

REGISTRAR OF COMPANIES

**The
Cleanaway
Havering
Riverside
Trust**

Annual Report and Accounts

31 March 2004



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

Charity Registration Number
1084805

Contents

Reports

Legal and administrative information	1
Trustees' report	2
Independent auditors' report	7

Accounts

Statement of financial activities	9
Balance sheet	10
Cash flow statement	11
Principal accounting policies	12
Notes to the accounts	14

Legal and administrative information

Trustees	Cleanaway Limited	- authorised representative Douglas Benjafield (Chair)
	London Borough of Havering	- authorised representative Barbara Reith (Deputy Chair)
	The Environment Agency	- authorised representative David Wardle
	Essex Wildlife Trust	- authorised representative John Hall (to 22 May 2003) Paul Davis (from 23 May 2003)
	Port of London Authority	- authorised representative David Cartlidge (from 22 May 2003)
	Simon Read Reginald Warner	
Secretary	Robin Squire	
Principal office	Rainham House Manor Way Rainham Essex RM13 8RH	
	Telephone:	01708 520061
	Facsimile:	01708 520083
ENTRUST registration number	293151	
Company registration number	3617355 (England and Wales)	
Charity registration number	1084805	
Auditors	Buzzacott 12 New Fetter Lane London EC4A 1AG	
Bankers	The Co-operative Bank plc Olympic House 6 Olympic Court Off Montford Street Salford M50 2QP	
Solicitors	Stone King 39 Cloth Fair London EC1A 7JQ	

Trustees' report Year to 31 March 2004

The trustees present the statutory report with the accounts of The Cleanaway Havering Riverside Trust for the year ended 31 March 2004.

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

The accounts have been prepared in accordance with the accounting policies set out on pages 12 and 13 of the attached accounts and comply with the charitable company's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in October 2000.

Constitution

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

Principal aims and activities

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

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

Organisation

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

ENTRUST

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

Progress during the year

During the year, 19 projects were approved by the trust and registered with ENTRUST, making a total of 134 projects since the trust was incorporated. By 31 March 2004, 100 of these projects had been completed, 23 were in progress and 11 had yet to start. For the first time, there was no receipt from Cleanaway Limited during the year. This happened because of a change in the previous payment date, whereby some £600,000 received in November 2002 was in fact in respect of the year 2003/2004. The Trust anticipates receiving a grant in the ordinary way from Cleanaway Limited during the year 2004/2005.

Trust projects cover a wide range, although following the major changes to the Landfill Tax Credit Scheme, announced in November 2002 by the Chancellor of the Exchequer and operative from 1 April 2003, the trust lost its previous responsibilities for funding and encouraging waste minimisation and recycling. In practice, this reduced the annual funding of the trust by approximately two-thirds. However, the trust continues to fund the development and improvement of open spaces and public amenities, various community projects and the renovation of ancient and historic buildings. The majority of these projects are located in the priority area, which covers the wards of Rainham and South Hornchurch. All projects are located within the area of benefit.

Amongst the major projects commenced during the year are the Mardyke Youth and Community Centre; the Information Centre at Broadfields; and the employment of a Project Officer to oversee the proper and sensitive development of the Ingrebourne Valley. In addition, the trust had previously set aside a designated reserve to help fund part of the cost of maintaining what will be public open space on the landfill site at Rainham when landfill has ceased and Cleanaway Limited has carried out its full statutory responsibilities in restoring the site. The sum of £750,000 was paid over during the year to The Cleanaway Havering Riverside Maintenance Trust, a separate charitable trust whose only purpose is to build up funds for that long-term project, together with further sums from Cleanaway Limited. This trust also agreed to make a further and final donation of £200,000 for the same project early in the next financial year.

Future plans

Although there will be few new major projects during the coming year, the trust will continue to fund community projects, particularly within the priority area. This will include a significant sum towards the total cost of a new riverside path between Coldharbour Lane and Rainham Village. Because of the reduction in funding under the Landfill Tax Credit Scheme since April 2003, the trust is likely to commit all the funds it receives from Cleanaway Limited and to look, where possible, for a contribution to the cost of new projects from the applicants themselves.

