

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

Charity No: 1084805
Company No: 03617355

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THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST
FOR THE YEAR ENDED 31 MARCH 2007

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THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2007

Trustees

Veolia ES Limited - authorised representative Douglas Benjafield, Chairman

London Borough of Havering - authorised representative Barbara Matthews (formerly Reith), Vice Chairman - resigned 1st February 2007

London Borough of Havering - authorised representative Stephen Whittaker, Vice Chairman – appointed 1st February 2007

The Environment Agency - authorised representative David Wardle

Essex Wildlife Trust - authorised representative Paul Davis

Port of London Authority - authorised representative David Cartridge

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

Head Office, PO Box 101,

1 Balloon Street,

Manchester M60 4EP

Barclays Private Bank

1 Churchill Place,

Canary Wharf,

London E14 5HP

Solicitors

Stone King

28 Ely Place

London EC1N 6TD

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2007

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 Veolia ES Cleanaway Havering Riverside Trust (formerly the Cleanaway Havering Riverside Trust and hereinafter referred to as the Trust) for the year ended 31st March 2007. 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 11th October 2007, 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 12 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 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 the occupants of the area of benefit with the object of improving their condition of life.

In addition as far as the year 2006/07 is 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 verify that the assets within all Trust projects are properly maintained, both by actual site visits and by written confirmation from project holders
- 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.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

There have been no changes in the strategic 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 reviewed annually. He or she is 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 deals also with the work of the Veolia ES Cleanaway Havering Riverside Maintenance Trust (VESCHRMT), the Veolia ES Cleanaway Pitsea Marshes Trust (VESCMT) and the Veolia ES Cleanaway Pitsea Marshes Maintenance Trust (VESCMMT).

During the year, Councillor Barbara Matthews, formerly Barbara Reith, who had been the authorised representative for the London Borough of Havering for several years, stepped down as a member of the board because of her increased commitments. The board congratulated Mrs Matthews upon her recent marriage, wished her well and thanked her for her contribution to the work of the Trust. The local authority has appointed Councillor Stephen Whittaker as its authorised representative and he was welcomed to his first Trust meeting in March 2007.

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. This Trust and the VESCMT share between them the overhead costs of the office in an agreed ratio. Otherwise, there is no relationship between the Trusts, which operate respectively within the London Borough of Havering and the area covered by the Basildon District Council and the Castle Point Borough Council, except that a proportion of the funds held by the VESCHRMT was provided by this 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, private and voluntary sector organisations), it is inevitable that transactions will take place with organisations in which a Trustee or authorised representative 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 or Trustee declares his or her interest prior to the Trust decision being taken. Where the interest is a pecuniary one of significance, he or she will take no part in the decision on the project under discussion and indeed will only remain in the room with the agreement of the other board members.

Principal achievements of the year

Holding a very successful Annual Review Event

Changing our name and securing the continuation of Trust funding, following the sale of Cleanaway Limited to Veolia Environmental Services

Reaching the £10 million milestone in project commitments

Producing a Financial Procedures Manual

Holding a very successful Annual Review Event

The Trust Annual Review Event (ARE), our showcase for the Trust's activities, was once again held in October. We returned to the Stubbers Adventure Centre in Upminster, where over 80 people, including the Hornchurch MP, James Brokenshire, and the Deputy Leader of Council, Councillor Stephen Kelly, enjoyed an excellent day. Apart from the usually varied projects that were visited, there was particular praise for the quality of the food served on the day. The local newspaper covered the ARE over a large page in the following week's edition, thus meeting the prime aim of greater visibility and transparency for the Trust's activities within the local community. The cost for the day, including the cost of the Annual Review Document (ARD), totalled just over £31,500, an increase of £5,000 over the previous year's event. Most of this, some £3,600, was in respect of the hire of the marquee and the mobile lavatories not needed in the previous year, with the rest reflecting the increased cost of producing the ARD. The thanks of the board were given to the Trust Officers and to the Trust adviser, Ruth Roll, for their hard work both beforehand and on the actual day.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

Changing our name and securing the continuation of Trust funding, following the sale of Cleanaway Limited to Veolia Environmental Services Limited

The board was advised at their August meeting that Veolia ES Limited had acquired the waste business of Cleanaway Limited on 30th June, subject to the regulatory authorities. Subsequently, and following an approach from Veolia ES Limited, the board decided to change the Trust name to the Veolia ES Cleanaway Havering Riverside Trust. Although rather long, the name identifies the source of our future funding whilst giving continuing recognition to the Cleanaway name under which all previous Trust projects were approved.

