

**THE CLEANAWAY HAVERING RIVERSIDE TRUST**  
(A company limited by guarantee)  
**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2006**

Charity number: 1084805  
Registered number: 03617355

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# THE CLEANAWAY HAVERING RIVERSIDE TRUST

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# THE CLEANAWAY HAVERING RIVERSIDE TRUST

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## LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2006

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### Trustees

Cleanaway Limited - authorised representative Douglas Benjafield, Chair

London Borough of Havering - authorised representative Barbara Reith, Vice Chair

The Environment Agency - authorised representative David Wardle

Essex Wildlife Trust - authorised representative Paul Davis

Port of London Authority - authorised representative David Cartlidge

Simon Read - resigned 13th September 2005

Reginald Warner

### Company Registered Number

03617355

### Charity Registered Number

1084805

### Registered Office

Rainham House

Manor Way

Rainham

Essex

RM13 8RH

### Auditors

haysmacintyre

Chartered Accountants

Registered Auditors

Fairfax House

15 Fulwood Place

London

WC1 6AY

### Bankers

The Co-operative Bank plc

6 Olympic Court

Off Montford Street

Salford

M50 2QP

Barclays Private Bank

43 Brook Street

London

W1K 4HJ

### Solicitors

Stone King

28 Ely Place

London

EC1N 6TD

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# THE CLEANAWAY HAVERING RIVERSIDE TRUST

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## TRUSTEES' REPORT For the year ended 31 March 2006

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The Trustees, who are also directors of the Trust for the purposes of the Companies Act, submit their annual report and the financial statements of The Cleanaway Havering Riverside Trust (the Trust) for the year ended 31 March 2006. The Trustees confirm that the annual report and financial statements of the Trust comply with current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

### Method of appointment or election of Trustees

The Trustees are responsible for the management of the Trust, and are elected and co-opted in accordance with the Articles of Association, under which the minimum number of Trustees in office at any given time should be three, being individuals or bodies corporate. In the latter case, the body corporate appoints an authorised representative who sits on the board and is empowered to take decisions on behalf of the body corporate. The board meets four times a year and also holds an Annual General Meeting.

At the Annual General Meeting to be held on 12th October 2006, one-third of the Trustees shall retire by rotation and all retiring Trustees shall be eligible for re-election.

### Constitution, policies and objectives

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12th August 1998.

The principal objectives of the Trust are to provide for the benefit of the public in the London Borough of Havering and adjacent land comprising the Wennington and Aveley Marshes and cover:

- Advancement of education and promotion of study and research for the benefit of the public about the protection of the environment within the area of benefit - in accordance with changes to the statutory scheme, the Trust has been unable to fund future projects under this heading with effect from July 2005;
- Promotion of conservation and protection of the environment within the area of benefit;
- Provision of facilities for recreation or other leisure time occupation in the interests of social welfare for occupants of the area of benefit with the object of improving their condition of life.

In addition and retrospectively as far as the year 2005/06 was concerned, the Trust adopted several specific objectives as under:

- To ensure that, save in exceptional circumstances, applications for funding are brought to the Trust board at the first available meeting after the receipt of the proposals;
- To bring the existence of the Trust and its funding policies to the attention of a larger number of potential project applicants;
- To raise the profile of the Trust within the Havering community in general, with particular reference to sustainability issues;
- To create a new system for the control of all project assets purchased with LTCS funding by the end of the financial year 2005/06, and as a part of that system, to verify that all such assets are properly maintained by the project-holders, as evidenced by both a programme of site visits and written confirmation as appropriate;

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2006

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#### Constitution, policies and objectives (continued)

- To achieve ENTRUST Certification by the end of the financial year 2006/07; and
- To establish a rolling programme of review covering all major services supplied to the Trust, ensuring that each of them is periodically assessed to ensure that the Trust is obtaining best value for money by the end of the financial year 2006/07.

There have been no changes in the objectives since the last annual report.

