

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

Charity No: 1084805
Company No: 03617355

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THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST
FOR THE YEAR ENDED 31 MARCH 2008

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THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2008

Trustees

Veolia ES Limited - authorised representative Douglas Benjafield, Chairman

London Borough of Havering - authorised representative Stephen Whittaker, Vice Chairman – resigned 30th May 2007
authorised representative Mike Armstrong, Vice Chairman – appointed 30th May 2007

The Environment Agency - authorised representative David Wardle

Essex Wildlife Trust - authorised representative Paul Davis

Port of London Authority - authorised representative David Cartridge – resigned 7th June 2007

- authorised representative Alistair Gale – appointed 7th June 2007

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

16 St John's Lane

London EC1M 4BS

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

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 (hereinafter referred to as the Trust) for the year ended 31st March 2008. 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 this autumn, 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 2007/08 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 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 bio-diversity and youth volunteering, in discussion with the Trust's media advisers, and
- 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.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2008

There have been no changes in the strategic objectives since the last annual report. At their March 2008 meeting, the board received a report from the Trust Secretary, assessing the success of the Trust in meeting these objectives.

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 (VESCPMT) and the Veolia ES Cleanaway Pitsea Marshes Maintenance Trust (VESCPMMT).

During the year, Councillor Stephen Whittaker, the previous authorised representative for the London Borough of Havering, was replaced by Councillor Mike Armstrong. David Cartridge, who had been the authorised representative of the Port of London Authority for five years, retired and was replaced by Alistair Gale. The board thanked David Cartridge for his significant contribution to the work of the Trust.

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 VESCPMT 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
Reaching the £11 million milestone in project commitments
Placing sustainability at the centre of Trust policy

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. For the first time, we held the event at the Rainham landfill site, which is, of course, the source of all the Trust funds. Over 80 people enjoyed a good day, including all three Havering Members of Parliament, several Members of the London Borough of Havering Council, and the Executive Director of Veolia ES Limited. Apart from the usually varied projects that were visited, there was praise for the quality of the silver service lunch. The only problem on the day was a bad accident on the A13, which had the effect of bringing all local traffic to a standstill. This inevitably affected the planned timetable of visits but by shortening a few presentations, the coaches were still able to return in time for a delayed lunch. The local newspaper subsequently covered the ARE over a large page, 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 £33,000, a slight increase over the previous year's event. 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. Active consideration is already being given to the form of next year's celebrations, given that it will also be the 10th anniversary of the founding of the Trust.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2008

Reaching the £11 million milestone in Trust project commitments

The 2007 grant of £700,000 from Veolia ES Limited was virtually the same as in 2006. During the year, 27 projects were approved by the Trust and registered with ENTRUST, making a total of 221 to date. By 31st March 2008, 193 of these projects had been completed, 17 were in progress and 11 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. The Trust committed almost £800,000 to registered projects during the year, which on the basis of our previous experience, will leverage in around another £1.2 million in further spending within the Havering community. Of particular significance this year was the new Environmental Studies Centre at The Chafford School, where the Trust contributed £100,000 towards the total cost and, staying with schools, we also gave significant sums for pools at both Corbets Tey Special School and St Mary's Primary School. The Trust continues to enjoy a close relationship with the RSPB, and has this year funded the 7th Phase of their work on the Ramham Marshes. Finally in this context, the Trust continued to play a prominent part in helping the local environment by increasing their contribution to the Coldharbour Lane to Rainham path by a further £50,000 and by contributing almost £250,000 to assist the London Borough of Havering in improving facilities in seven parks across the Borough.

At the March board meeting, the Trust Secretary reported that the total sums paid or committed to approved projects, plus the sums promised to projects that were still awaiting the balance of their funding, now totalled over £11 million and that in turn had seen in excess of that sum being contributed by project applicants and third parties. The combined total of nearly £24 million expenditure gives some indication of the sizeable impact that the Trust has had within the local community in almost ten years of operation.

