

REGISTRAR OF COMPANIES

**The
Cleanaway
Havering
Riverside
Trust**

Annual Report and Accounts

31 March 2003



Company Limited by Guarantee
Registration Number
3617355 (England and Wales)

Charity Registration Number
1084805

Buzzacott

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Legal and administrative information

Trustees	Cleanaway Limited	- authorised representative Douglas Benjafield (Chair)
	London Borough of Havering	- authorised representative Barbara Reith (Deputy Chair)
	The Environment Agency	- authorised representative David Wardle
	Essex Wildlife Trust	- authorised representative John Hall
	Port of London Authority	- authorised representative David Cartlidge
	Reginald Warner	
Secretary	Robin Squire	
Principal office	Rainham House Manor Way Rainham Essex RM13 8RH	
Telephone:	01708 520061	
Facsimile:	01708 520083	
ENTRUST registration number	293151	
Company registration number	3617355 (England and Wales)	
Charity registration number	1084805	
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG	
Bankers	Barclays Bank plc PO Box 165 Crawley West Sussex RH10 1YX	
Solicitors	Stone King 39 Cloth Fair London EC1A 7JQ	

Trustees' report Year to 31 March 2003

The trustees present the statutory report with the accounts of The Cleanaway Havering Riverside Trust for the year ended 31 March 2003.

The report has been prepared in accordance with Part VI of the Charities Act 1993.

The accounts have been prepared in accordance with the accounting policies set out on pages 11 and 12 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in October 2000.

Constitution

The trust is a company limited by guarantee (registration number 3617355) and was incorporated on 12 August 1998. The trust has also been granted charitable status (registration number 1084805).

Principal aims and activities

The following principal objectives of the trust are for the benefit of the public in the London Borough of Havering and adjacent land comprising the Wennington and Aveley Marshes:

- ◆ Protection or conservation of the natural environment by restoring or reclaiming polluted or damaged land;
- ◆ The protection and preservation of the environment by educating the public about the benefits of sustainable waste management practices and conducting research into sustainable waste management and disseminating the results of that research;
- ◆ The protection and preservation of the environment by provision, maintenance or improvement of a public open space or the provision of other public amenities in the vicinity of the landfill site; and
- ◆ The protection and preservation of the built environment by the maintenance, repair and restoration of buildings which are of historic or architectural interest.

Organisation

The trust has administrative and financial control procedures in place in order to ensure that its affairs are in good order. A Secretary, Project Officer and Administrative Assistant are in post and the trust operates from an office in Rainham, Essex. The staff and the office also deal with the affairs of the Cleanaway Pitsea Marshes Trust and the Cleanaway Pitsea Marshes Maintenance Trust.

ENTRUST

The trust is registered with ENTRUST (registration number 293151), a regulatory organisation which oversees the operation of environmental bodies registered under the landfill tax scheme. ENTRUST charges a levy of 2% of the trust's landfill tax related receipts from Cleanaway Limited, the landfill site operator.

Trustees' report Year to 31 March 2003

Progress during the year

During the year, 26 projects were approved by the trust and registered with ENTRUST, making a total of 115 projects since the trust was incorporated. By 31 March 2003, 76 of these projects had been completed, 32 were in progress and 7 had yet to start. Furthermore, 7 Category C projects, within the 115 trust projects above, ceased to be a trust responsibility at 31 March 2003 (see Future plans below), and were all approved by the Department for Environment, Food and Rural Affairs for funding from the Legacy Fund in 2003/2004.

Trust projects cover a wide range including education and research, the development and improvement of open spaces and public amenities, community projects and the renovation of ancient and historic buildings. The majority of these projects are located in the priority area, which covers the wards of Rainham and South Hornchurch. All projects are located within the area of benefit.

Amongst the major projects commenced during the year are the new Visitors' Centre at Bedfords Park; the new church and community building at St Luke's, Cranham; environmental improvements in South Hornchurch, in conjunction with the Heart of Thames Gateway; the Mardyke Community Nursery Project; and significant new facilities at Ravensbourne School, Harold Hill.

