT 1 APRIL 2010		<u>1,064,498</u>	<u>-</u>	<u>1,064,498</u>	<u>248,940</u>
FUND BALANCES CARRIED FORWARD AT 31 MARCH 2011		<u>221,403</u>	<u>68,327</u>	<u>289,730</u>	<u>1,064,498</u>

The Trust's incoming resources and expended resources all relate to continuing activities
There are no recognised gains and losses other than those shown above

THAMES WATER TRUST FUND

BALANCE SHEET

At 31 March 2011

	Notes	2011 £	2010 £
CURRENT ASSETS			
Cash at bank and in hand		301,143	1,076,744
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(11,413)	(12,246)
NET CURRENT ASSETS		<u>289,730</u>	<u>1,064,498</u>
NET ASSETS		<u>289,730</u>	<u>1,064,498</u>
FUNDS			
Unrestricted income funds		<u>289,730</u>	<u>1,064,498</u>

Approved and authorised for issue by the Trustees on 15 July 2011
and signed on their behalf



L. Perham
Trustee

Registered number 6663601

THAMES WATER TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2011

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention

Incoming Resources

The principal source of income comes from donations from Thames Water Plc. Investment income is accounted for when due

Grants payable

Grants are recognised on payment to individuals

Charitable expenditure

Direct charitable expenditure includes the direct costs of the activities and depreciation on related assets. Where such costs relate to more than one functional cost category, they have been split on a staffing basis

Governance Costs

These are costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements

Staff costs

The company does not directly employ any staff. Management and administration services are provided by Auriga Services Limited. The Trustees do not receive any remuneration

Debt counselling fund

This reserve represents amounts designated by the Trustees to meet the future costs of providing debt counselling

2. INVESTMENT INCOME

	2011 £	2010 £
Business reserve account interest	450	76

THAMES WATER TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2011

3 GRANTS PAYABLE

	2011 £	2010 £
Payable to individual beneficiaries or direct to creditors in respect of debts owed *		
Water Debt (1)	1,866,326	1,111,731
Water Debt (2)	94,390	53,208
Gas	9,706	12,420
Electricity	18,616	21,487
Telephone	883	3,956
Council Tax	1,412	3,196
Rent/Mortgage	2,372	-
Bankruptcy	450	-
Other household needs	87,054	46,542
	<u>2,081,209</u>	<u>1,252,540</u>
Debt Counselling grants paid	<u>131,673</u>	<u>5,000</u>
Total	<u><u>2,212,882</u></u>	<u><u>1,257,540</u></u>

* It is the policy of the Trustees that wherever possible a beneficiary's grant will be paid direct to the relevant creditor

(1) Thames Water Plc

(2) Other Collecting Agencies

4. ASSOCIATED COSTS

	2011 £	2010 £
Support costs		
Insurance	2,405	2,403
Bank charges	903	810
Management charge from Auriga Services Limited (inc VAT)	423,478	414,516
Other expenses	2,870	2,001
	<u>429,656</u>	<u>419,730</u>

5. GOVERNANCE

	2011 £	2010 £
Audit fee (inc VAT)	<u>7,680</u>	<u>7,248</u>

None of the trustees received any remuneration as trustees during either year. The Trust paid £2,405 (2010 £2,403) for the premium on the Trustees indemnity insurance.

The Trustees were re-imbursed expenses of £387 in the year (2010 £450).

THAMES WATER TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2011

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2011	2010
	£	£
Trade creditors	2,367	2,842
Accruals	9,046	9,404
	11,413	12,246

7. COMMITMENTS

At 31 March 2011 the Trustees had made financial commitments, to fund money advice and debt counselling, by agreeing grants to the following organisations

	2011	2010
	£	£
Leytonstone Citizens Advice	-	60,000
Citizens Advice Slough	-	54,953
Hounslow Citizens Advice	-	59,399
Centre 70 Advice West Norwood, London Centre	-	54,372
	-	228,724

8. TAXATION

The company is exempt for the purposes of income tax and corporation tax under Section 360 ICTA 1970