

**THE VEOLIA NORTH THAMES TRUST  
(FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)  
(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2013**

**Charity No: 1084805  
Company No: 03617355**

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**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2013**

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**Trustees**

|                            |   |
|----------------------------|---|
| Veolia ES Limited          | - authorised representative Douglas Benjafield, Chairman  |
| London Borough of Havering | - authorised representative Mike Armstrong, Vice Chairman   |
| The Environment Agency     | - authorised representative David Wardle resigned 31 January 2013<br>Debbie Jones appointed 31 January 2013 |
| Essex Wildlife Trust       | - authorised representative Paul Davis  |
| Port of London Authority   | - authorised representative Alistair Gale   |
| 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 NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2013**

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The Trustees, who are also directors of the Trust for the purposes of the Companies Act, submit their annual report and the financial statements of The Veolia North Thames Trust. On 31 March 2013, the Veolia Havering Riverside Trust merged with the Veolia Pitsea Marshes Trust and the Veolia Mardyke Trust to form the Veolia North Thames Trust (hereinafter referred to as the Trust). The existing Veolia Havering Riverside Trust then changed its name to The Veolia North Thames Trust.

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 in late summer, 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 principle 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 2012/13 is concerned, the Trust adopted several specific objectives as follows

- 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 wider grouping of potential project applicants,
- To raise the profile of the Trust within the Havering community in general, with particular reference to sustainability issues,
- To seek EB Accreditation under the ENTRUST voluntary scheme.

There have been no changes in the strategic objectives since the last annual report. At their March 2013 meeting, the board received a report from the Trust Secretary, assessing the success of the Trust in meeting these objectives.

# **THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

## **TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

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### **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 referred to the Trust's website, which sets out the Trust's policies and operational, 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 Havering Riverside Maintenance Trust (VHRMT), the Veolia Pitsea Marshes Trust (VPMT) and the Veolia Pitsea Marshes Maintenance Trust (VPMMT).

### **Statement on public benefit**

The objectives and principle achievements sections of this report set out clearly the activities that the Trust undertakes for the public benefit. The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Trust.

In the interest of transparency, the Trustees make the following observations on the two key principles of public benefit.

**Principle 1. There must be an identifiable benefit or benefits.**

**1a It must be clear what the benefits are**

The clear benefits provided by the Trust are delivered through grants to both non-profit making and statutory bodies for projects covering environmental protection and improvement, heritage and community development and are reflected in the disclosure of charitable expenditure in the Statement of Financial Activities.

**1b The benefits must relate to the aims**

The aim of the Trust, as detailed in the principle objectives set out above, is to provide an efficient and effective service to the people of the London Borough of Havering through a system of grant-based project support. All the benefits flow directly from this aim.

**1c Benefits must be balanced against any detriment or harm**

No detriment or harm arising from the work of the Trust has been identified.

**Principle 2. Benefit must be to the public or a section of the public**

**2a The beneficiaries must be appropriate to the aims**

In accordance with the Trust Articles of Association, the beneficiaries are the public in general.

**2b Where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions, or by the ability to pay any fees charged**

It is a condition of the statutory scheme under which the Trust operates that grants are not made to private clubs that are not open to the public in general. Thus all Trust-approved projects involve facilities that are open to the general public. The Trust makes no charge for its own services and will establish that, where there are any fees charged by grant recipients, they are reasonable in the circumstances.

**2c People in poverty must not be excluded from the opportunity to benefit**

As already stated, Trust projects are in respect of facilities that open to the general public, albeit sometimes with the payment of a modest fee.

**2d Any private benefits must be incidental**

It is a condition of the statutory scheme under which the Trust operates that grants cannot be paid to an individual but only to a corporate body. Otherwise, the Trust finds it necessary to employ and remunerate staff and advisers to carry out the Trust's aims, but these private benefits are incidental to and a necessary by-product of the Trust's work.

## THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 MARCH 2013

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#### **Related party relationships**

The four Trusts operating from Rainham House, Rainham, as set out in note 19 to the accounts, have separate Trust boards, although some Trustees are common to more than one Trust. This Trust and the VPMT 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 Borough Council and the Castle Point Borough Council, except that a proportion of the funds held by the VHRMT 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 matter being discussed and a Trust decision being taken. Where the interest is a pecuniary one, he or she will not be present for such discussions. Where the interest is of a non-pecuniary nature, as is usually the case, he or she takes 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. During this year, projects totalling £1,593,960 were registered where a Trustee was either the project holder or had ultimate responsibility for the ownership and day to day operational use of the underlying asset.