Future plans

In November 2002, the Chancellor of the Exchequer announced that, with effect from 1 April 2003, the Government was reducing the funding of the Landfill Tax Credit Scheme which funds this trust by approximately two-thirds and at the same time taking away existing trust responsibilities to fund and encourage greater waste minimisation and recycling and further research thereon. Following widely expressed concerns about the impact upon existing projects, the Government subsequently announced a Legacy Fund to handle the funding for such projects for the year 2003/2004.

Like all other distributive environment bodies, the trust was very disappointed with this change. Nonetheless, within the limits of our reduced resources, the trust will continue to commit all the funds it receives from Cleanaway Limited under the scheme on suitable projects that respond to local community needs.

Financial report for the year

The trust received contributions of £1,471,667 (2002 - £2,904,844) from Cleanaway Limited during the year on which a levy of £29,433 (2002 - £58,097) was payable to ENTRUST. Total costs incurred in furtherance of the trust's objects amounted to £1,834,084 (2002 - £2,241,603), of which £1,716,253 (2002 - £2,100,490) related to grants for projects. Management and administration costs totalled £87,990 (2002 - £73,267) and total net assets at 31 March 2003 amounted to £2,597,207 (2002 - £2,848,232).

Trustees' report Year to 31 March 2003

Grants policy

The trust makes grants within the ENTRUST criteria for projects within the area of benefit. Each project submitted to the trust for grant funding is appraised to ensure that:

- ◆ the project gives value for money;
- ◆ the outputs and benefits can be achieved;
- ◆ the applicants can carry out the project efficiently and effectively;
- ◆ the project has local support.

Grant applications

Inquiries concerning possible grants are made initially to the project officer at Rainham House. He will seek to establish the nature of the organisation concerned and the outline of their project, before suggesting the submission of a draft project application for funding. He may also identify additional third-party funding for the project. Having clarified any residual queries with the applicants, the project officer will then present the application for grant to a meeting of the trustees, who at their discretion may approve it, in whole or in part, defer it for further information or turn it down.

Reserves policy and financial position

Reserves policy

It is the policy of the trust to commit all the landfill tax credits it receives for grants to projects which meet the criteria set out in its grants policy. At 31 March 2003 further projects were in the process of being approved by ENTRUST. The ongoing costs of the trust are solely related to the approval and monitoring of the grants.

Financial position

Total funds of the trust at 31 March 2003 amounted to £2,597,207. Of these funds, a total of £750,000 has been designated for the long term aftercare of the Rainham Landfill Site after Cleanaway Limited have completed their statutory obligations. In this context, the Cleanaway Havering Riverside Maintenance Trust is being incorporated specifically for this purpose after 31 March 2003. The remaining reserves are held in the general fund which totalled £1,847,207 at 31 March 2003.

Risk management

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific operational areas of the trust and its finances. The trustees believe that by monitoring reserve levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by the trust, they have established effective systems to mitigate those risks.

Trustees' responsibilities statement

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the trust's financial activities during the year and of its financial position at the end of the year. In preparing accounts giving a true and fair view, the trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;

Trustees' report Year to 31 March 2003

Trustees' responsibilities statement (continued)

- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the trust will continue in operation.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy the financial position of the trust and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Trustees

The trustees constitute directors of the company for the purposes of the Companies Act 1985 and trustees of the charity for the purposes of charity legislation. The following trustees were in office at 31 March 2003 and served throughout the year except where shown:

Trustees	Authorised representative	Appointed/retired
Cleanaway Limited	Douglas Benjafield (Chair)	
London Borough of Havering	Ray Emmett (Deputy Chair)	Retired 20 June 2002
	Barbara Reith (Deputy Chair)	Appointed 20 June 2002
The Environment Agency	Simon Read	Retired 7 August 2002
	David Wardle	Appointed 7 August 2002
Essex Wildlife Trust	John Hall	
The Port of London Authority	Geoffrey Ennals	Retired 30 April 2002
	David Cartlidge	Appointed 1 May 2002
Reginald Warner		

No trustees received any remuneration or reimbursed expenses from the trust.

Due to the nature of the trust's operations and the composition of the board of trustees (being drawn from local and national public and private sector organisations) it is inevitable that transactions will take place with organisations in which a trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's normal project approval procedures. For approved projects the authorised representative declares their interest prior to the trust decision being taken.