The board was also pleased to learn that it was the intention of the new owners to maintain support for the Trust in future years and that, continuing the precedent established by Cleanaway Limited, Veolia ES Limited would give an additional 10% funding on top of the Landfill Communities Fund (LCF) moneys, thus obviating the need under the LCF for the Trust to seek Third Party Contributions for each of its projects. As far as can be ascertained, we continue to be the only Distributive Environmental Body (DEB), apart from our sister Trust in Pitsea, that is not placed under this obligation and we are naturally very grateful to Veolia ES Limited for its decision.

Reaching the £10 million milestone in Trust project commitments

The 2006 grant of £709,000 from Cleanaway Limited, as it then was, was virtually the same as 2005, taking into account the fact that last year's sum also included funds for 3 specific projects on waste management research. During the year, 27 projects were approved by the Trust and registered with ENTRUST, making a total of 194 to date. By 31st March 2007, 167 of these projects had been completed, 22 were in progress and 5 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. Many funded projects are located in the priority area, close to the landfill site. Of particular significance this year was the new RSPB Visitor Centre at Thurrock, officially opened in February 2007, where the Trust contributed £200,000 towards the total costs. The Trust continues to enjoy a close relationship with the RSPB, having funded a number of projects on the Rainham Marshes, including assistance with the initial purchase of the RSPB site. In the 2006 Budget, the Chancellor announced a welcome £10 million pound increase from £50 million pounds in the annual national sum going into the LCF, coupling it with the hope that distributive environmental bodies would seek to use some of that increase to encourage projects involving youth volunteering. Although the Trust would be keen to support projects of this nature, to date no such project application has been received.

At the March board meeting, the Trust Secretary reported that the total sums paid or committed to approved projects now totalled over £10 million pounds and that in turn had stimulated approximately twice that sum to be contributed by project applicants and third parties. The combined total of £30 million pounds expenditure gives some indication of the significant impact that the Trust has had within the local community in nearly 9 years of operation.

Producing a Financial Procedures Manual

Trustient, the Trust's auditors, recommended that a Financial Procedures Manual be created, covering every aspect of the Trust's work and also that of the other three Trusts that operate from Rainham House. Subsequently, the board agreed with this recommendation and the Trust Secretary was invited to prepare such a manual in time for the 2007 audit. With the active involvement of the Project Officer and the Office Administrator, the manual was indeed completed by the end of March 2007, covering 17 chapter headings and 37 pages in total. Whilst the manual will be amended from time to time, in the light of changing circumstances, it will serve as an important tool of management.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

Other

During the year and in accordance with the objective set at its commencement, the board reviewed key areas of Trust income and expenditure to satisfy itself that it was obtaining best value for money. The Trust Secretary produced detailed reports on the banking facilities used by the Trust, the role of the public relations adviser and the provision of the annual audit. In each case, the board was satisfied that the present supplier was delivering good value for money and it further resolved to review these areas again during 2009.

Although achieving Self-Certification under the relevant ENTRUST scheme had been a Trust objective for 2006/07, ENTRUST suspended its operation during the year and subsequently announced that it would be replaced by a system of accreditation, the details of which would be announced by the end of March 2007. We await details of the new scheme and remain committed to the principles of high operating standards within the Trust.

For the whole of the year in question, the Trust Secretary was also the Chairman of the Association of Distributive and Environmental Bodies (ADEB), the body that represents most of the funders of projects under the LCF. Apart from periodic meetings with HM Customs and Revenue and with the LCF regulator, ENTRUST, he was instrumental in organising a reception at the House of Commons in October 2006, attended by the Financial Secretary to the Treasury, John Healey MP, celebrating 10 years operation of the Act that created the LCF. The Trust continues to support him in this important role.