#### **Principal achievements of the year**

*Finalising the new structure of the Veolia Essex Trusts*

*Holding a very successful Trust Event*

*A record amount committed to new projects in the year*

#### *Finalising the new structure of the Veolia Essex Trusts*

During the year, discussions continued between Veolia ES Limited and the three grant-giving Trusts in South West Essex, namely this Trust, the Veolia Pitsea Marshes Trust and the Veolia Mardyke Trust. As a result of these discussions, all three Trusts agreed to merge at 31 March 2013. The new entity, which will be called the Veolia North Thames Trust, will cover the geographical areas previously covered by the three individual Trusts and will have an enlarged Trustee body, drawn from the existing three Trusts. Moreover, it is to be based on this Trust and all the assets and liabilities of the other two Trusts were consequently transferred over as at 31 March 2013 and thus feature within the Balance Sheet of this Trust.

Subsequent to the decision to merge, Veolia ES Limited hosted a small reception in Westminster for Members of Parliament for constituencies covered by the Trusts, together with many of the Trustees of the new Trust. This in turn became the basis of the press release and notice to all the various stakeholders of the three Trusts. The considerable amount of extra work was all completed in time for the launch of the new company.

#### *Holding a very successful Trust Event*

We held a Trust Event in mid-October at the ROYALS Youth Centre in Rainham, with the theme of the day concentrating on what the Trust does in the Priority Area of Benefit. The day was an outstanding success with nearly 100 people attending the morning's activities and lunch. This was comfortably the largest turn out for a Trust Event that we have experienced, with the single exception of the 10<sup>th</sup> Anniversary celebrations a few years ago, which covered all three Veolia Trusts. Those attending included all three local MPs, the Havering Mayor, various councillors and several senior executives from Veolia ES Limited. Although the weather turned very unfriendly during the site visits, everyone was safely returned for a delicious lunch. The overall costs of the event were higher than had been budgeted for due overwhelmingly to the illness of the Project Officer in the months before the Event.

#### *A record amount committed to new projects in the year*

This year's grant from Veolia ES Limited was £1,385,000, a reduction in the level of support given in the previous year. Trustees were duly grateful to Veolia ES Limited for their generosity, as they were also grateful for the fact that Veolia themselves found an additional 10% from their own resources for much of this sum and thus obviated the need for the Trust to seek Third Party Funding. It gave the Trust enhanced opportunities to fund worthwhile projects, as the figures for the year indicate, with total project funding at some £2.2m, a level of funding not seen for over 10 years.

## **THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2013**

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##### ***A record amount committed to new projects in the year (continued)***

During the year, 41 projects were approved by the Trust and registered with ENTRUST thus making a total of 366 projects to date. By 31st March 2013, 319 of these projects had been completed, 24 were in progress and 23 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 a very large project in partnership with the Essex Wildlife Trust to fund the new Ingrebourne Valley Heritage Centre for £540,000. Other sizeable projects included work on access and the walled garden at Bedfords Park (£115,500) and £206,000 for work on the Rainham Marshes, including community engagement, both in conjunction with the London Borough of Havering, over £115,000 to the Stubbers Adventure Centre, £100,000 for the pedestrianisation of the area around the Rainham War Memorial and a similar sum for refurbishments at St Joseph's Church in Upminster; and in addition, there were numerous smaller projects involving churches, sports clubs or community facilities.

At the end-February 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 £17 million and that in turn had seen a still greater sum being contributed by project applicants and third parties. The combined total of £55 million expenditure generated by Trust activity gives some indication of the sizeable impact that the Trust has had within the local community in almost fifteen years of operation.

In the 2013 Budget, against a background of continuing financial restraint nationally, the Chancellor announced no change in the annual sum going into the Landfill Communities Fund (LCF), leaving the Fund at an estimated £78.1m annually for 2013/14.

##### **Other**

In line with one of our objectives, the Trust has continued to seek voluntary accreditation as an EB under the ENTRUST scheme. During the year, following the promised follow-up visit from the regulator, the Trust was advised that there were no further outstanding matters requiring attention. However, the continuing discussions on the possible merger of the various Trusts meant that it was not opportune to pursue the issue until the merger as such had been completed. We would hope to return to this matter in the new financial year and it remains a Trust objective.

During the year, David Wardle, who had been the authorised representative of The Environment Agency on the Trust since 2005, retired and was thanked by the other Trustees for his significant contribution to the work of the Trust. Similarly, Roger McFarland, a director at the London Borough of Havering who had been an observer at Trust meetings as well as advising the Trust since its inception, also retired and was thanked warmly for his many years of service and advice. At the end of the year, Paul Davis, who had been the representative of the Essex Wildlife Trust since 2003, indicated that he would be ceasing to be its representative as a part of the reorganisation of this Trust. He was thanked for his many years of service in that capacity.