#### Structure, Governance and Management

On appointment, each Trustee or authorised representative signs a code of conduct and completes a register of interests, which is renewed annually. They are given a copy of the current Annual Review Document, which sets out the Trust's policies and a summary of the financial and statistical information. The Trust Secretary offers to brief them on any aspect of Trust business and they are reminded that they are encouraged to attend appropriate trustees' training at the Trust's expense. The Trust has administrative and financial control procedures in place in order to ensure that its affairs are in good order and the Trust board receives quarterly management accounts. A Trust Secretary, Project Officer and Administrative Officer are in post and the Trust operates from an office in Rainham, Essex. The staff and the office also deal with the work of the Cleanaway Havering Riverside Maintenance Trust, the Cleanaway Pitsea Marshes Trust and the Cleanaway Pitsea Marshes Maintenance Trust.

During the year, Simon Read, who had been the Trustee representative for the Environment Agency from the inception of the Trust and latterly was then co-opted as a Trustee in his own right, stepped down as a member of the board at the conclusion of the September meeting. At that meeting, board members expressed their gratitude to Simon for his years of service to the Trust and in particular for his knowledge and experience of waste related matters, which had been invaluable.

#### Related party relationships

The four Trusts operating from Rainham House, Rainham, as set out in note 17 to the accounts, have separate Trust boards although some Trustees are common to more than one Trust. The Cleanaway Havering Riverside Trust and the Cleanaway Pitsea Marshes Trust share between them the overhead costs of the office in an agreed ratio. Otherwise, there is no other relationship between the Trusts, which operate respectively within the London Borough of Havering and the area covered by the Basildon District Council and Castle Point District Council except that a proportion of the funds held by the Cleanaway Havering Riverside Maintenance Trust were provided by the Cleanaway Havering Riverside 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.

#### Principal achievements of the year

- Increased numbers of projects with enhanced resources
- Holding a very successful Annual Review Event
- Moving offices within Rainham House
- *Meeting targets for changes to records and procedures*

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2006

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#### Principal achievements of the year (continued)

##### *Increased numbers of projects with enhanced resources*

The annual grant from Cleanaway Limited was increased significantly from £465,000 to £832,000, albeit with a part of it being used to fund 3 specific projects, all of which were Category C waste management research projects, with a total value of £150,000. During this year, 19 projects were approved by the Trust and registered with ENTRUST, making a total of 167 to date, not including the afore-mentioned 3 projects. By 31st March 2006, 145 of these projects had been completed, 19 were in progress and 3 had yet to start. This compares with 2005, when 14 projects were approved and registered, 22 were in progress and 6 had yet to start.

Trust projects cover a wide range, including the development and improvement of open spaces and public amenities, various community projects and the renovation of ancient and historic buildings. During the year, ENTRUST announced more restrictions on the funding of school projects within the LTCS. Although ENTRUST finally registered virtually all of the projects submitted, a number of would-be school projects will not now be able to be processed because of this change of practice. Many funded projects are located in the priority area, close to the landfill site.

##### *Holding a very successful Annual Review Event*

The Trust Annual Review Event (ARE) was held again in October and provided the usual showcase for the Trust's activities during the year. The Broadfields Farm Visitor Centre proved a good venue for both the presentations and the subsequent meal. More than 90 persons attended for part or all of the day, including the Members of Parliament for Hornchurch and Romford, James Brokenshire MP and Andrew Rosindell MP respectively. They were joined by 7 Havering councilors and for the first time, the Chairman of ENTRUST, Margaret Robinson. They enjoyed visits to several Trust projects as well as presentations by other project-holders. The cost for the day, including the cost of the Annual Review Document, amounted to a little over £26,000, itself a small increase over the previous year. The local media covered the ARE, including a double-page spread in the Romford Recorder, thus providing the Trust with the greater transparency, visibility and transparency, which are the reasons that the Event is held.

The thanks of the board were again given to the Trust Officers and to the Trust adviser, Ruth Roll, for all their hard work both before and on the day itself.

##### *Moving offices within Rainham House*

The lease for the second floor offices at Rainham House expired during the year and faced with an inevitable rent increase, the Trust Officers looked at other options. Having analysed and investigated several alternatives, the Officers, accompanied by the Trust Chairman, visited and were duly impressed by new, purpose built offices in Marsh Way, a short distance away on the Havering-Dagenham border. Whilst finalising the terms of the resultant licence and having taken appropriate advice from the Trust's property adviser, the owners of Rainham House came up with an improved offer for the renewal of the current lease. Following further discussions, the board endorsed the recommendation to remain at Rainham House, albeit to move to slightly larger and newly redecorated offices on the ground floor. The move was completed in December 2005 and Trust staff have welcomed the improved working conditions.