In the 2007 and 2008 Budgets, the Chancellor announced significant increases of £10 million and £5 million respectively in the estimated annual national sums going into the Landfill Communities Fund (LCF), making a projected total of £70m by the end of 2008/09. This is a clear testament to the value that the Government places on the LCF at a time when funding in many other areas has been cut back.

Placing sustainability at the centre of Trust policy

The Trust takes very seriously its role in raising environmental standards within the London Borough of Havering and this feeds through in the nature of the projects that the Trust is keen to support. Pursuant to this, one of the quarterly Trust meetings included a significant presentation by Rebecca Cheatley of The Environment Agency on sustainability and this was followed by a wide-ranging discussion. As a result, Trustees resolved to incorporate measures of sustainability within all future project applications that are to come before the board and the Project Officer is now expected to discuss with project applicants how their projects may be improved by taking account of sustainability issues. Obviously, as already mentioned, projects differ widely and not all projects have a significant sustainable dimension. Nevertheless, we all have a responsibility to consider these issues and the Trust intends to be in the forefront of such thinking.

Other

Although achieving Accreditation under the relevant voluntary ENTRUST scheme had been a Trust objective for 2007/08, and the Trust remains committed to the principles of high operating standards, it did not prove possible during this year for ENTRUST to be able to demonstrate the necessary benefits of the Accreditation scheme but the board continues to keep the issue under review.

Trust Officers, assisted by advice from appropriate Veolia ES Limited personnel, have spent time working on the creation of a Trust website during this year. It is expected that the website will be finalised and become operational during the 2008/09 year.

For the two years ending in October 2007, 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. In that capacity, he held periodic meetings with HM Customs and Revenue and with the LCF regulator, ENTRUST and the Trust was pleased to support him in this important role.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2008

Plans for 2008 and beyond

The board has adopted the following objectives for 2008/09

- 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 Project 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 where it is other than the application being incomplete
- To bring the existence of the Trust and its funding policies to the attention of a wider grouping 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 reports annually on these measures and the number of media mentions of the Trust is reported to each Trust meeting
- To raise the profile of the Trust within Havering communities in general, with particular reference to sustainability issues. All new project applications are discussed between the Project Officer and the project applicant at which time the project's sustainability and opportunities for improving it are raised. Projects are then scored by reference to the contribution that the project is expected to make to sustainability, such assessments being an important part of the project evaluation that Trustees make when determining what projects the Trust will fund. The Project Officer circulates annually to Trustees a schedule summarising the impact of sustainability issues on all projects approved in the previous year
- To keep under review whether there are net advantages to the Trust in seeking EB Accreditation under the ENTRUST voluntary scheme and for the Trust Secretary to report back periodically to Trustees in this respect

Plans for a special 10th Anniversary Event in October 2008 are in hand and are expected to embrace the three Veolia ES Cleanaway Trusts, including the Mardyke Trust. For the first time, it will be based on a boat on the Thames, so it will not be practical to visit projects as in past Annual Review Events

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

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 uninvested 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

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2008

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 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

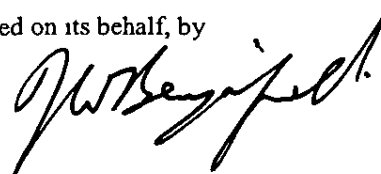
- There is no relevant audit information of which the Trust's auditors are unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

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 5/9/08 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 2008 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 2007).

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

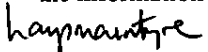
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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.


haysmacintyre
Registered Auditors

Date 5/9/08.