Financial report for the year

The trust received no contributions from Cleanaway Limited during the year (2003 - £1,471,667). Total costs incurred in furtherance of the trust's objects amounted to £1,387,414 (2003 - £1,834,084), of which £568,051 (2003 - £1,716,253) related to grants for projects. Management and administration costs totalled £64,602 (2003 - £87,990) and total net assets at 31 March 2004 amounted to £1,262,801 (2003 - £2,597,207).

Grants policy

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

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

Grant applications

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

Reserves policy and financial position

Reserves policy

It is the policy of the trust to commit all the landfill tax credits it receives for grants to projects which meet the criteria set out in its grants policy. At 31 March 2004 further projects were in the process of being approved by ENTRUST. The ongoing costs of the trust are solely related to the approval and monitoring of the grants.

Financial position

Total funds of the trust at 31 March 2004 amounted to £1,262,801. Of these funds, a total of £200,000 has been designated for the long term aftercare of the Rainham Landfill Site after Cleanaway Limited have completed their statutory obligations. The Cleanaway Havering Riverside Maintenance Trust was incorporated specifically for this purpose on 4 July 2003. The remaining reserves are held in the general fund which totalled £1,062,801 at 31 March 2004.

Risk management

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

Trustees' responsibilities statement

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

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

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

Trustees

The trustees constitute directors of the company for the purposes of the Companies Act 1985 and trustees of the charity for the purposes of charity legislation. The following trustees were in office at 31 March 2004 and served throughout the year except where shown:

Trustees	Authorised representative	Appointed/retired
Cleanaway Limited	Douglas Benjafield (Chair)	
London Borough of Havering	Barbara Reith (Deputy Chair)	
The Environment Agency	David Wardle	
Essex Wildlife Trust	John Hall	Retired 22 May 2003
	Paul Davis	Appointed 23 May 2003
The Port of London Authority	David Cartlidge	
Simon Read		Appointed 22 May 2003
Reginald Warner		

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

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

Trustees' report Year to 31 March 2004

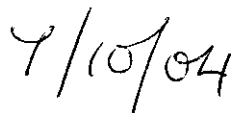
Auditors

The auditors, Buzzacott, have served this trust and its associated trusts well since their respective inception dates. The trustees have determined that, in the interest of good governance, there should be a change of auditors, following the completion of the 2004 audit. Having interviewed several possible replacements, the trustees have resolved that Trustient of Buckingham House East, The Broadway, Stanmore, Middlesex will be proposed for appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the trustees:



Approved by the trustees on:



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

We have audited the accounts on pages 9 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 12 and 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and independent auditors

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

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

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

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

Basis of opinion

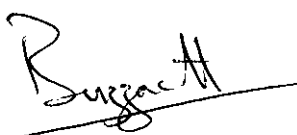
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements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

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

Independent auditors' report 31 March 2004

Opinion

In our opinion the accounts give a true and fair view of the charity's state of affairs as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

7 October 2004

Statement of financial activities Year to 31 March 2004

	Notes	Unrestricted funds	
		2004 £	2003 £
Income and expenditure			
Incoming resources			
Contribution from Cleanaway Limited		—	1,471,667
Interest receivable		117,610	199,382
Total incoming resources		117,610	1,671,049
Resources expended			
Charitable expenditure			
. Costs incurred in furtherance of the charity's objects	1	1,387,414	1,834,084
. Management and administration of the charity	3	64,602	87,990
Total resources expended		1,452,016	1,922,074
Net outgoing resources for the year	4	(1,334,406)	(251,025)
Balances brought forward at 1 April 2003		2,597,207	2,848,232
Balances carried forward at 31 March 2004		1,262,801	2,597,207

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

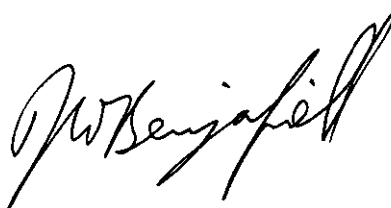
All of the trust's activities derived from continuing operations during the above two financial periods.