##### **Plans for 2013 and beyond**

The board has adopted the following objectives for 2013/14:

- 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 wider grouping of potential project applicants
- To raise the profile of the Trust within Trust communities in general, with particular reference to sustainability issues
- To seek EB Accreditation for the Trust under the ENTRUST voluntary scheme
- To ensure that the new and enlarged Trust is operational with minimum disturbance and that the changes become quickly well-known and accepted by the local communities affected

## **THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2013**

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#### **Plans for 2013 and beyond (continued)**

The Trust will seek to fund more projects within the community, with particular reference to the priority area adjacent to the landfill sites. 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. Nevertheless, and recognising that there would be unavoidable costs when it eventually becomes necessary to wind up the operations of the Trust, the Trustees have set aside a reserve for that purpose. When this was reviewed this year, Trustees determined to reduce it to £89,000 and this is reflected in the Statement of Financial Activities on page 9 and in Note 16 where it has been combined with a similar reserve within the Veolia Pitsea Marshes Trust to make a revised reserve of £162,000.

#### **Investment policy and performance**

Under the 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 reassessed 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

#### **ENTRUST**

The Trust is registered with ENTRUST (registration number 293151), a regulatory organisation which oversees the operation of environmental bodies registered under the Landfill Communities Fund (LCF). ENTRUST charges a levy of 2% (2% during 2011/12) of the Trust's landfill tax related receipts from Veolia ES Limited, the landfill site operator.

#### **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.



**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

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**Statement of Trustees' Responsibilities**

The Trustees (who are also directors of The Veolia North Thames Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charities SORP,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as we are aware

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- 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 auditor is aware of that information

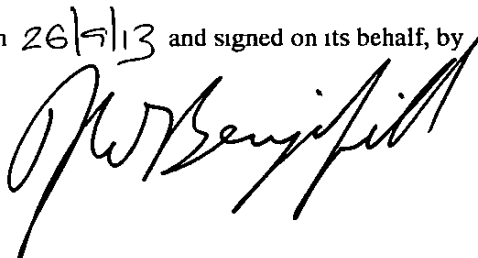
**Auditors**

A resolution proposing that Haysmacintyre be re-appointed as auditors of the Trust will be put to the late summer meeting of the Trust.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

This report was approved by the Trustees on 26/5/13 and signed on its behalf, by

Douglas Benjafield – Chair



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)

We have audited the financial statements of Veolia North Thames Trust for the year ended 31 March 2013 which comprise the Statement of Financial Activities (incorporating, the Income and Expenditure account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and the charitable 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 auditors

As explained more fully in the Trustees' Responsibilities Statement set on page 7, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion.

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.

**Haysmacintyre**  
**Chartered Accountants**  
**Registered Auditors**

26 SEPTEMBER 2013

Fairfax House  
15 Fulwood Place  
London WC1V 6AY

**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**  
**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

|   | Note | Unrestricted<br>Funds<br>2013<br>£ | Total<br>Funds<br>2012<br>£ |
|---|------|------------------------------------|-----------------------------|
| <b>INCOMING RESOURCES</b>                                 |      |                                    |                             |
| Incoming resources from generated funds                   |      |                                    |                             |
| Voluntary income  | 2    | 1,385,000                          | 1,600,000                   |
| Investment income   | 3    | 69,909                             | 64,270                      |
| Other incoming resources                                  | 4    | -                                  | 2,500                       |
| <b>TOTAL INCOMING RESOURCES</b>                           |      | <b>1,454,909</b>                   | <b>1,666,770</b>            |
| <b>RESOURCES EXPENDED</b>                                 |      |                                    |                             |
| Charitable activities – environmental project work        | 5    | 2,472,316                          | 799,966                     |
| Governance costs  | 9    | 13,584                             | 12,967                      |
| <b>TOTAL RESOURCES EXPENDED</b>                           |      | <b>2,485,900</b>                   | <b>812,933</b>              |
| <b>NET MOVEMENT IN FUNDS</b>                              |      | <b>(1,030,991)</b>                 | <b>853,837</b>              |
| <b>TOTAL FUNDS AT 1 APRIL 2012</b>                        |      | <b>1,872,341</b>                   | <b>1,018,504</b>            |
| <b>FUND TRANSFERS AT 31 MARCH 2013 FROM (see note 16)</b> |      |                                    |                             |
| Veolia Pitsea Marshes Trust                               |      | 600,363                            | -                           |
| Veolia Mardyke Trust                                      |      | 163,602                            | -                           |
| <b>FUNDS AT 31 MARCH 2013</b>                             |      | <b>£1,605,315</b>                  | <b>£1,872,341</b>           |

