

**THE VEOLIA ES CLEANAWAY HAVERING
RIVERSIDE TRUST**
(A company limited by guarantee)
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

Charity No: 1084805
Company No: 03617355

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THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST
FOR THE YEAR ENDED 31 MARCH 2009

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THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2009

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
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 Sewell
16 St John's Lane
London EC1M 4BS

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The Trustees, who are also directors of the Trust for the purposes of the Companies Act, submit their annual report and the financial statements of the Veolia ES Cleanaway Havering Riverside Trust (hereinafter referred to as the Trust) for the year ended 31st March 2009. The Trustees confirm that the annual report and financial statements of the Trust comply with current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", issued in 2005.

Method of appointment or election of Trustees

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

At the Annual General Meeting to be held this autumn, one third of the Trustees shall retire by rotation and all retiring Trustees shall be eligible for re-election.

Constitution, policies and objectives

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 August 1998. The 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 2008/09 is concerned, the Trust adopted several specific objectives as under:

- To ensure that, save in exceptional circumstances, applications for funding are brought to the Trust board at the first available meeting after the receipt of the proposals;
- To bring the existence of the Trust and its funding policies to the attention of a 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 keep under review whether there are net advantages to the Trust in seeking EB Accreditation under the ENTRUST voluntary scheme and for the Trust Secretary to report back periodically to Trustees in this respect.

There have been no changes in the strategic objectives since the last annual report. At their March 2009 meeting, the board received a report from the Trust Secretary, assessing the success of the Trust in meeting these objectives.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009

Structure, Governance and Management

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

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 it has complied with the duty in section 4 of the Charities Act 2006 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 Memorandum and 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.

Related party relationships

The four Trusts operating from Rainham House, Rainham, as set out in note 17 to the accounts, have separate Trust boards, although some Trustees are common to more than one Trust. This Trust and the VESCPMT share between them

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009

Related party relationships (continued)

the overhead costs of the office in an agreed ratio. Otherwise, there is no relationship between the Trusts, which operate respectively within the London Borough of Havering and the area covered by the Basildon District Council and the Castle Point Borough Council, except that a proportion of the funds held by the VESCHRMT was provided by this Trust.

Due to the nature of the Trust's operations and the composition of the board of Trustees (being drawn from local and national public, private and voluntary sector organisations), it is inevitable that transactions will take place with organisations in which a Trustee or authorised representative may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's normal project approval procedures. For approved projects, the authorised representative or Trustee declares his or her interest prior to the Trust decision being taken. Where the interest is a pecuniary one of significance, he or she will take no part in the decision on the project under discussion and indeed will only remain in the room with the agreement of the other board members.

Principle achievements of the year

Holding a very successful 10th Anniversary Event

Reaching the £13 million milestone in project commitments

Positive outcomes from a Control Framework inspection undertaken by our regulator

Holding a very successful 10th Anniversary Event

In contrast to previous years and recognizing that the Trust commenced its activities in 1998, it was resolved to hold a special 10th Anniversary Event, which would cover five Trusts, namely the four administered from Rainham House plus the Veolia ES Cleanaway Mardyke Trust. The Event took the form of a boat trip on the Thames in October, using the recently refitted Silver Sturgeon, sailing from Tilbury up the Thames to the Greenwich O2 building and back. Nearly 150 people were on board, drawn broadly equally from each of the Trusts and including a significant proportion of "the great and good" as well as project holders and Trustees, past and present. Guests included John Baron MP and James Brokenshire MP (at one stage we were scheduled to have four of the seven Trust MPs present but Parliamentary pressures on the day deprived us of both Andrew MacKinlay MP and Andrew Rosindell MP at the last minute), three of the four council leaders for the local authority areas covered by the Trusts, the deputy leaders of Havering and Castle Point and the Mayor and Chief Executive of Castle Point, and the Chairman and Chief Executive of ENTRUST, the organization that regulates the Trust's work. In addition, we welcomed a number of Veolia ES senior executives, headed by the Managing Director, Paul Levett. During the trip, a new DVD covering the work of the Trusts and featuring three of the MPs and numerous project holders was played and received widespread praise. Lunch was of a high standard and the day was blessed by unseasonably warm and sunny weather. Although the £81,000 plus cost for the whole event, including the DVD came out at slightly higher than expected due to some extra work being required on the DVD, the agreement that it be borne equally by the three grant-making Trusts meant that at just over £27,000, the Trust incurred some £6,000 less than for the previous year's Annual Review Event. The thanks of the board were given to the Trust Officers and to the Trust adviser, Ruth Roll, for their hard work both beforehand and on the actual day.