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

Balance sheet 31 March 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Tangible fixed assets	7		323		1,553
Current assets					
Debtors	8	73,622		75,272	
Cash at bank and in hand		2,513,962		4,780,486	
		2,587,584		4,855,758	
Creditors: amounts falling due within one year	9	1,213,316		1,966,604	
Net current assets			1,374,268		2,889,154
			1,374,591		2,890,707
Creditors: amounts falling due after more than one year	10		111,790		293,500
Total net assets			1,262,801		2,597,207
Represented by:					
Funds and reserves					
Unrestricted funds					
. Designated funds	11	200,000		750,000	
. General fund		1,062,801		1,847,207	
		1,262,801		2,597,207	

Approved by the trustees
and signed on their behalf by:



Chair

Approved on:

7/10/04

Cash flow statement Year to 31 March 2004

	Notes	2004 £	2003 £
Net cash outflow from operating activities	A	(2,380,977)	(1,043,008)
Returns on investments and servicing of finance	B	114,453	166,383
Capital expenditure and financial investment	B	—	(285)
Decrease in cash	C	(2,266,524)	(876,910)

Notes to the cash flow statement for the year to 31 March 2004

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

	2004 £	2003 £
Net outgoing resources for the year	(1,334,406)	(251,025)
Depreciation charge	1,230	1,922
Interest receivable	(117,610)	(199,382)
Decrease (increase) in debtors	4,807	(2,635)
Decrease in creditors	(934,998)	(591,888)
Net cash outflow from operating activities	(2,380,977)	(1,043,008)

B Gross cash flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	114,453	166,383
Capital expenditure and financial investment		
Purchase of fixed assets	—	(285)

C Analysis of changes in net funds

	At 1 April 2003 £	Cash flows £	At 31 March 2004 £
Cash in hand and at bank	4,780,486	(2,266,524)	2,513,962

Principal accounting policies 31 March 2004

Basis of accounting

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

Income

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

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

Expenditure

Resources expended comprise the following:

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

Tangible fixed assets

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

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

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

Principal accounting policies 31 March 2004

Leased assets

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

Fund accounting

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

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

1 Costs incurred in furtherance of the charity's objects

	2004 £	2003 £
Grants for projects (note 2)	568,051	1,716,253
Grant to The Cleanaway Havering Riverside Maintenance Trust	750,000	—
ENTRUST levy	—	29,433
Annual review costs	27,184	40,935
PR fees	8,915	12,275
Staff costs	30,450	29,172
Insurance	1,434	4,699
Plaques	1,380	1,317
	1,387,414	1,834,084

2 Grants for projects

	2004 £	2003 £
All Saint's Squirrels Heath – Refurbishment	—	45,000
Bedford's Park – Visitor Centre	—	143,285
Bower Park School – Environmental Improvements	—	28,404
Brittons School – Playground Facilities	25,000	—
Broadfields Forest Centre	250,000	—
Brookside Infant School – Meeting room	24,000	—
Brookway Children's Play Area	—	(3,784)
Chafford School – Internet Café	2,953	—
Clockhouse Bowls – Security	—	20,445
Collier Row Catholic Club – Hall improvements	19,305	—
Crow Lane Environmental Project – Second Phase	—	34,075
Elm Park Bowls Club	—	107
Elm Park Community Association Hall – Refurbishment	1,959	20,102
Elm Park Lawn Tennis Club	20,000	—
Friends of Rise Park – Play Equipment	25,000	—
Front Lane Community Association	—	681
Global Action Plan – Action in Schools	—	(57,064)
Great Barn – Woodland	(5,092)	—
Harold Court Primary School – Wildlife Garden	—	18,000
Harold Hill Bowls Club	9,287	—
Harold Hill & District Community Association	—	1
Harold Hill Library – Recycled Materials Mosaic	—	407
Havering Asian Social and Welfare Association	(1,437)	58,523
Carried forward	370,975	308,182