Auditors

The auditors, Buzzacott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the trustees:


Douglas Benjafield (Chair)

Approved by the trustees on:

4th September 2003

Report of the independent auditors to the trustees of The Cleanaway Havering Riverside Trust

We have audited the accounts on pages 8 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and independent auditors

As described on pages 4 and 5 the trustees, who are also the directors of the trust for the purposes of company law, are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the trustees' report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read all other information in the trustees' report and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

Basis of opinion

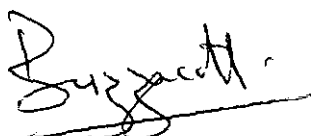
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Independent auditors' report 31 March 2003

Opinion

In our opinion the accounts give a true and fair view of the charity's state of affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Buzzacott
Chartered Accountants and Registered Auditors
12 New Fetter Lane
London
EC4A 1AG

5 September 2003

Statement of financial activities Year to 31 March 2003

		Unrestricted funds	
	Notes	2003 £	2002 £
Income and expenditure			
Incoming resources			
Contribution from Cleanaway Limited		1,471,667	2,904,844
Interest receivable		199,382	196,170
Total incoming resources		1,671,049	3,101,014
Resources expended			
Charitable expenditure			
. Costs incurred in furtherance of the charity's objects	1	1,834,084	2,241,603
. Management and administration of the charity	3	87,990	73,267
Total resources expended		1,922,074	2,314,870
Net (outgoing) incoming resources for the year	4	(251,025)	786,144
Balances brought forward			
at 1 April 2002		2,848,232	2,062,088
Balances carried forward			
at 31 March 2003		2,597,207	2,848,232

There is no difference between the net (outgoing) incoming resources for the year stated above, and the historical cost equivalent.

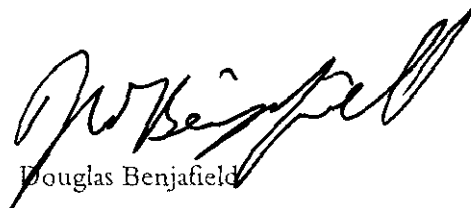
All of the trust's activities derived from continuing operations during the above two financial periods.

The trust has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Balance sheet 31 March 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Tangible fixed assets	7		1,553		3,190
Current assets					
Debtors	8	75,272		39,638	
Cash at bank and in hand		4,780,486		5,657,396	
		<u>4,855,758</u>		<u>5,697,034</u>	
Creditors: amounts falling due within one year	9	<u>1,966,604</u>		<u>2,711,650</u>	
Net current assets			<u>2,889,154</u>		<u>2,985,384</u>
			<u>2,890,707</u>		<u>2,988,574</u>
Creditors: amounts falling due after more than one year	10		293,500		140,342
Total net assets			<u>2,597,207</u>		<u>2,848,232</u>
Represented by:					
Funds and reserves					
Unrestricted funds					
. Designated funds	11		750,000		750,000
. General fund			<u>1,847,207</u>		<u>2,098,232</u>
			<u>2,597,207</u>		<u>2,848,232</u>

Approved by the trustees
and signed on their behalf by:


Douglas Benjafield

Chair

Approved on: 4th September 2003

Cash flow statement Year to 31 March 2003

	Notes	2003 £	2002 £
Net cash (outflow) inflow from operating activities	A	(1,043,008)	874,699
Returns on investments and servicing of finance	B	166,383	180,673
Capital expenditure and financial investment	B	(285)	—
(Decrease) increase in cash	C	(876,910)	1,055,372

Notes to the cash flow statement for the year to 31 March 2003

A Adjustment of net (outgoing) incoming resources for the year to net cash inflow from operating activities

	2003 £	2002 £
Net (outgoing) incoming resources for the year	(251,025)	786,144
Depreciation charge	1,922	3,212
Interest receivable	(199,382)	(196,170)
(Increase) decrease in debtors	(2,635)	8,076
(Decrease) increase in creditors	(591,888)	273,437
Net cash (outflow) inflow from operating activities	(1,043,008)	874,699

B Gross cash flows

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	166,383	180,673
Capital expenditure and financial investment		
Purchase of fixed assets	(285)	—

C Analysis of changes in net funds

	At 1 April 2002 £	Cash flows £	At 31 March 2003 £
Cash in hand and at bank	5,657,396	(876,910)	4,780,486

Principal accounting policies 31 March 2003

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 1985. Applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) have been followed in these accounts.