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2006

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#### Principal achievements of the year (continued)

##### *Meeting targets for changes to records and procedures*

Although the Trust fixed assets are comparatively few and all are fully written down within the balance sheet, the auditors commented upon the absence of a fixed assets register during last year's audit. Accordingly, a register has been created covering all the relevant fixed assets and will be updated as and when new assets are purchased. On a similar matter, ENTRUST issued guidance during the year, reminding all Distributive Environmental Bodies, including the Trust, that they should monitor all assets purchased using LTCS funds, both to confirm their continuing existence and to verify that there has been no change in the underlying project conditions. Following extensive work, a register of all such projects, current and completed, was created, together with a rolling programme of site visits.

##### *Other matters*

The Cleanaway Pitsea Marshes Trust, our sister Trust, amalgamated on 1st April 2005 with the Cleanaway Canvey Marshes Trust and the consequent increase in funding to that enhanced company during the year also led directly to a review of the basis for meeting the overhead costs of Rainham House. Historically, this Trust met two thirds of the relevant costs whilst the sister Trust, the Cleanaway Pitsea Marshes Trust, met one third. Following discussion, both Trusts agreed that the most equitable basis for allocating such overheads was to be in proportion to the funding of the two Trusts. For this year, that resulted in this Trust meeting 60 % of the overheads, a slight decrease over the previous year.

During the year under review, the Trust Secretary, previously the Vice Chairman of the Association of Distributive and Environmental Bodies (ADEB), the body that represents most of the funders of projects under the LTCS, took over as its Chairman. This is an important post, involving regular contact with the LTCS regulator, ENTRUST, and HM Revenue and Customs on behalf of all the ADEB members, looking in particular at changes and improvements to the LTCS. The Trust congratulated him on his election and wished him well in his important work.

#### Plans for 2006 and beyond

Arrangements for the 2006 Annual Review Event on Friday 13th October 2006 are in hand. For the first time, it may be based in the vicinity of the Cleanaway Limited offices at the Rainham landfill site, although as before, outside visits to Trust projects will be arranged.

Turning to the Trust's objectives for 2006, the aim to be EB Certified by the end of 2006/07 should be achieved, with ENTRUST having been advised at the end of this year that the Trust is ready for inspection, the necessary first stage for EB Certification. This is an important form of quality control and, when widely adopted, will further strengthen the LTCS.

Reviews of all major areas of Trust spending in the interests of achieving continuing best value for money will be submitted to meetings of the Trust during this financial year.

The Trust will seek to fund more projects within the community, with particular reference to the priority area adjacent to the Rainham landfill site. In particular, the Trust will seek to continue to commit all the funds it receives from Cleanaway Limited, whilst continuing to look, where possible, for a contribution to new projects from the applicants themselves. The announcement within the 2006 Budget Statement of a further £10 million funding under the Landfill Tax Credit Scheme was excellent news. With that announcement came the Chancellor's wish for part of that increase to be supporting new projects involving youth volunteering and, whilst we await the details of the Government's proposals, the Trust intends to play its full part in funding such projects, side-by-side with our more traditional types of project.

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2006

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#### 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. The ongoing costs of the Trust are solely related to the approval and monitoring of the grants and therefore there is little need to maintain a significant reserves provision.

#### Investment policy and performance

Under the Memorandum and Articles of Association, the Charity has the power to deposit or invest funds in any manner (but to invest only after obtaining advice from a financial expert and having regard to the suitability of investments and the need for diversification). At the present time the Trustees' policy is to maintain such monies on deposits earning a market rate of interest.

#### Risk management

The Trustees have recently re-assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems are in place to mitigate our exposure to the major risks.

#### Grant making policies

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

#### Trustees' liability

The Trustees of the Trust guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

#### 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 credit scheme. ENTRUST charges a levy of 2% of the Trust's landfill tax related receipts from Cleanaway Limited, the landfill site operator.

#### Statement as to disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Trust's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.



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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### TRUSTEES' REPORT (continued) For the year ended 31 March 2006

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#### Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice applicable to charities.

Company and charity law applicable to charities in England/Wales 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 Trust and of the surplus or deficit of the Trust for that period. In preparing those financial statements the Trustees have:

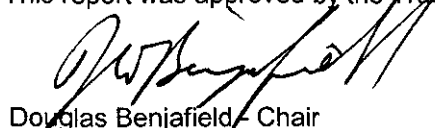
- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Trust will continue in operation).