Plans for 2007 and beyond

The board has adopted the following objectives for 2007/08:

- 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. The Trust Officer will list for each meeting any other projects that are in his possession and the reason for their non-inclusion on the meeting agenda.
- To bring the existence of the Trust and its funding policies to the attention of a larger number of potential project applicants, this objective being measured in part by the numbers attending Trust events, the number of new projects received and a summary of events attended by Trust staff. The Project Officer will report on both these latter measures annually.
- To raise the profile of the Trust within Havering communities in general, with particular reference to sustainability issues. The number of media mentions of the Trust will be reported to each meeting and the Project Officer will circulate annually to Trustees a schedule summarising the impact of sustainability issues on all projects approved in the previous year.
- To respond positively to the revised system of quality control to be announced by ENTRUST during the next 12 months.
- To stimulate interest in new projects covering biodiversity and youth volunteering, in discussion with the Trust's media advisers.
- To take steps to reduce significantly the volume of paper used by the office and, in particular to reduce the volume of the reports going to Trustees.

Plans for the 2007 Annual Review Event on 12 October 2007 are in hand. For the first time, it may be based in the vicinity of the Veolia ES Limited offices at the Rainham landfill site, although as before, outside visits to Trust projects will be arranged.

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 Veolia ES Limited, whilst continuing to look, where possible, for a contribution to new projects from the applicants themselves. The announcement within the 2007 Budget Statement of a further £5 million pounds funding for the Landfill Communities Fund, on top of last year's extra £10 million pounds, was excellent news.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

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 Trust 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 Trust 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 Veolia ES Limited, the landfill site operator.

Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law require the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2007

Trustees' responsibilities (continued)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to 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 prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware at the time the report is approved

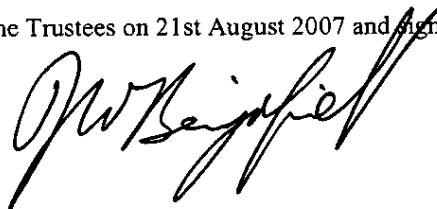
- There is no relevant audit information of which the Trust's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

A resolution 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 21st August 2007 and signed on its behalf, by

Douglas Benjafield - Chair



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST**

We have audited the financial statements of Veolia ES Cleanaway Havering Riverside Trust for the year ended 31 March 2007 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the Trust'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 Trust'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 Trust and the Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the Trustees (who are also the directors of Veolia ES Cleanaway Havering Riverside Trust for the purposes of Company Law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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 whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

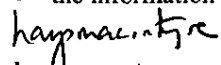
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Trust's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.


haymacintyre
Registered Auditors

[date] 21 August 2007

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2007

	Note	Unrestricted Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	709,200	832,039
Investment income	3	109,272	112,932
TOTAL INCOMING RESOURCES		818,472	944,971
RESOURCES EXPENDED			
Charitable activities – Environmental Project Work	4	1,024,982	606,456
Governance costs	8	11,330	11,488
TOTAL RESOURCES EXPENDED		1,036,312	617,944
NET MOVEMENT IN FUNDS		(217,840)	327,027
TOTAL FUNDS AT 1 APRIL 2006		1,407,000	1,079,973
TOTAL FUNDS AT 31 MARCH 2007		£1,189,160	£1,407,000

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

The notes on pages 11 to 20 form part of these financial statements

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

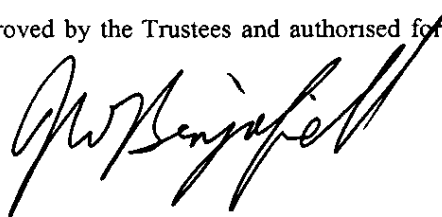
BALANCE SHEET

AS AT 31 MARCH 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible fixed assets	11	641	-
CURRENT ASSETS			
Debtors	12	91,936	91,322
Cash at bank		1,720,931	2,014,047
		<u>1,812,867</u>	<u>2,105,369</u>
CREDITORS: Amounts falling due within one year	13	(595,479)	(656,909)
		<u>1,217,388</u>	<u>1,448,460</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,218,029	1,448,460
CREDITORS. Amounts falling due after more than one year	14	(28,869)	(41,460)
NET ASSETS		<u>£1,189,160</u>	<u>£1,407,000</u>
CHARITY FUNDS			
Unrestricted funds			
General funds		<u>£1,189,160</u>	<u>£1,407,000</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 and authorised for issue on 21st August 2007 and signed on their behalf, by



Douglas Benjafield - Chair

The notes on pages 11 to 20 form part of these financial statements

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES

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" issued in 2005, applicable accounting standards and the Companies Act 1985.