Income

Contributions from Cleanaway Limited are credited to the statement of financial activities in the year of receipt.

Interest is credited to the statement of financial activities on a receivable basis.

Expenditure

Resources expended comprise the following:

- a. The costs of activities in furtherance of the charity's objects comprise expenditure on the charity's primary charitable purposes as described in the trustees' report. Such costs include:
 - Project expenditure – grants for projects are included within the accounts following approval of the project by ENTRUST and notification being given to the recipient of the grant.
 - Other direct expenses incurred on the specific objects of the trust.
- b. Management and administration comprises the costs incurred which are directly attributable to the management of the charity's assets, organisational procedures and the necessary legal procedures for compliance with statutory requirements.

Tangible fixed assets

All assets costing more than £250 and with an expected useful life exceeding one year are capitalised. The cost of fixed assets is shared between the trust and the Cleanaway Pitsea Marshes Trust.

Depreciation is provided on cost at the following annual rates in order to write off each asset over its estimated useful life:

- ♦ Office equipment - 33.33%
- ♦ Furniture and fittings - 20%

Principal accounting policies 31 March 2003

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term.

Fund accounting

The general fund comprises those monies which may be used towards meeting the charitable objectives of the trust at the discretion of the trustees.

The designated funds are monies set aside out of general funds and designated for specific purposes by the trustees.

Notes to the accounts 31 March 2003

1 Costs incurred in furtherance of the charity's objects

	2003 £	2002 £
Grants for projects (note 2)	1,716,253	2,100,490
ENTRUST levy	29,433	58,097
Annual review costs	40,935	22,558
PR fees	12,275	28,143
Staff costs	29,172	25,949
Insurance	4,699	2,514
Plaques	1,317	3,852
	1,834,084	2,241,603

2 Grants for projects

	2003 £	2002 £
All Saint's Church Cranham – Village Sign	—	2,306
All Saint's Squirrels Heath – Refurbishment	45,000	—
Bedford's Park – Visitor Centre	143,285	368,503
Bower Park School – Environmental Improvements	28,404	—
Brenda Blakemore Community Centre	—	52,305
Brookway Children's Play Area	(3,784)	—
Chafford School - Grounds	—	1,603
Clockhouse Bowls – Security	20,445	—
Creeside Path Extension	—	75,000
Crow Lane Environmental Project	—	—
– Phase 1	—	6,740
– Phase 2	34,075	—
CURE – Restoration of Parklands Bridge	—	18,000
Dagnam Park Moat	—	3,442
Elm Park Bowls Club	107	8,678
Elm Park Community Association Hall – Refurbishment	20,102	—
Front Lane Community Association	681	7,642
Global Action Plan – Action in Schools	(57,064)	126,900
Harold Court Primary School – Wildlife Garden	18,000	—
Harold Hill & District Community Association	1	26,436
Harold Hill – Environmental Improvements	—	104,979
Harold Hill Library – Recycled Materials Mosaic	407	—
Harold Lodge Park – Footpath	—	5,600
Havering Asian Social and Welfare Association	58,523	—
Carried forward	308,182	808,134