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

The notes on pages 11 to 19 form part of these financial statements

## BALANCE SHEET

AS AT 31 MARCH 2013

|  | Notes | £                  | 2013              | £ | £                  | 2012              | £ |
|--|-------|--------------------|-------------------|---|--------------------|-------------------|---|
| <b>FIXED ASSETS</b>  |       |                    |                   |   |                    |                   |   |
| Tangible fixed assets  | 12    |                    |                   | - |                    |                   | - |
| <b>CURRENT ASSETS</b>  |       |                    |                   |   |                    |                   |   |
| Debtors  | 13    | 30,445             |                   |   | 28,860             |                   |   |
| Cash at bank   |       | <u>5,966,435</u>   |                   |   | <u>3,193,292</u>   |                   |   |
|  |       | 5,996,880          |                   |   | 3,222,152          |                   |   |
| <b>CREDITORS: Amounts falling due within one year</b>          | 14    | <u>(4,332,122)</u> |                   |   | <u>(1,349,811)</u> |                   |   |
|  |       |                    | 1,664,758         |   |                    | 1,872,341         |   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                    | 1,664,758         |   |                    | 1,872,341         |   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 15    |                    | (59,443)          |   |                    |                   | - |
| <b>NET ASSETS</b>  |       |                    | <u>£1,605,315</u> |   |                    | <u>£1,872,341</u> |   |
| <b>CHARITY FUNDS</b>   |       |                    |                   |   |                    |                   |   |
| Unrestricted funds   |       |                    |                   |   |                    |                   |   |
| General funds  | 16    |                    | 1,443,315         |   |                    | 1,772,341         |   |
| Designated funds   | 16    |                    | <u>162,000</u>    |   |                    | <u>100,000</u>    |   |
|  |       |                    | <u>£1,605,315</u> |   |                    | <u>£1,872,341</u> |   |

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011. The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2013 and of its deficit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees and authorised for issue on 26 SEPT 2013 and signed on their behalf by

Douglas Benjafield - Chair



The notes on pages 11 to 19 form part of these financial statements.

# THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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### 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 April 2008). 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 2006.

#### **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 approval of the project by 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 April 2008).

#### **Tangible fixed assets and depreciation**

All assets costing more than £1,000 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 |

**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

**1. ACCOUNTING POLICIES (continued)**

**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 has operated a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2008, with a funding update at 30 September 2012. This Trust employs the staff that also look after the affairs of The Veolia Pitsea Marshes Trust. 45% (2012 one third) of all such costs are recharged to that Trust, including the relevant proportion of the defined benefits scheme. From 1 April 2010, the current scheme has been discontinued by the pension provider and the Trustees have agreed accordingly to replace the scheme with a defined contribution pension scheme whilst continuing also to make payments on the discontinued scheme in order to preserve staff benefits.

**VAT**

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

**2. VOLUNTARY INCOME**

|                                      | <b>Unrestricted<br/>Funds<br/>2013<br/>£</b> | <i>Total<br/>Funds<br/>2012<br/>£</i> |
|--------------------------------------|--|---------------------------------------|
| Contributions from Veolia ES Limited | <b>£1,385,000</b>                            | <i>£1,600,000</i>                     |

**3. INVESTMENT INCOME**

|                     | <b>Total<br/>Funds<br/>2013<br/>£</b> | <i>Total<br/>Funds<br/>2012<br/>£</i> |
|---------------------|---------------------------------------|---------------------------------------|
| Interest receivable | <b>£69,909</b>                        | <i>£64,270</i>                        |

**4. OTHER INCOME**

|   | <b>2013<br/>£</b> | <i>2012<br/>£</i> |
|---|-------------------|-------------------|
| Income for sale of land for M25 extension | <b>£-</b>         | <i>£2,500</i>     |

**5. RESOURCES EXPENDED**

|                    | <b>Activities<br/>Undertaken<br/>Directly<br/>£</b> | <b>Grant<br/>Funding of<br/>activities<br/>£</b> | <b>Support<br/>costs<br/>£</b> | <b>Total<br/>2013<br/>£</b> | <i>Total<br/>2012<br/>£</i> |
|--------------------|---|--|--------------------------------|-----------------------------|-----------------------------|
| Charitable support | 133,319   | 2,303,711  | 35,286                         | 2,472,316                   | 799,966                     |
| Governance costs   | 7,356   | -  | 6,228                          | 13,584                      | 12,967                      |
|                    | <b>£140,675</b>                                     | <b>£2,303,711</b>                                | <b>£41,514</b>                 | <b>£2,485,900</b>           | <i>£812,933</i>             |