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 2008

	Note	Unrestricted Funds 2008 £	Total Funds 2007 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	700,000	709,200
Investment income	3	128,593	109,272
TOTAL INCOMING RESOURCES		828,593	818,472
RESOURCES EXPENDED			
Charitable activities – Environmental Project Work	4	943,991	1,024,982
Governance costs	8	12,262	11,330
TOTAL RESOURCES EXPENDED		956,253	1,036,312
NET MOVEMENT IN FUNDS		(127,660)	(217,840)
TOTAL FUNDS AT 1 APRIL 2007		1,189,160	1,407,000
TOTAL FUNDS AT 31 MARCH 2008		£1,061,500	£1,189,160

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

The notes on pages 10 to 19 form part of these financial statements

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

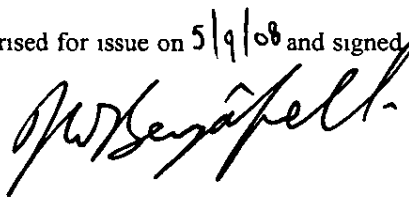
BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	£	2008	£	£	2007	£
FIXED ASSETS							
Tangible fixed assets	11			319			641
CURRENT ASSETS							
Debtors	12	35,154			91,936		
Cash at bank		1,962,996			1,720,931		
		<u>1,998,150</u>			<u>1,812,867</u>		
CREDITORS Amounts falling due within one year	13	(936, 969)			(595,479)		
				<u>1,061,181</u>			<u>1,217,388</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>1,061,500</u>			<u>1,218,029</u>
CREDITORS Amounts falling due after more than one year	14			-		(28,869)	
NET ASSETS				<u><u>£1,061,500</u></u>			<u><u>£1,189,160</u></u>
CHARITY FUNDS							
Unrestricted funds							
General funds				<u><u>£1,061,500</u></u>			<u><u>£1,189,160</u></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 2007)

The financial statements were approved by the Trustees and authorised for issue on 5/9/08 and signed on their behalf, by



Douglas Benjafield - Chair

The notes on pages 10 to 19 form part of these financial statements

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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 2007). 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 2007).

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

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% (2007 45%) of all costs are recharged to the Veolia ES Cleanaway Pitsea Marshes Trust, 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 2008 £	Total Funds 2007 £
Contributions from Veolia ES Limited	<u>£700,000</u>	<u>£709,200</u>

3. INVESTMENT INCOME

	Total Funds 2008 £	Total Funds 2007 £
Interest receivable	<u>£128,593</u>	<u>£109,272</u>

4. RESOURCES EXPENDED

	Activities Undertaken Directly £	Grant Funding of activities £	Support costs £	Total 2008 £	Total 2007 £
Charitable support	120,731	790,607	32,653	943,991	1,024,982
Governance costs	6,501	-	5,761	12,262	11,330
	<u>£127,232</u>	<u>£790,607</u>	<u>£38,414</u>	<u>£956,253</u>	<u>£1,036,312</u>

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

5. ACTIVITIES UNDERTAKEN DIRECTLY			2008	2007
			£	£
Annual review costs			33,345	31,533
PR fees			15,044	18,604
Staff costs			29,232	29,360
Plaques			745	2,303
ENTRUST Levy			14,000	14,184
Fees for administrative support			28,365	22,960
			£120,731	£118,944
6. SUPPORT COSTS			2008	2007
	Charitable Activities	Governance	£	£
	£	£	£	£
Property rent	6,440	1,137	7,577	7,577
Fees for administrative support	12,055	2,127	14,182	11,480
Sundry expenses	1,155	204	1,359	1,194
Depreciation – tangible fixed assets	274	48	322	316
Legal and professional fees	683	120	803	784
Office costs	2,400	424	2,824	3,060
Travel	1,686	297	1,983	1,146
Insurance	206	36	242	574
Bank charges	199	35	234	58
Staff costs	7,555	1,333	8,888	8,943
	£32,653	£5,761	£38,414	£35,132
7. GRANTS PAYABLE – Institutional			Unrestricted Funds	Total Funds
			2008	2007
			£	£
Age Concern - improvements to HOPWA House			-	(35,250)
Albany School - environment garden			-	24,000
Aveley Bay wetlands			-	(23,655)
Brittons School playing fields			25,000	-
Church of the Good Shepherd			-	29,300
Coldharbour Lane to Rainham path			50,000	-
Collier Row library - refurbishment			-	15,000
Corbels Tey School - development of swimming pool			50,000	-
Cottons Park – development			35,000	-
Cranham Community Association - heating improvements			5,964	10,000
Elm Park Baptist Church - toilets and heating			-	25,000
Elm Park Lawn Tennis Club - floodlighting			7,000	-
Elm Park Library- PV system			30,000	-
2 nd Elm Park Scouts – repairs to McGovern Hall			-	23,025
1836 (Elm Park) Squadron ATC - security fencing			-	5,523
Friends of Havering Museum			-	30,000
Gidea Park Lawn Tennis Club - refurbishment			-	25,000
Havering Road Methodist Church - play area			4,440	-
Havering Samaritans			22,300	-
Havering Women's Aid Centre			30,000	-
Holy Cross Church, Hornchurch - replacement boiler			2,635	-
Carried forward to page 13			262,339	127,943