Notes to the accounts 31 March 2003

2 Grants for projects (continued)

	2003 £	2002 £
Brought forward	308,182	808,134
Havering Volunteer Police Cadets		
– Summer 2001 Project	—	11,051
– Summer 2002 Project	13,024	—
Heart of Thames Gateway - Environmental Improvements	—	140,600
Holy Cross Hornchurch	—	3,000
Hornchurch Cricket Club	—	13,056
Ingrebourne (Rainham Village) & Recreation Ground	122,332	—
Ingrebourne Valley Enhancements	—	18,000
Ingrebourne Valley Enhancements – Programme Project Officer	100,000	—
Kerbside Recycling	434,007	318,449
La Salette Church	4,774	144,840
Mardyke Games Area	—	1,200
Mardyke Nursery Project	195,000	—
Page's and Mount Pleasant Farms - Woodland	(15,393)	—
Planet Havering		
- 2001	—	(1,585)
- 2002	(1,259)	26,000
Rainham Bowls Club - Grounds	896	(882)
Rainham Church	(11,168)	14,000
Rainham Marshes	203,500	45,000
Rainham to Purfleet Path	220,000	—
Ravensbourne School – New Facilities	142,380	—
Recycling Officer & Publicity Budget	(158,336)	217,834
ROYALS – Youth Worker	60,000	—
Rush Green Community Association	—	23,313
Second Chance Theatre	15	6,500
Silt Project - First Phase	(176,198)	—
South Hornchurch and Airfield Community Association		
- First Phase	—	299
- Second Phase	1	26,912
St Andrew's Church Hornchurch	59	574
St Andrew's Church Romford – Repairs	29,375	—
St Augustine's Church Hall	—	25,694
St Augustine's - Fencing	1,814	—
Carried forward	1,473,005	1,841,989

Notes to the accounts 31 March 2003

2 Grants for projects (continued)

	2003 £	2002 £
Brought forward	1,473,005	1,841,989
St Edward's Church Romford	—	21,802
St Edward's Church Romford – Disabled Access	9,621	—
St John's Hornchurch		
– Phase 1	—	72,286
– Phase 2	72,000	—
St Laurence Church Upminster	70,000	—
St Luke's Church, Cranham – Redevelopment	—	118,547
St Mary Magdelene South Ockenden	—	14,250
Thames Chase - Berwick Woods Project	—	20,116
Trinity Methodist Church – Disabled Access	19,881	—
Upminster Baptist Church	—	3,000
1 st Upminster Scout Hall – Repairs	20,780	—
Victoria Hall Romford – Refurbishment	50,966	—
Wennington Church – Second Phase	—	8,500
	1,716,253	2,100,490

3 Management and administration of the charity

	2003 £	2002 £
Fees for administrative support	35,432	34,800
Legal professional fees	7,955	118
Office costs	8,053	4,489
Staff costs	12,110	7,571
Rent, rates and service charge	8,244	6,499
Audit and accountancy	8,283	7,431
Depreciation	1,922	3,212
Bank charges	248	378
Travel	1,050	2,276
Miscellaneous costs	4,693	6,493
	87,990	73,267

Notes to the accounts 31 March 2003

4 Net (outgoing) incoming resources for the year

This is stated after charging:

	2003 £	2002 £
Staff costs (note 5)	41,282	33,520
Depreciation	1,922	3,212
Operating lease charges – land and buildings	8,244	6,499
Auditors' remuneration (excluding VAT)	6,200	6,100

5 Staff costs and trustees' remuneration

	2003 £	2002 £
Wages and salaries	31,264	28,881
Social security costs	2,315	2,171
Other pensions' costs	7,703	2,468
	41,282	33,520

An average of one employee, calculated on a full time equivalent basis, worked for the charity during the year (2002 – one).

No employee earned £50,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year.

No trustee received any remuneration in respect of their services as a trustee during the year or received reimbursement of any expenses.

6 Taxation

The trust is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as they fall within the various exemptions available to registered charities.

Notes to the accounts 31 March 2003

7 Tangible fixed assets

	Office equipment £	Furniture and fittings £	Total £
Cost			
At 1 April 2002	6,231	5,677	11,908
Additions	285	—	285
At 31 March 2003	6,516	5,677	12,193
Depreciation			
At 1 April 2002	5,539	3,179	8,718
Charge for the year	787	1,135	1,922
At 31 March 2003	6,326	4,314	10,640
Net book value			
At 31 March 2003	190	1,363	1,553
At 31 March 2002	692	2,498	3,190

8 Debtors

	2003 £	2002 £
Accrued interest	70,341	37,342
Sundry debtors	4,931	2,296
	75,272	39,638

9 Creditors: amounts falling due within one year

	2003 £	2002 £
Project creditors	1,955,208	2,685,404
Accruals	11,396	26,246
	1,966,604	2,711,650