The Trustees have overall responsibility for ensuring that the Trust has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements 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 detection and prevention of fraud and other irregularities.

#### Auditors

The auditors, Trustient, have merged with haysmacintyre and are willing to be reappointed in accordance with Section 385 of the Companies Act 1985 under the name of haysmacintyre. A resolution proposing that haysmacintyre be re-appointed as auditors of the Trust will be put to the Annual General Meeting.

This report was approved by the Trustees on 12 October 2006 and signed on its behalf, by:



Douglas Benjafield - Chair

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CLEANAWAY HAVERING RIVERSIDE TRUST

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We have audited the financial statements of The Cleanaway Havering Riverside Trust for the year ended 31 March 2006 set out on pages 10 to 22. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice: 'Accounting by Charities' and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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 opinion we have formed.

#### RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities the Charity's Trustees (who also act as Company Directors of Cleanaway Havering Riverside Trust) are responsible for the preparation of the the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice applicable to charities).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements 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 financial statements, if the Trust 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 Trust is not disclosed.

#### BASIS OF AUDIT OPINION

*We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.*

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements 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 financial statements.

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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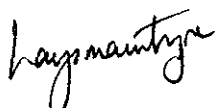
### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CLEANAWAY HAVERING RIVERSIDE TRUST

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#### OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Applicable to charities, of the state of the Trust's affairs as at 31 March 2006 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 the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.



**haysmacintyre**  
Chartered Accountants  
Registered Auditors  
Fairfax House  
15 Fulwood Place  
London  
WC1 6AY

Date: 12 October 2006.

# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2006

	Note	Restricted Funds 2006 £	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	26,010	806,029	832,039	465,276
Investment income	3	-	112,932	112,932	114,083
<b>TOTAL INCOMING RESOURCES</b>		<b>26,010</b>	<b>918,961</b>	<b>944,971</b>	<b>579,359</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities - Environmental Project Work	4	26,010	580,446	606,456	752,859
Governance costs	8	-	11,488	11,488	9,328
<b>TOTAL RESOURCES EXPENDED</b>		<b>26,010</b>	<b>591,934</b>	<b>617,944</b>	<b>762,187</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>327,027</b>	<b>327,027</b>	<b>(182,828)</b>
<b>TOTAL FUNDS AT 1 APRIL 2005</b>		<b>-</b>	<b>1,079,973</b>	<b>1,079,973</b>	<b>1,262,801</b>
<b>TOTAL FUNDS AT 31 MARCH 2006</b>		<b>£ -</b>	<b>£ 1,407,000</b>	<b>£ 1,407,000</b>	<b>£ 1,079,973</b>

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

The notes on pages 12 to 22 form part of these financial statements.

# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## BALANCE SHEET As at 31 March 2006

	Note	£	2006 £	£	2005 £
Tangible fixed assets	11		-		-
<b>CURRENT ASSETS</b>					
Debtors	12	91,322		94,288	
Cash at bank		2,014,047		2,348,649	
		<u>2,105,369</u>		<u>2,442,937</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(656,909)		(1,266,137)	
			<u>1,448,460</u>		<u>1,176,800</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,448,460</u>		<u>1,176,800</u>
<b>CREDITORS:</b> amounts falling due after more than one year	14		(41,460)		(96,827)
<b>NET ASSETS</b>	16		<u>£ 1,407,000</u>		<u>£ 1,079,973</u>
<b>CHARITY FUNDS</b>					
Unrestricted - General Funds	15		<u>1,407,000</u>		<u>1,079,973</u>
			<u>£ 1,407,000</u>		<u>£ 1,079,973</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The financial statements were approved by the Trustees on 12 October 2006 and signed on their behalf, by:

  
Douglas Benjafield - Chair

The notes on pages 12 to 22 form part of these financial statements.

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# THE CLEANAWAY HAVERING RIVERSIDE TRUST

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

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### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, applicable accounting standards and the Companies Act 1985.

#### 1.2 Company status

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

#### 1.3 Fund accounting

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

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

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

#### 1.4 Incoming resources

Contributions from Cleanaway Limited are credited to the Statement of Financial Activities when the Trust is legally entitled to the receipt. Interest is credited to the Statement of Financial Activities on a receivable basis.