**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

**6. ACTIVITIES UNDERTAKEN DIRECTLY**

|                                 | 2013<br>£       | 2012<br>£       |
|---------------------------------|-----------------|-----------------|
| Annual review costs             | 30,266          | -               |
| PR fees                         | 11,062          | 13,195          |
| Staff costs                     | 35,127          | 41,474          |
| Plaques                         | 1,017           | 3,125           |
| ENTRUST Levy                    | 27,700          | 32,000          |
| Fees for administrative support | 28,147          | 21,543          |
|                                 | <u>£133,319</u> | <u>£111,337</u> |

**7. SUPPORT COSTS**

|                                 | Charitable<br>Activities<br>£ | Governance<br>£ | 2013<br>£      | 2012<br>£      |
|---------------------------------|-------------------------------|-----------------|----------------|----------------|
| Property rent                   | 5,130                         | 905             | 6,035          | 7,554          |
| Fees for administrative support | 11,962                        | 2,111           | 14,073         | 10,772         |
| Sundry expenses                 | 59                            | 11              | 70             | 603            |
| Legal and professional fees     | 3,798                         | 670             | 4,468          | 240            |
| Office costs                    | 2,141                         | 378             | 2,519          | 4,684          |
| Travel                          | 1,335                         | 236             | 1,571          | 1,584          |
| Insurance                       | 612                           | 108             | 720            | 702            |
| Bank charges                    | 417                           | 74              | 491            | 515            |
| Staff costs                     | 9,832                         | 1,735           | 11,567         | 13,082         |
|                                 | <u>£35,286</u>                | <u>£6,228</u>   | <u>£41,514</u> | <u>£39,736</u> |

**8. GRANT FUNDING OF ACTIVITIES**

|  | Unrestricted funds |                |
|--|--------------------|----------------|
|  | 2013<br>£          | 2012<br>£      |
| Albany School – community sports facility                  | 65,000             | -              |
| Ardleigh House Community Association - hall                | 13,384             | -              |
| Barking, Havering & Redbridge Hospital Charity - garden    | -                  | 12,770         |
| Bedford's Park – access & walled garden                    | 115,500            | -              |
| Bosworth Field – play area                                 | 30,000             | -              |
| Briar Community Association – community & youth project    | (6,151)            | -              |
| Broadfields Farm – play equipment                          | -                  | 30,000         |
| Cranham Marshes  | 500                | -              |
| 2 <sup>nd</sup> Cranham Scouts                             | (7)                | -              |
| Friends of Harold Wood Park – statue & flower project      | -                  | 1,888          |
| Friends of King George V Playing Fields – gym equipment    | 7,800              | -              |
| Friends of Upminster Park – concrete t/tennis tables       | -                  | 9,000          |
| Front Lane Community Association – repairs & refurbishment | 24,800             | -              |
| Harold Park Baptist Church – improvements                  | -                  | 15,000         |
| Harold Wood War Memorial Inst – hall improvements          | 9,096              | 20,000         |
| Hatter's Wood - pond                                       | -                  | 10,885         |
| Havering – atte – Bower Church – notice board              | -                  | 2,000          |
| Havering Citizens' Advice Bureau – training unit           | 12,790             | -              |
| Havering Islamic Cultural Centre – car park                | 25,000             | -              |
| Havering Wildlife Project – Bedford's Park works           | -                  | 4,180          |
| Haynes Park Bowling Club - conservatory                    | 13,850             | -              |
| Hindu Welfare Association of Essex                         | -                  | 20,000         |
| Hornchurch Library - mosaic                                | -                  | (3,264)        |
| Hornchurch Methodist Church – disabled access              | -                  | 4,000          |
| Carried forward  | <u>311,562</u>     | <u>126,459</u> |

THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2013

8. GRANT FUNDING OF ACTIVITIES (continued)

|   | Unrestricted funds |                 |
|---|--------------------|-----------------|
|   | 2013               | 2012            |
|   | £                  | £               |
| Brought forward   | 311,562            | 126,459         |
| Hornchurch Town Centre - improvements                               | 50,000             | -               |
| Hylands Community Sports Club – tennis courts upgrade               | -                  | (18,000)        |
| Ingrebourne Centre – heating system / refurbishment                 | 20,600             | 39,357          |
| Ingrebourne Road – tree planting                                    | -                  | 4,750           |
| Ingrebourne Valley Heritage Centre                                  | 545,000            | -               |
| Mardyke Open Space - improvements                                   | 33,960             | 25,000          |
| Mardyke Youth & Community Centre – IT upgrade                       | -                  | 14,860          |
| New Ingrebourne Trust – works on centre                             | 14,820             | -               |
| New Testament Church of God, Harold Hill                            | 45,400             | -               |
| New Windmill Hall - refurbishment                                   | 60,000             | -               |
| Parklands Bridge - restoration                                      | 35,000             | -               |
| Parklands Junior School – all-weather pitch                         | -                  | 30,000          |
| Queen Elizabeth II park schemes                                     | 50,000             | -               |
| Rainham Bowls Club – matting / meeting room                         | 1,000              | 2,200           |
| Rainham Church – new door   | -                  | 4,968           |
| Rainham Cricket Club - improvements                                 | 24,170             | (22,160)        |
| Rainham Education project   | 20,000             | -               |
| Rainham Marshes – phase 10  | (25,000)           | -               |
| - phase 11  | 80,000             | -               |
| Rainham Marshes – local community engagement                        | 206,000            | -               |
| Rainham Marshes Nature Reserve (LB Havering)                        | 53,950             | -               |
| Rainham Marshes – guides (phase 2)                                  | 42,000             | -               |
| Rainham Methodist Church – boiler & heating                         | -                  | 59,000          |
| Rainham War Memorial - pedestrianisation                            | 100,000            | -               |
| Raphael's Park - improvements                                       | -                  | 200,000         |
| Romford Beekeepers – apiary upgrade                                 | 8,000              | 7,000           |
| Royal Air Force Association – roof repairs                          | -                  | 1,700           |
| Royal Liberty School – cricket facilities                           | 12,000             | -               |
| ROYALS – improvements & Hot Hatch Enterprise Zone                   | 136,900            | -               |
| Rush Green Community Association                                    | -                  | (781)           |
| Sacred Heart of St Mary's School - renovations                      | 32,000             | 50,000          |
| St Andrew's Church, Hornchurch – North Street halls (Phase 2)       | -                  | 20,000          |
| St Francis Catholic Church, Gidea Park – environmental improvements | 45,000             | -               |
| St Joseph's RC Church, Upminster - refurbishments                   | 100,000            | -               |
| St Nicholas Church, Elm Park – screen / audio visual                | 633                | 3,000           |
| St Thomas Church, Noak Hill - repairs                               | -                  | 10,000          |
| Stubbers Adventure Centre – access improvements                     | 115,691            | -               |
| Thames Chase Forest Centre – access and interpretation              | 56,750             | -               |
| Trinity Methodist Church, Romford - repairs                         | -                  | 5,000           |
| Tweedway Hall - improvements  | 30,000             | -               |
| Upminster Methodist Church – kitchen refurbishment                  | 30,000             | -               |
| 1 <sup>st</sup> Upminster Scout Hall - repairs                      | 5,470              | -               |
| 3 <sup>rd</sup> Upminster Scout Group – scout hut improvements      | -                  | 60,000          |
| Upminster Sports Association – clubhouse extension                  | -                  | 10,000          |
| Wennington Church – heating   | 3,225              | -               |
| Wennington Village Association – village sign                       | (420)              | 2,500           |
| Whybridge Junior School – all weather pitch / community access      | 60,000             | 20,000          |
| Total   | <u>£2,303,711</u>  | <u>£654,853</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 Charity's objectives and all have been approved by ENTRUST.



**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

| 9. GOVERNANCE COSTS   | Unrestricted<br>Funds<br>2013<br>£ | Total<br>Funds<br>2012<br>£ |
|---|------------------------------------|-----------------------------|
| Allocation of support costs   | 6,228                              | 5,960                       |
| Auditor's remuneration  | 6,120                              | 6,000                       |
| Trustees' indemnity insurance   | 1,236                              | 1,007                       |
|   | <u>£13,584</u>                     | <u>£12,967</u>              |
| 10. NET INCOMING RESOURCES  | 2013<br>£                          | 2012<br>£                   |
| This is stated after charging:  |                                    |                             |
| Depreciation of tangible fixed assets   | -                                  | -                           |
| Auditor's remuneration  | 6,120                              | 6,000                       |
| Auditor's remuneration – non audit  | 198                                | 240                         |
| Pension costs   | <u>7,162</u>                       | <u>8,532</u>                |
| During the year, no Trustees received any remuneration (2012 - £NIL)            |                                    |                             |
| During the year, no Trustees received any benefits in kind (2012 - £NIL)        |                                    |                             |
| During the year, no Trustees received reimbursement of expenses (2012 - £NIL)   |                                    |                             |
| 11. STAFF COSTS AND NUMBERS   | 2013<br>£                          | 2012<br>£                   |
| Staff costs were as follows   |                                    |                             |
| Wages and salaries  | 36,063                             | 41,974                      |
| Social security costs   | 3,469                              | 4,050                       |
| Pension costs   | <u>7,162</u>                       | <u>8,532</u>                |
|   | <u>£46,694</u>                     | <u>£54,556</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 NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 MARCH 2013**