Notes to the accounts 31 March 2004

2 Grants for projects (continued)

	2004 £	2003 £
Brought forward	370,975	308,182
Havering Mayesbrook Athletic Club	50,000	—
Havering Methodist Church – Second Phase	5,000	—
Havering Volunteer Police Cadets		
– Summer 2002 Project	—	13,024
Heaton Way United Reform Church – Hall Improvements	15,000	—
Ingrebourne (Rainham Village) & Recreation Ground	—	122,332
Ingrebourne Valley Enhancements – Programme Project Officer	—	100,000
Kerbside Recycling	(150)	434,007
La Salette Church	—	4,774
Mardyke Nursery Project	—	195,000
Mardyke Shopping Parade	26,000	—
Mardyke Youth and Community Centre	135,220	—
Page's and Mount Pleasant Farms - Woodland	—	(15,393)
Planet Havering		
- 2002	—	(1,259)
- 2004	26,000	—
Rainham Bowls Club – Grounds	—	896
Rainham Church	—	(11,168)
Rainham Marshes Nature Reserve		
- Second Phase	399	203,500
- Third Phase	60,000	—
Rainham to Purfleet Path	(220,000)	220,000
Ravensbourne School – New Facilities	—	142,380
Recycling Officer & Publicity Budget	1,709	(158,336)
ROYALS – Youth Worker	—	60,000
Second Chance Theatre	—	15
Silt Project - First Phase	—	(176,198)
South Hornchurch and Airfield Community Association		
- Second Phase	—	1
St Andrew's Church Hornchurch		
– North Street Hall Improvements	25,000	—
– Repairs to monuments	—	59
St Andrew's Church Romford – Repairs	(171)	29,375
St Augustine's – Fencing	—	1,814
Carried forward	494,982	1,473,005

Notes to the accounts 31 March 2004

2 Grants for projects (continued)

	2004 £	2003 £
Brought forward	494,982	1,473,005
St Edward's Church Romford – Disabled Access	—	9,621
St Francis Hospice – Garden	6,250	—
St John's Church, Hornchurch		
– Second Phase	—	72,000
– Third Phase	34,194	—
St Laurence Church Upminster	—	70,000
St Mary Magdalene, South Ockenden – Second Phase	9,800	—
Trinity Methodist Church – Disabled Access	—	19,881
Trinity United Reform Church	12,000	—
Upminster Cricket Club – Cricket Nets and Cages	7,500	
1 st Upminster Scout Hall – Repairs	—	20,780
Victoria Hall Romford – Refurbishment	3,325	50,966
	568,051	1,716,253

3 Management and administration of the charity

	2004 £	2003 £
Fees for administrative support	30,600	35,432
Legal and professional fees	—	7,955
Office costs	3,830	8,053
Staff costs	10,166	12,110
Rent, rates and service charge	8,491	8,244
Audit and accountancy	7,403	8,283
Depreciation	1,230	1,922
Bank charges	134	248
Travel	1,073	1,050
Miscellaneous costs	1,675	4,693
	64,602	87,990

4 Net outgoing resources for the year

This is stated after charging:

	2004 £	2003 £
Staff costs (note 5)	39,519	41,282
Depreciation	1,230	1,922
Operating lease charges – land and buildings	8,491	8,244
Auditors' remuneration (excluding VAT)	6,300	6,200

5 Staff costs and trustees' remuneration

	2004 £	2003 £
Wages and salaries	31,229	31,264
Social security costs	2,659	2,315
Other pensions' costs	5,631	7,703
	39,519	41,282

An average of one employee, calculated on a full time equivalent basis, worked for the charity during the year (2003 – one).