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overhead and other salaries are allocated between the expense headings on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and are allocated on the basis of staff costs.

Governance costs are those costs incurred in connection with enabling the Trust to comply with external regulation, constitutional and statutory requirements and in providing support to the Trustees in the discharge of their statutory duties.

Grants payable are included within the accounts following registration with ENTRUST and notification being given to the recipient of the grant.

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# THE CLEANAWAY HAVERING RIVERSIDE TRUST

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

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### 1. ACCOUNTING POLICIES (continued)

#### 1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2005).

#### 1.7 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and Fittings	-	20%	straight line
Office Equipment	-	33%	straight line

#### 1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

#### 1.9 Pensions

The Trust operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2002. 40% of all costs are recharged to the Cleanaway Pitsea Marshes Trust, including the relevant proportions of the defined benefits scheme.

#### 1.10 VAT

The Trust is not registered for VAT and its expenses are therefore inflated by VAT which cannot be recovered.

### 2. VOLUNTARY INCOME

	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Contributions from Cleanaway Limited	£ 806,029	£ 832,039	£ 465,276

### 3. INVESTMENT INCOME

	Total Funds 2006 £	Total Funds 2005 £
Interest receivable	112,932	114,083
Total	£ 112,932	£ 114,083

# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

### 4. RESOURCES EXPENDED

	Activities Undertaken Directly 2006 £	Grant Funding of Activities 2006 £	Support Costs 2006 £	Total 2006 £	Total 2005 £
Charitable support	104,589	469,762	32,105	606,456	752,859
Governance costs	5,825	-	5,663	11,488	9,328
Total	<u>£ 110,414</u>	<u>£ 469,762</u>	<u>£ 37,768</u>	<u>£ 617,944</u>	<u>£ 762,187</u>

### 5. ACTIVITIES UNDERTAKEN DIRECTLY

	2006 £	2005 £
Annual review costs	26,120	24,511
P R fees	9,026	7,577
Staff costs	29,374	30,952
Plaques	1,702	3,621
ENTRUST Levy	16,641	9,305
Fees for administrative support	21,726	18,467
Total	<u>£ 104,589</u>	<u>£ 94,433</u>

### 6. SUPPORT COSTS

	Charitable activities £	Governance costs £	2006 £	2005 £
Property rent	6,967	1,229	8,196	8,501
Fee for administrative support	9,234	1,629	10,863	9,233
Sundry expenses	1,051	185	1,236	1,651
Depreciation - tangible fixed assets	-	-	-	323
Legal and professional fees	2,257	398	2,655	517
Office costs	3,706	654	4,360	3,600
Travel	715	126	841	861
Insurance	482	85	567	550
Bank charges	85	15	100	69
Staff costs	7,608	1,342	8,950	9,900
Total	<u>£ 32,105</u>	<u>£ 5,663</u>	<u>£ 37,768</u>	<u>£ 35,205</u>



# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

### 7. GRANTS PAYABLE - INSTITUTIONAL

	Total Funds 2006 £	Total Funds 2005 £
Age Concern - Improvements to HOPWA House	-	35,250
All Saint's Church - Organ replacement	5,000	-
Bower Park School - Ground development	26,500	-
Church of the Good Shepherd	25,000	-
Clockhouse Bowls Club - Security	-	(3,617)
Coldharbour Lane to Rainham Path	-	220,000
Collier Row Methodist Church - Premises upgrade	-	20,000
Cottons Park - Pavilion refurbishment	(28,427)	28,427
Cranham & Hacton Lane play sites	30,000	-
Cranham Community Association - Extension of centre	31,554	-
Creekside Park extension	-	(30,000)
Elm Park Bowls Club - New green & surrounds	-	15,000
Frances Bardsley School - Visual arts centre	35,000	-
Gidea Park Primary School - Playground & nature trail	16,666	-
Groundwork Trust re leaflets & signposting at landfill site	10,000	-
Havering Asian Social and Welfare Association - Kitchen refurbishment	1,318	-
Heaton Way United Reformed Church - Hall improvements	(6)	-
Hornchurch, Elm Park & District Boxing Club	10,000	-
Inglebourne Valley Greenway	(56,100)	-
INKPEN - Managing waste resources	5,500	-
Kerbside Recycling - Final report	(7)	5,000
Mardyke Shopping Parade	-	30,000
Planet Havering - 2005	-	27,000
Planet Havering - 2006	28,500	-
Rainham Bowls Club - Roof refurbishment	3,192	-
Rainham Church - Renewal of heating	24,000	-
Rainham Marshes Nature Reserve - Fourth Phase	(73)	60,000
Rainham Marshes Nature Reserve - Fifth Phase	60,000	-
Ravensbourne School - New facilities	(46,838)	-
Riverside Path - Access road	-	(1,320)
Romford Community Church - Development of Rise Park Chapel	40,000	-
Rush Green Community Association	-	8,000
Scout Guide Association - Upgrading of Scott Lodge	-	10,000
Second Chance Theatre - This is your place	5,000	-
St Andrew's Church Romford - Restoration work	-	20,000
St Andrew's Church Romford - Third Phase	4,000	-
St Edward's C of E School - Drama suite	25,000	-
St Michael and All Angels Church - Church halls	16,000	-
St Nicholas Church, Elm Park	15,000	-
St Thomas Church - Noak Hill	-	15,000
Subbers Adventure Centre	37,428	-
1st Upminster Scout Hall - Repairs	-	(3,233)
Subtotal carried forward to page 16	<u>323,207</u>	<u>455,507</u>

# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

### GRANTS PAYABLE - INSTITUTIONAL

Brought forward	323,207	455,507
Upminster Cricket Club - Cricket nets and cages	-	3,457
Wennington Village improvements	(3,445)	-
Whybridge Parents Association - Hall refurbishment	-	23,775
University of Southampton - landfill research	30,000	-
London Waste Action - Funding of consultation process	100,000	-
New Energy Trust - Research into waste treatment methods	20,000	-
Grant to the Cleanaway Havering Riverside Maintenance Trust	-	145,000
Total	£ 469,762	£ 627,739

Grants shown as negative figures above are where the grant awarded has not been fully taken up by the recipient. The amount unclaimed has therefore been put back into general funds.

All grants have been made to support local community projects in accordance with the charity's objectives.

### 8. GOVERNANCE COSTS

	Total Funds 2006 £	Total Funds 2005 £
Allocation of support costs	5,663	4,518
Auditors' remuneration	4,817	4,406
Trustees' indemnity insurance	1,008	404
Total	£ 11,488	£ 9,328

### 9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2006 £	2005 £
Depreciation of tangible fixed assets:		
- owned by the charity	-	323
Auditors' remuneration	4,817	4,406
Auditors' remuneration - non audit	212	517
Pension costs	3,650	3,548

During the year, no Trustees received any remuneration (2005 - £NIL).

During the year, no Trustees received any benefits in kind (2005 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2005 - £NIL).

# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

### 10. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2006 £	2005 £
Wages and salaries	32,077	34,525
Social security costs	2,597	2,779
Pension costs	3,650	3,548
	<u>£ 38,324</u>	<u>£ 40,852</u>

The average full-time equivalent number of employees during the year was as follows:

	2006 No.	2005 No.
Charitable activities	<u>1</u>	<u>1</u>

No employee received remuneration amounting to more than £60,000 in either year.

### 11. TANGIBLE FIXED ASSETS

	Office equipment £	Furniture and fittings £	Total £
<b>Cost</b>			
At 1 April 2005 and 31 March 2006	<u>6,516</u>	<u>5,677</u>	<u>12,193</u>
<b>Depreciation</b>			
At 1 April 2005 and 31 March 2006	<u>6,516</u>	<u>5,677</u>	<u>12,193</u>
<b>Net book value</b>			
At 31 March 2006	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
At 31 March 2005	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

### 12. DEBTORS

	2006 £	2005 £
<b>Due within one year</b>		
Accrued interest	91,322	94,217
Prepayments	-	71
	<u>£ 91,322</u>	<u>£ 94,288</u>

### 13. CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Other creditors	651,881	1,261,711
Accruals	5,028	4,426
	<u>£ 656,909</u>	<u>£ 1,266,137</u>

### 14. CREDITORS: Amounts falling due after more than one year

	2006 £	2005 £
Other creditors	<u>£ 41,460</u>	<u>£ 96,827</u>

### 15. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>				
General Funds	<u>1,079,973</u>	<u>918,961</u>	<u>591,934</u>	<u>1,407,000</u>

# THE CLEANAWAY HAVERING RIVERSIDE TRUST

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

### RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
Cleanaway specific projects	-	26,010	26,010	-
Total of Funds	£ 1,079,973	£ 944,971	£ 617,944	£ 1,407,000

The Trust's Inkpen Project and the New Energy Trust Project were carried out from funds provided by Cleanaway Limited specifically to fund these projects.