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.

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.

Incoming resources

Contributions from Veolia ES 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.

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. Overheads 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 Trust and are allocated on the basis of staff cost.

Governance costs are those 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 for projects are included within the accounts following registration of the project with ENTRUST and notification being given to the recipient of the grant.

Cash flow

The financial statements do not include a cash flow statement because the Trust, 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).

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES (continued)

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

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

Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2005. 45% of all costs are recharged to the Veolia ES Limited, including the relevant proportion of the defined benefits scheme

VAT

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

2. VOLUNTARY INCOME

	Unrestricted Funds 2007 £	Total Funds 2006 £
Contributions from Cleanaway Limited (now Veolia ES Limited)	£709,200	£832,039

3. INVESTMENT INCOME

	Total Funds 2007 £	Total Funds 2006 £
Interest receivable	£109,272	£112,932

4. RESOURCES EXPENDED

	Activities Undertaken Directly £	Grant Funding of activities £	Support costs £	Total 2007 £	Total 2006 £
Charitable support	118,944	876,176	29,862	1,024,982	606,456
Governance costs	6,060	-	5,270	11,330	11,488
	£125,004	£876,176	£35,132	£1,036,312	£617,944

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

5.	ACTIVITIES UNDERTAKEN DIRECTLY		2007	2006
			£	£
	Annual review costs		31,533	26,120
	PR fees		18,604	9,026
	Staff costs		29,360	29,374
	Plaques		2,303	1,702
	ENTRUST Levy		14,184	16,641
	Fees for administrative support		22,960	21,726
			£118,944	£104,589
6	SUPPORT COSTS	Charitable Activities	2007	2006
		£	£	£
	Property rent	6,440	7,577	8,196
	Fees for administrative support	9,758	11,480	10,863
	Sundry expenses	1,015	1,194	1,236
	Depreciation – tangible fixed assets	269	316	-
	Legal and professional fees	666	784	2,655
	Office costs	2,601	3,060	4,360
	Travel	974	1,146	841
	Insurance	488	574	567
	Bank charges	49	58	100
	Staff costs	7,602	8,943	8,950
		£29,862	£35,132	£37,768
7.	GRANTS PAYABLE - Institutional		Unrestricted Funds	Total Funds
			2007	2006
			£	£
	Age Concern – Improvements to HOPWA House		(35,250)	-
	Albany School – Environment garden		24,000	-
	All Saint's Church - Organ replacement		-	5,000
	Aveley Bay wetlands		(23,655)	-
	Bower Park School - Ground development		-	26,500
	Church of the Good Shepherd		29,300	25,000
	Collier Row library - Refurbishment		15,000	-
	Cottons Park - Pavilion refurbishment		-	(28,427)
	Cranham & Hacton Lane play sites		-	30,000
	Cranham Community Association – Various structural repairs		10,000	31,554
	Elm Park Baptist Church – Toilets and heating		25,000	-
	2 nd Elm Park Scouts – Repairs to McGovern Hall		23,025	-
	1836 (Elm Park) Squadron ATC – Security fencing		5,523	-
	Frances Bardsley School - Visual arts centre		-	35,000
	Friends of Havering Museum		30,000	-
	Gidea Park Lawn Tennis Club - Refurbishment		25,000	-
	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)
	Carried forward to page 14		127,943	152,605