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

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

6 Taxation

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

Notes to the accounts 31 March 2004

7 Tangible fixed assets

	Office equipment £	Furniture and fittings £	Total £
Cost			
At 1 April 2003	6,516	5,677	12,193
Additions	—	—	—
At 31 March 2004	<u>6,516</u>	<u>5,677</u>	<u>12,193</u>
Depreciation			
At 1 April 2003	6,326	4,314	10,640
Charge for the year	95	1,135	1,230
At 31 March 2004	<u>6,421</u>	<u>5,449</u>	<u>11,870</u>
Net book value			
At 31 March 2004	<u>95</u>	<u>228</u>	<u>323</u>
At 31 March 2003	<u>190</u>	<u>1,363</u>	<u>1,553</u>

8 Debtors

	2004 £	2003 £
Accrued interest	73,498	70,341
Sundry debtors	124	4,931
	<u>73,622</u>	<u>75,272</u>

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Project creditors	1,204,668	1,955,208
Accruals	8,648	11,396
	<u>1,213,316</u>	<u>1,966,604</u>

10 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Project creditors	111,790	293,500

11 Designated funds

	Maintenance fund £
At 1 April 2003	750,000
Utilised during the year	(750,000)
New designations	200,000
At 31 March 2004	200,000

The trustees have set aside the above designated fund out of the unrestricted funds of the charity as a contribution towards the maintenance of the Rainham landfill site, once Cleanaway Limited has fulfilled its obligations. This is currently estimated to be no sooner than thirteen years time, and a separate trust, The Cleanaway Havering Riverside Maintenance Trust, was established during the year with the responsibility for funding the long-term maintenance of the site as a public open space. It is a registered charity and £750,000 was paid to the Maintenance Trust by the trust during the current year.

12 Lease commitments

At 31 March 2004, the trust had annual commitments under operating leases, as set out below:

	Land and buildings	
	2004 £	2003 £
Operating leases which expire:		
Two to five years	7,614	7,614

13 Trustees' indemnity insurance

During the year the trust purchased insurance to protect the trust from loss arising from any wrongful or dishonest act of any trustee or employee and to indemnify the trustees against the consequence of any wrongful act. The total cover provided by such insurance is £1,000,000 and the total premium paid by the trust in respect of such insurance was £982 (2003 - £1,549).

14 Liability of members

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

15 Cleanaway Limited

Cleanaway Limited, the landfill site operator, also funds three further entities which operate from the same premises as The Cleanaway Havering Riverside Trust: The Cleanaway Pitsea Marshes Trust, a company limited by guarantee (registration number 3970281) and registered charity (registration number 1084804); The Cleanaway Pitsea Marshes Maintenance Trust, a company limited by guarantee (registration number 3949296) and registered charity (registration number 1095470), and The Cleanaway Havering Riverside Maintenance Trust, a company limited by guarantee (registration number 4820740) and registered charity (registration number 1101415).

16 Pension commitments

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

The last formal valuation of the Scheme was performed at 30 September 2002 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the valuation date was £12.8 million.

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

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

Due to the nature of the Scheme, the statement of financial activities charge for the period under both SSAP24 and FRS 17 represents the employer contribution payable.

Financial assumptions

The financial assumptions underlying the valuation were as follows:

	% pa
Investment return on future contributions	6.6
Investment return on accumulated assets	7.2
Inflation rate	2.5
Rate of salary increases	4.5
Rate of pension increases	2.5

The accumulated assets of the Scheme were assumed to earn the same return as if they had been invested in a portfolio comprising 100% UK equities for non-pensioner liabilities and 25% UK equities/75% index-linked gilts for pensioner liabilities.

16 Pension commitments (continued)

The valuation revealed a shortfall of assets compared with the value of liabilities of some £2.2 million (equivalent to a past service funding level of 85%).

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

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

New employers joining the Scheme, including this trust, 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.

The trust pays contributions at the rate of 9.9%, being the current on-going contribution rate. The trust does not pay an age loading. This rate will be payable until 30 September 2005 after which the trust will pay contributions at the standard contribution rate per the most recent actuarial valuation.

On the basis of the valuation assumptions this pattern of contributions will be sufficient to eliminate the past service deficit by 30 September 2012.

The next valuation will be as at 30 September 2005.