Reaching the £13 million milestone in Trust project commitments

The 2009 grant of £1,113,000 from Veolia ES Limited was the highest grant received by the Trust from Veolia ES or its predecessor since the Government significantly reduced the value of the scheme in 2003 and Trustees were duly grateful to Veolia ES Limited for their generosity. For the first time, some of this funding has required so-called Third Party Funding to be provided in order for the project money to be released. It nonetheless gave the Trust enhanced opportunities to fund worthwhile projects, as the figures for sums committed indicate. During the year, 29 projects were approved by the Trust and registered with ENTRUST, making a total of 250 to date. By 31st March 2009, 218 of these projects had been completed, 17 were in progress and 15 had yet to start.

Trust projects cover a wide range, including the development and improvement of open spaces and public amenities, various community projects and the renovation of ancient and historic buildings. Many funded projects are located in the priority area, close to the landfill site. The Trust committed over £1.2million to registered projects during the year, which was an increase of more than 50% on the previous year's figure. Moreover, on the basis of our previous experience, this will leverage in around another £1.8 million in further spending within the Havering community. Of particular significance this year was another £240,000 on new ball courts and play areas in six separate parks across Havering, following almost £250,000 last year in seven other parks; nearly £200,000 on a community and youth project at the Briar Community Association at Harold Hill; improvements to HOPWA House for Age Concern costing the Trust nearly.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009

Reaching the £13 million milestone in Trust project commitments (continued)

£70,000; and a further £76,000 for the ROYALS youth centre in Rainham. Our close links continue with the RSPB where another £160,000 was committed to their phased work on the Rainham Marshes and there were, in addition, numerous smaller projects involving churches, sports clubs or community facilities.

At the March board meeting, the Trust Secretary reported that the total sums paid or committed to approved projects, plus the sums promised to projects that were still awaiting the balance of their funding, now totalled over £13 million and that in turn had seen in excess of that sum being contributed by project applicants and third parties. The combined total of £26 million expenditure gives some indication of the sizeable impact that the Trust has had within the local community in almost eleven years of operation.

In the 2009 Budget, despite significant financial difficulties nationally, the Chancellor announced a projected increase of £2 million in the estimated annual national sum going into the Landfill Communities Fund (LCF), making an estimated total of £72m by the end of 2009/10. This is a clear testament to the value that the Government places on the LCF at a time when funding in many other areas has been cut back.

Positive outcomes from a Control Framework inspection undertaken by our regulator

In October, the Trust was given a Controls Framework inspection by ENTRUST, the independent regulator of the LCF. This was the first inspection of this type since the Trust's inception and we were keen to hear how our systems stood up to the scrutiny. We were pleased to be advised subsequently that there were no major areas identified that required attention, although there were a few relatively minor areas where we were content to agree with ENTRUST recommendations to make changes in our current practices. To quote from the conclusions of the inspection report, "The Trust has a satisfactory and effective control environment governed by the Trustees; LCF expenditure was evidenced as compliant; (the Trust) employs skilled and experienced members of staff who operate in a manner that assists with the effective completion of procedural control activities; and (the Trust) utilizes comprehensive policies and procedures which could be further strengthened by the adoption of best practice in some areas."

Other

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

Trust Officers have spent time working on the creation of a Trust website during this year. The website will be become operational during the early part of the 2009/10 year, where we expect it to enhance our communications with current and putative project -holders.

Plans for 2009 and beyond

The board has adopted the following objectives for 2009/10.

- 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 Havering communities in general, with particular reference to sustainability issues.
- To keep under review whether there are net advantages to the Trust in seeking EB Accreditation under the ENTRUST voluntary scheme.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009

Active consideration is already being given to the form of next year's Trust event, which seems likely to be concentrating on reaching out to those voluntary groups that have not previously been funded by the Trust by seeking to raise their capacity for and knowledge of the Landfill Communities Fund (LCF), in partnership with the local authority. Meanwhile, the Trust will seek to fund more projects within the community, with particular reference to the priority area adjacent to the Rainham landfill site. The Trust will seek to continue to commit all the funds it receives from Veolia ES Limited, whilst continuing to look, where possible, for a contribution to new projects from the applicants themselves.

Reserves policy

It is the policy of the Trust to commit all the landfill tax credits it receives for grants to projects, which meet the criteria set out in its grants policy. The ongoing costs of the Trust are solely related to the approval and monitoring of the grants and therefore there is little need to maintain a significant reserves provision.