|     |  |                          |                                |                            |                |  |                         |
|-----|--|--------------------------|--------------------------------|----------------------------|----------------|--|-------------------------|
| 12. | TANGIBLE FIXED ASSETS                                      | Office<br>equipment<br>£ | Furniture<br>and fittings<br>£ | Total<br>£                 |                |  |                         |
|     | Cost   |                          |                                |                            |                |  |                         |
|     | At 1 April 2012  | 2,354                    | 4,667                          | 7,021                      |                |  |                         |
|     | Acquired on merger with Veolia Pitsea<br>Marshes Trust     | 1,522                    | 3,653                          | 5,175                      |                |  |                         |
|     | At 31 March 2013   | 3,876                    | 8,320                          | 12,196                     |                |  |                         |
|     | Depreciation   |                          |                                |                            |                |  |                         |
|     | At 1 April 2012  | 2,354                    | 4,667                          | 7,021                      |                |  |                         |
|     | Acquired on merger with Veolia Pitsea<br>Marshes Trust     | 1,522                    | 3,653                          | 5,175                      |                |  |                         |
|     | At 31 March 2013   | 3,876                    | 8,320                          | 12,196                     |                |  |                         |
|     | Net Book Value   |                          |                                |                            |                |  |                         |
|     | At 31 March 2013   | £ -                      | £ -                            | £ -                        |                |  |                         |
|     | At 31 March 2012   | £ -                      | £ -                            | £ -                        |                |  |                         |
| 13. | DEBTORS: due within one year                               |                          | 2013<br>£                      | 2012<br>£                  |                |  |                         |
|     | Accrued interest   |                          | 30,364                         | 26,297                     |                |  |                         |
|     | Payments in advance & sundry debtors                       |                          | 81                             | 2,563                      |                |  |                         |
|     |  |                          | £30,445                        | £28,860                    |                |  |                         |
| 14. | CREDITORS: amounts falling due<br>within one year          |                          | 2013<br>£                      | 2012<br>£                  |                |  |                         |
|     | Other creditors  |                          | 4,317,951                      | 1,343,163                  |                |  |                         |
|     | Accruals   |                          | 14,171                         | 6,648                      |                |  |                         |
|     |  |                          | £4,332,122                     | £1,349,811                 |                |  |                         |
| 15. | CREDITORS: amounts falling due<br>after more than one year |                          | 2013<br>£                      | 2012<br>£                  |                |  |                         |
|     | Other creditors  |                          | £59,443                        | £-                         |                |  |                         |
| 16. | SUMMARY OF FUNDS   |                          |                                |                            |                |  |                         |
|     |  | Brought<br>forward<br>£  | Incoming<br>resources<br>£     | Resources<br>expended<br>£ | Transfers<br>£ | Funds<br>transferred<br>on merger<br>£ | Carried<br>forward<br>£ |
|     | General funds  | 1,772,341                | 1,454,909                      | 2,485,900                  | 11,000         | 690,965                                | 1,443,315               |
|     | Designated funds –<br>winding up costs                     | 100,000                  | -                              | -                          | (11,000)       | 73,000                                 | 162,000                 |
|     |  | £1,872,341               | £1,454,909                     | £2,485,900                 | £-             | £763,965                               | £1,605,315              |

## THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2013

#### 16. SUMMARY OF FUNDS (continued)

At 31 March 2013, the Veolia Havering Riverside Trust merged with the Veolia Pitsea Marshes Trust and the Veolia Mardyke Trust to form the Veolia North Thames Trust. As a result, the funds held by those organisations were transferred to this Trust

##### Designated fund

The designated fund has been set up to cover unavoidable costs when it eventually becomes necessary to wind up the operations of the Trust. This fund was reviewed this year and the Trustees agreed to reduce it to £89,000. The fund has been combined with a similar reserve within the Veolia Pitsea Marshes Trust to make a revised reserve of £162,000

#### 17. PENSION COMMITMENTS

Veolia North Thames Trust (previously Veolia Havering Riverside Trust) participates in the Scottish Voluntary Sector Pension Scheme ('the Scheme'). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and was contracted-out of the State scheme until 31 March 2010, when the Scheme was closed to future accrual.

The Scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate until 30 September 2007. From October 2007 there were two benefit structures available, final salary with a 1/60<sup>th</sup> accrual rate and final salary with an 1/80<sup>th</sup> accrual rate, until the date of Scheme closure on 31 March 2010. The Trust elected to operate the final salary with a 1/60<sup>th</sup> accrual rate benefit structure.

The Scheme closed to future accrual on 31 March 2010. There is currently no intention to wind-up the Scottish Voluntary Sector Pension Scheme and it continues in paid-up form.

The Trustee commissions an actuarial valuation of the Scheme every three 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.

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. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, 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 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

|   | % p.a. |
|---|--------|
| Rate of return pre retirement               | 5.8    |
| Rate of return post retirement              | 4.0    |
| Rate of salary increases                    | 4.4    |
| Rate of pension increases pre 5 April 2005  | 2.4    |
| Rate of pension increases post 5 April 2005 | 1.9    |
| Rate of price inflation (CPI)               | 2.4    |

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.

## THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 MARCH 2013

#### 17. PENSION COMMITMENTS (continued)

From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Confirmation of the contributions payable from 1 April 2013 to 31 March 2014 were advised to employers by letter in December 2012

If the valuation assumptions are borne out in practice, this pattern of contributions should be sufficient to eliminate the entire funding shortfall, by 31 March 2028

A copy of the recovery plan must be sent to The Pensions Regulator after each valuation is finalised. 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 recovery plan from the 2011 valuation has been submitted to The Pensions Regulator and a response is awaited

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 becoming insolvent or 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 buy-out 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 Scheme based on the financial position of the Scheme as at 30 September 2012. As of this date the estimated employer debt for the Veolia North Thames Trust was £173,026

#### 18. OPERATING LEASE COMMITMENTS

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows -

|                      | 2013<br>£     | 2012<br>£     |
|----------------------|---------------|---------------|
| <b>Expiry date</b>   |               |               |
| Less than five years | <b>£6,200</b> |               |
| More than five years | -             | <b>£4,133</b> |

#### 19. RELATED PARTY TRANSACTIONS

Veolia ES Limited, the landfill site operator, also funds three further entities which operate from the same premises as the Veolia Havering Riverside Trust, the Veolia Pitsea Marshes Trust, a company limited by guarantee (registration number 3970281) and registered charity (registration number 1084804); the Veolia Pitsea Marshes Maintenance Trust, a company limited by guarantee (registration number 3949296) and registered charity (registration number 1095470), and the Veolia Havering Riverside Maintenance Trust, a company limited by guarantee (registration number 4820740) and registered charity (registration number 1101415). The staff and the office deal with the affairs of all four charities

**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**19. RELATED PARTY TRANSACTIONS (continued)**

The Veolia Havering Riverside Trust and the Veolia 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 Havering Riverside Trust and the Veolia Pitsea Marshes Trust of £42,220 and £28,870 respectively, is a Trustee of both the Veolia Havering Riverside Maintenance Trust and the Veolia Pitsea Marshes Maintenance Trust. There are no other transactions between the companies. At 31 March 2013, the Veolia Havering Riverside Trust, the Veolia Pitsea Marshes Trust and the Veolia Mardyke Trust merged into one company called the Veolia North Thames Trust.

**20. TAXATION**

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

**21. TRUSTEES' INDEMNITY INSURANCE**

During the year the Trust purchased insurance to protect the Trust from loss and to indemnify the Trustees against the consequence of any wrongful act. The total cover provided by such insurance is £3,000,000, which covers the four companies listed in 17 above, together with the Veolia Mardyke Trust, and the total premium applicable to the Trust in respect of such insurance was £1,236 (2012: £1,007).

**22. FREEHOLD LAND AT BROADFIELDS FARM, PIKE LANE, UPMINSTER**

In August 2000, the Trust bought a small plot of freehold land of approximately 1.25 acres, by the M25, from Essex County Council and then leased it for 300 years in September 2000 to Forest Enterprises, a part of the Forestry Commission, as a Trust project. The land does not feature in these accounts because it is of small value and because of the length of the underlying lease. Last year, the Trust indicated its willingness to sell its freehold interest to the Forestry Commission, which after some consideration, indicated its willingness to purchase subject to agreement on the valuation. Subsequent to the end of the financial year, a valuation of £5,000 was received and it is expected that a sale will be concluded at this valuation during the 2013/14 financial year.