### 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds 2006 £	Total Funds 2006 £	Total Funds 2005 £
Current assets	2,105,369	2,105,369	2,442,937
Creditors due within one year	(656,909)	(656,909)	(1,266,137)
Creditors due in more than one year	(41,460)	(41,460)	(96,827)
Total	£ 1,407,000	£ 1,407,000	£ 1,079,973

### 17. PENSION COMMITMENTS

The Cleanaway Havering Riverside Trust participates in the SCVO Pension Scheme.

The SCVO Pension Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period The Cleanaway Havering Riverside Trust paid contributions at the rate of 9.9% for the period to 30 September 2005 and 12.0% thereafter. Member contributions were 6.0%.

As at the balance sheet date there were 2 active members of the Scheme employed by The Cleanaway Havering Riverside Trust, which continues to offer membership of the Scheme to its employees.

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

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#### PENSION COMMITMENTS (CONTINUED)

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2002 by a professionally qualified actuary using the "projected unit credit" method.

The financial assumptions underlying the valuation as at 30 September 2002 were as follows:

	% pa
- Investment return on future contributions	6.6
- Investment return on accumulated assets	7.2
- Rate of salary increases	4.5
- Rate of pension increases	2.5
- Rate of price inflation	2.5

The market value of the Scheme's assets at the valuation date was £12.8 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £2.2 million (equivalent to a past service funding level of 85%).

The ongoing future service joint contribution rate (i.e. employer and employee contributions) was assessed as 15.9% of pensionable salaries.

In view of the past service shortfall it was agreed that employers would continue to pay contributions at the rate of 12.0% of pensionable salaries and that member contributions would be increased to 6.0% with effect from 1 April 2004.

New employers joining the Scheme pay contributions at the ongoing employer future service contribution rate. 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.

New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading 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, or such earlier date as agreed between the SCVO Pensions Committee and the Scheme Actuary.

Employers that have closed the Scheme to new entrants are required to pay an additional contribution loading to reflect the higher costs of a closed arrangement. This loading is based on actuarial advice and is subject to change from time to time. The loading is currently 3.5%.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an on-going funding basis, by 30 September 2012.

The Scheme Actuary is currently carrying out an actuarial valuation of the Scheme as at 30 September 2005. The results of this valuation will be available by September 2006.

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

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#### PENSION COMMITMENTS (CONTINUED)

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The next valuation will be as at 30 September 2005.

#### 18. OPERATING LEASE COMMITMENTS

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

	2006 £	2005 £
<b>Expiry date:</b>		
Within 1 year	-	8,524
After more than 5 years	7,034	-
	<u>7,034</u>	<u>-</u>

#### 19. RELATED PARTY TRANSACTIONS

Cleanaway Limited, the landfill site operator, also funds three 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); The Cleanaway Pitsea Marshes Maintenance Trust, a company limited by guarantee (registration number 3949296) and registered charity (registration number 1095470); and The Cleanaway Havering Riverside Maintenance Trust, a company limited by guarantee (registration number 4820740) and registered charity (registration number 1101415). The staff and the office also deal with the affairs of all four charities. The Cleanaway Havering Riverside Trust and the Cleanaway Pitsea Marshes Trust share between them the overhead costs of the office in an agreed ratio. Mr Robin Squire, the Trust Secretary, who earned fees in the year in both The Cleanaway Havering Riverside Trust and The Cleanaway Pitsea Marshes Trust of £32,588 and £24,899 respectively, is a Trustee of both The Cleanaway Havering Riverside Maintenance Trust and The Cleanaway Pitsea Marshes Maintenance Trust. There are no other transactions between the companies.

#### 20. 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.

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## THE CLEANAWAY HAVERING RIVERSIDE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2006

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#### 21. 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 £1,008 (2005: £404).