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

7. GRANTS PAYABLE – Institutional (continued)	Unrestricted Funds 2007 £	Total Funds 2006 £
Brought forward from page 13	127,943	152,605
Hornchurch, Elm Park & District Boxing Club	-	10,000
Hornchurch library - Mosaic	35,000	-
Ingrebourne Valley Greenway	-	(56,100)
INKPEN - Managing waste resources	-	5,500
Kerbside Recycling - Final report	-	(7)
King George's Bowling Club – Security fencing	23,845	-
King George's Playing fields - Path	20,250	-
Lodge Farm Park – Bowling green	10,750	-
Mardyke estate – Doorstep Green	40,000	-
Mardyke open space - Improvements	2,200	-
North Ockendon Handbell Ringers	2,568	-
Planet Havering - 2006	-	28,500
Rainham Bowls Club - Roof refurbishment	-	3,192
Rainham Bowls Club - Patio	1,550	-
Rainham Church - Renewal of heating	-	24,000
Rainham Marshes Nature Reserve - Fourth Phase	-	(73)
Rainham Marshes Nature Reserve - Fifth Phase	-	60,000
Rainham Marshes Nature Reserve – Sixth Phase	81,400	-
Rainham Village recreation ground landscaping works	21,400	-
Ravensbourne School - New facilities	-	(46,838)
Romford Community Church - Development of Rise Park Chapel	-	40,000
RSPB Thurrock Visitor Centre	200,000	-
Rush Green Community Association – Repairs	13,400	-
Second Chance Theatre - This is your place	-	5,000
St Andrew's Church, Hornchurch – North Street halls – Second Phase	50,000	-
St Andrew's Church Romford - Third Phase	-	4,000
St Dominic's Church – Roof repairs	20,000	-
St Edward's C of E School - Drama suite	-	25,000
St Edward the Confessor - Railings	30,412	-
St John's Hornchurch – Redevelopment	50,000	-
St Michael and All Angels Church - Church halls	-	16,000
St Nicholas Church, Elm Park	-	15,000
Stubbers Adventure Centre	-	37,428
Thames Chase – Woodchip burner	60,748	-
Upminster Park tennis courts - Refurbishment	25,000	-
Upminster Pavilion Clubhouse	15,000	-
1 st Upminster Scout Hall – Roof repairs	4,482	-
Wennington Village improvements	-	(3,445)
Whybridge Church - Refurbishment	40,228	-
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
Total	£876,176	469,762

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 Trust's objectives.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

8	GOVERNANCE COSTS	Unrestricted Funds 2007 £	Total Funds 2006 £
	Allocation of support costs	5,270	5,663
	Auditors' remuneration	5,052	4,817
	Trustees indemnity insurance	1,008	1,008
		<u>£11,330</u>	<u>£11,488</u>
9.	NET INCOMING RESOURCES	2007 £	2006 £
	This is stated after charging		
	Depreciation of tangible fixed assets	316	-
	Auditors' remuneration	5,052	4,817
	Auditors' remuneration – non audit	145	212
	Pension costs	3,760	3,650
		<u>3,760</u>	<u>3,650</u>
	During the year, no Trustees received any remuneration (2006 - £NIL)		
	During the year, no Trustees received any benefits in kind (2006 - £NIL)		
	During the year, no Trustees received any reimbursement of expenses (2006 - £NIL)		
10.	STAFF COSTS AND NUMBERS	2007 £	2006 £
	Staff costs were as follows		
	Wages and salaries	31,912	32,077
	Social security costs	2,631	2,597
	Pension costs	3,760	3,650
		<u>£38,303</u>	<u>£38,324</u>
		No.	No
	The average full-time equivalent number of employees during the year was		
	Charitable activities	<u>1</u>	<u>1</u>
	No employee received remuneration amounting to more than £60,000 in either year		

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

11	TANGIBLE FIXED ASSETS	Office equipment £	Furniture and fittings £	Total £
	Cost			
	At 1 April 2006	6,516	5,677	12,193
	Additions	957	-	957
	At 31 March 2007	<u>7,473</u>	<u>5,677</u>	<u>13,150</u>
	Depreciation			
	At 1 April 2006	6,516	5,677	12,193
	Charge for the year	316	-	316
	At 31 March 2007	<u>6,832</u>	<u>5,677</u>	<u>12,509</u>
	Net Book Value			
	At 31 March 2007	<u>£641</u>	<u>£ -</u>	<u>£641</u>
	At 31 March 2006	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>
12	DEBTORS: due within one year		2007 £	2006 £
	Accrued interest		<u>£91,936</u>	<u>£91,322</u>
13	CREDITORS: amounts falling due within one year		2007 £	2006 £
	Other creditors		590,378	651,881
	Accruals		5,101	5,028
			<u>£595,479</u>	<u>£656,909</u>
14.	CREDITORS: amounts falling due after more than one year		2007 £	2006 £
	Other creditors		<u>£28,869</u>	<u>£41,460</u>

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

15. PENSION COMMITMENTS

The Veolia ES 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 Scheme operated a single benefit structure, final salary with a 1/60th accrual rate, to March 2007. From April 2007 there are two benefit structures available. These are final salary with a 1/60th accrual rate and final salary with a 1/80th accrual rate. Participating employers must choose which benefit structure they wish to offer to their employees.