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

7.	GRANTS PAYABLE - Institutional (continued)	Unrestricted	Total
		Funds	Funds
		2008	2007
	Brought forward from page 13	262,339	127,943
	Hornchurch library – mosaic	-	35,000
	Hylands Park – development	45,000	-
	King George's Bowling Club - security fencing	-	23,845
	King George's Playing fields - path	-	20,250
	LESSA open space	30,000	-
	Lodge Farm Park - bowling green	-	10,750
	Louis Marquest Park - development	25,000	-
	Mardyke estate - Doorstep Green	-	40,000
	Mardyke open space - improvements	-	2,200
	North Ockendon Handbell Ringers	-	2,568
	Parklands Bridge - restoration	(15,544)	-
	Rainham Bowls Club – patio	-	1,550
	Rainham Library - play and education space	22,000	-
	Rainham Marshes Nature Reserve - sixth phase	-	81,400
	Rainham Marshes Nature Reserve - seventh phase	81,112	-
	Rainham Village recreation ground landscaping works	-	21,400
	Romford & Gidea Park Rugby Club - clubhouse	50,000	-
	RSPB Thurrock Visitor Centre	-	200,000
	Rush Green Community Association - repairs	(10,700)	13,400
	Spring Farm Park	62,500	-
	St Andrew's Church, Hornchurch - North Street Halls - second phase	2,000	50,000
	St Dominic's Church - roof repairs	-	20,000
	St Edward's C of E School - sports hall	25,000	-
	St Edward the Confessor - railings	-	30,412
	St John's Hornchurch - redevelopment	-	50,000
	St Mary's Primary School, Hornchurch - swimming pool	58,500	-
	Stubbers Adventure Centre - Young Mariners' Club	5,900	-
	Thames Chase - woodchip burner	-	60,748
	The Chafford School - environmental studies area	100,000	-
	Trinity Methodist Church - heating improvements	16,500	-
	Upminster Park - development	25,000	-
	Upminster Park tennis courts - refurbishment	-	25,000
	Upminster Pavilion Clubhouse	-	15,000
	1st Upminster Scout Hall - roof repairs	-	4,482
	Whybridge Church - renovation	6,000	40,228
	Total	<u>£790,607</u>	<u>£876,176</u>