10 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Project creditors	293,500	140,342

Notes to the accounts 31 March 2003

11 Designated funds

	Mainten- ance fund £
At 1 April 2002 and 31 March 2003	750,000

The trustees have set aside the above designated fund out of the unrestricted funds of the charity as a contribution towards the maintenance of the Rainham landfill site, once Cleanaway Limited have fulfilled their obligations. This is currently estimated to be no sooner than fourteen years time, and a separate trust, The Cleanaway Havering Riverside Maintenance Trust, will be established shortly with the responsibility for funding the long-term maintenance of the site as a public open space.

12 Lease commitments

At 31 March 2003, the trust had annual commitments under operating leases, as set out below:

	Land and buildings	
	2003	2002
	£	£
Operating leases which expire:		
Within one year	—	7,290
Two to five years	7,614	—

13 Trustees' indemnity insurance

During the year the trust purchased insurance to protect the trust from loss arising from any wrongful or dishonest act of any trustee or employee and to indemnify the trustees against the consequence of any wrongful act. The total cover provided by such insurance is £1,000,000 and the total premium paid by the trust in respect of such insurance was £1,549 (2002 - £1,155).

14 Liability of members

The trust is constituted as a company limited by guarantee. In the event of the trust being wound up members are required to contribute an amount not exceeding £1.

15 Cleanaway Limited

Cleanaway Limited, the landfill site operator, also funds two further entities which operate from the same premises as The Cleanaway Havering Riverside Trust: The Cleanaway Pitsea Marshes Trust, a company limited by guarantee (registration number 3970281) and registered charity (registration number 1084804); and The Cleanaway Pitsea Marshes Maintenance Trust, a company limited by guarantee (registration number 3949296) and registered charity (registration number 1095470).

16 Pension commitments

The trust participates in The Pensions Trust SCVO Final Salary Pension Scheme (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The last formal valuation of the Scheme was performed at 30 September 1999 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the valuation date was £8.7 million.

During the accounting period the trust paid contributions at the rate of 9.9%. Member contributions varied between 4.0% and 5.0%.

It is not possible to identify the share of underlying assets and liabilities belonging to individual participating employers.

Due to the nature of the Scheme, the profit and loss account charge for period under both SSAP24 and FRS 17 represents the employer contribution payable.

Financial assumptions

The financial assumptions underlying the valuation were as follows:

	% pa
Investment return on future contributions	6.6
Investment return on accumulated assets	5.1
Inflation rate	2.5
Rate of salary increases	4.5
Rate of pension increases	2.5

The accumulated assets of the Scheme were assumed to earn the same rate as if they had been invested in a portfolio comprising 100% UK equities for non-pensioner liabilities and 50% UK equities/50% index-linked gilts for pensioner liabilities.

The valuation revealed a shortfall of assets compared with the value of liabilities of some £1.7 million (equivalent to a past service funding level of 84%). The employer's ongoing future service contribution rate, after allowing for changes in benefits, was assessed as 9.9% of pensionable salaries. In view of the past service shortfall the standard employer contribution rate was set at 12.0% of pensionable salaries with effect from 1 April 2001.

New employers joining the Scheme pay contributions at the ongoing future service contribution rate plus an additional loading if the average age of their members is higher than the average age of the Scheme membership. This rate applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, after which the employer pays the standard contribution rate as per the most recent actuarial valuation.

Notes to the accounts 31 March 2003

16 Pension commitments (continued)

The trust pays contributions at the rate of 9.9%, being the current ongoing contribution rate. The trust does not pay an age loading. This rate will be payable until 31 March 2004 when the trust will pay the ongoing contribution rate per the September 2002 valuation. The trust will pay contributions at the standard contribution rate per the most recent actuarial valuation from 1 October 2005.

Member contributions rates were also increased from 1 April 2001, and now vary between 4.0% and 5.0%. Member contributions will be fixed at 5.0% from 1 April 2004.

On the basis of the valuation assumptions this pattern of contributions will be sufficient to eliminate the past service deficit by 30 September 2011.

The next valuation will be as at 30 September 2002 and the results will be available during September 2003.