The Trust has decided to continue to offer the 1/60th accrual benefit structure to employees from October 2007.

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 Trust paid contributions at the rate of 12.0%. Member contributions were 6.0%.

As at the balance sheet date there were two active members of the Scheme employed by the Trust. The Trust continues to offer membership of the scheme to its employees. The Veolia ES Cleanaway Pitsea Marshes Trust (VESPMT) bears a proportion of the costs of these employees, including the pension costs.

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 2005 by a professionally qualified actuary using the "projected unit credit" method.

The financial assumptions underlying the valuation as at 30 September 2005 were as follows:

	<u>% pa</u>
- Investment return pre retirement	6.10
- Investment return post retirement	4.80
- Rate of salary increases	4.00
- Rate of pension increases	
for pensionable service pre 6 April 2005	2.50
for pensionable service post 5 April 2005	2.25
- Rate of price inflation	2.50

The market value of the Scheme's assets at the valuation date was £33.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £6.7 million (equivalent to a past service funding level of 83%).

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

15. PENSION COMMITMENTS (continued)

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary 1/60th accrual rate	20.0% comprising employer contributions of 13.0% and member contributions of 7.0%
Final salary 1/80th accrual rate	15.3% comprising employer contributions of 9.3% and member contributions of 6.0%

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall

In view of the past service shortfall it was agreed that the joint contribution rates shown in the table below would be payable with effect from 1 October 2007

Benefit structure	Joint contribution rate (% of pensionable salaries)
Final salary 1/60th accrual rate	22.7% comprising employer contributions of 15.7% and member contributions of 7.0%
Final salary 1/80th accrual rate	18.0% comprising employer contributions of 12.0% and member contributions of 6.0%

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 31 March 2022.

A copy of the recovery plan must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

A copy of the recovery plan has been sent to the Pensions Regulator. The Regulator had not issued his response to the recovery plan as at the date of this document.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

15. PENSION COMMITMENTS (continued)

The next actuarial valuation of the Scheme will be carried out as at 30 September 2008. Actuarial Reports will be prepared as at 30 September 2006 and 30 September 2007 in line with statutory regulations.

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 Trust has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Scheme as at 30 September 2005. As of this date the estimated employer debt for The Trust was £49,000, which would be borne by this Trust and by VESCPMT in the agreed proportions.

16. OPERATING LEASE COMMITMENTS

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows -

	2007 £	2006 £
Expiry date		
Between two and five years	6,448	-
After more than five years	-	7,034
	<u>6,448</u>	<u>7,034</u>

17. RELATED PARTY TRANSACTIONS

Veolia ES Limited, formerly Cleanaway Limited, the landfill site operator, also funds three further entities which operate from the same premises as the Veolia ES Cleanaway Havering Riverside Trust: the Veolia ES Cleanaway Pitsea Marshes Trust, a company limited by guarantee (registration number 3970281) and registered charity (registration number 1084804), the Veolia ES Cleanaway Pitsea Marshes Maintenance Trust, a company limited by guarantee (registration number 3949296) and registered charity (registration number 1095470), and the Veolia ES 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 Veolia ES Cleanaway Havering Riverside Trust and the Veolia ES 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 Veolia ES Cleanaway Havering Riverside Trust and the Veolia ES Cleanaway Pitsea Marshes Trust of £34,440 and £30,480 respectively, is a Trustee of both the Veolia ES Cleanaway Havering Riverside Maintenance Trust and the Veolia ES Cleanaway Pitsea Marshes Maintenance Trust. There are no other transactions between the companies.

18. 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.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2007

19. 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 (2006 £1,008)