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 2008

8	GOVERNANCE COSTS	Unrestricted Funds 2008 £	Total Funds 2007 £
	Allocation of support costs	5,761	5,270
	Auditors' remuneration	5,346	5,052
	Trustees' indemnity insurance	1,155	1,008
		<u>£12,262</u>	<u>£11,330</u>
9	NET INCOMING RESOURCES	2008 £	2007 £
	This is stated after charging		
	Depreciation of tangible fixed assets	322	316
	Auditors' remuneration	5,346	5,052
	Auditors' remuneration – non audit	194	145
	Pension costs	<u>4,443</u>	<u>3,760</u>
	During the year, no Trustees received any remuneration (2007 - £NIL)		
	During the year, no Trustees received any benefits in kind (2007 - £NIL)		
	During the year, no Trustees received any reimbursement of expenses (2007 - £NIL)		
10.	STAFF COSTS AND NUMBERS	2008 £	2007 £
	Staff costs were as follows		
	Wages and salaries	31,163	31,912
	Social security costs	2,514	2,631
	Pension costs	4,443	3,760
		<u>£38,120</u>	<u>£38,303</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 2008

11. TANGIBLE FIXED ASSETS	Office equipment	Furniture and fittings	Total
	£	£	£
Cost			
At 1 April 2007 & 31 st March 2008	<u>7,473</u>	<u>5,677</u>	<u>13,150</u>
Depreciation			
At 1 April 2007	6,832	5,677	12,509
Charge for the year	<u>322</u>	<u>-</u>	<u>322</u>
At 31 March 2008	<u>7,154</u>	<u>5,677</u>	<u>12,831</u>
Net Book Value			
At 31 March 2008	<u>£319</u>	<u>£ -</u>	<u>£319</u>
At 31 March 2007	<u>£641</u>	<u>£ -</u>	<u>£641</u>
12. DEBTORS: due within one year		2008	2007
		£	£
Accrued interest		34,995	£91,936
Payment in advance		<u>159</u>	<u>-</u>
		<u>£35,154</u>	<u>£91,936</u>
13. CREDITORS: amounts falling due within one year		2008	2007
		£	£
Other creditors		931,109	590,378
Accruals		<u>5,860</u>	<u>5,101</u>
		<u>£936,969</u>	<u>£595,479</u>
14. CREDITORS: amounts falling due after more than one year		2008	2007
		£	£
Other creditors		<u>£-</u>	<u>£28,869</u>

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

15. PENSION COMMITMENTS

The Trust participates in the SCVO Scottish Voluntary Sector Pension Scheme. The 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 until 30 September 2007. From October 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.

An employer can elect to operate different benefit structures for their active members and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

The Trust has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 1 October 2007 and for new entrants from the same date.

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 ended 31 March 2008, the Trust paid contributions at the rate of 12.0% for the period to 30 September 2007 and 15.2% thereafter. Member contributions were 6.0% for the period to 30 September 2007 and 7.5% thereafter.

As at the balance sheet date there were two active members of the Scheme employed by the Trust. The annual pensionable payroll in respect of these members was £58,821 (split 55%:45% between this Trust and the Veolia ES Cleanaway Pitsea Marshes Trust). The Trust continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 17 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 Method. 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 Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2007. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £45.2 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £8 million, equivalent to a past service funding level of 85%. Annual funding updates of the SVSPS Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the scheme since the last full valuation.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2005.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

15 PENSION COMMITMENTS (continued)

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 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 12.5% and member contributions of 7.5% or employer contributions of 14.0% 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 15.2% and member contributions of 7.5%

New employers joining the Scheme pay contributions at the ongoing joint 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%.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

15. PENSION COMMITMENTS (continued)

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).

The Regulator has reviewed the recovery plan for the Scheme and confirmed that, in respect of the September 2005 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The next actuarial valuation of the Scheme will be carried out as at 30 September 2008.

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 VESCPMT in the agreed proportions.

16. OPERATING LEASE COMMITMENTS

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as follows -

	2008	2007
	£	£
Expiry date		
Between two and five years	<u>6,448</u>	<u>6,448</u>

17. RELATED PARTY TRANSACTIONS

Veolia ES 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

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2008

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 (including VAT) in the year in both the Veolia ES Cleanaway Havering Riverside Trust and the Veolia ES Cleanaway Pitsea Marshes Trust of £42,547 and £35,920 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.

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 £1,155 (2007 £1,008).