Investment policy and performance

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

Risk management

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

Grant making policies

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

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

Trustees' liability

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

ENTRUST

The Trust is registered with ENTRUST (registration number 293151), a regulatory organisation which oversees the operation of environmental bodies registered under the landfill tax credit scheme. ENTRUST charges a levy of 2.28% of the Trust's landfill tax related receipts from Veolia ES Limited, the landfill site operator.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2009

Trustees' responsibilities

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

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

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

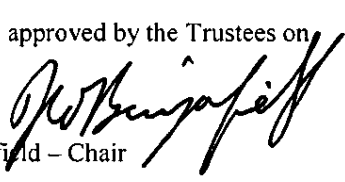
So far as each of the Trustees is aware at the time the report is approved:

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

Auditors

A resolution proposing that haysmacintyre be re-appointed as auditors of the Trust will be put to the Annual General Meeting.

This report was approved by the Trustees on 7/9/09 and signed on its behalf, by:


Douglas Benjafield – Chair

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

We have audited the financial statements of Veolia ES Cleanaway Havering Riverside Trust for the year ended 31 March 2009 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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

Respective responsibilities of trustees and auditors

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Trust has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the Trust is not disclosed.

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

Basis of audit opinion

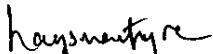
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the Trust's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information provided in the Trustees' Annual Report is consistent with the financial statements.


haysmacintyre
Registered Auditors

Date: 7/9/09.

Fairfax House
15 Fulwood Place
London
WC1V 6AY

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)

FOR THE YEAR ENDED 31 MARCH 2009

	Note	Unrestricted Funds 2009 £	Total Funds 2008 £
INCOMING RESOURCES			
Incoming resources from generated funds			
Voluntary income	2	1,113,000	700,000
Investment income	3	109,407	128,593
TOTAL INCOMING RESOURCES		1,222,407	828,593
RESOURCES EXPENDED			
Charitable activities – Environmental Project Work	4	1,356,868	943,991
Governance costs	8	12,039	12,262
TOTAL RESOURCES EXPENDED		1,368,907	956,253
NET MOVEMENT IN FUNDS		(146,500)	(127,660)
TOTAL FUNDS AT 1 APRIL 2008		1,061,500	1,189,160
TOTAL FUNDS AT 31 MARCH 2009		£915,000	£1,061,500

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

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

Registered N° 03617355

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

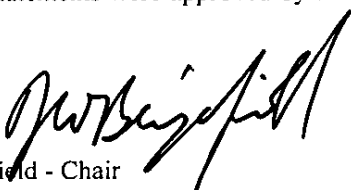
BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible fixed assets	11	-	319
CURRENT ASSETS			
Debtors	12	54,755	35,154
Cash at bank		1,982,156	1,962,996
		<u>2,036,911</u>	<u>1,998,150</u>
CREDITORS: Amounts falling due within one year	13	<u>(1,013,788)</u>	<u>(936,969)</u>
		<u>1,023,123</u>	<u>1,061,181</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,023,123	1,061,500
CREDITORS: Amounts falling due after more than one year	14	<u>(108,123)</u>	<u>-</u>
NET ASSETS		<u>£915,000</u>	<u>£1,061,500</u>
CHARITY FUNDS			
Unrestricted funds			
General funds		<u>£915,000</u>	<u>£1,061,500</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Trustees and authorised for issue on 7/9/09 and signed on their behalf by:


Douglas Benjafield - Chair

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

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in 2005, applicable accounting standards and the Companies Act 1985.

Company status

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

Fund accounting

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

Incoming resources

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

Resources expended

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

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

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

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

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

Cash flow

The financial statements do not include a cash flow statement because the Trust, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2007).

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Prior to this financial year, all assets costing more than £250 were capitalised. The Trustees have now reviewed this level, which has remained unchanged since the inception of the Trust, and resolved to increase it to £1,000.

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

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

Operating leases

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

Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2008. This Trust employs the staff, who also look after the affairs of The Veolia ES Cleanaway Pitsea Marshes Trust. 45% (2008 45%) of all such costs are recharged to that Trust, including the relevant proportion of the defined benefits scheme.

VAT

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

2. VOLUNTARY INCOME

	Unrestricted Funds 2009 £	Total Funds 2008 £
Contributions from Veolia ES Limited	<u>£1,113,000</u>	<u>£700,000</u>

3. INVESTMENT INCOME

	Total Funds 2009 £	Total Funds 2008 £
Interest receivable	<u>£109,407</u>	<u>£128,593</u>

4. RESOURCES EXPENDED

	Activities Undertaken Directly £	Grant Funding of activities £	Support costs £	Total 2009 £	Total 2008 £
Charitable support	113,951	1,209,491	33,426	1,356,868	943,991
Governance costs	6,140	-	5,899	12,039	12,262
	<u>£120,091</u>	<u>£1,209,491</u>	<u>£39,325</u>	<u>£1,368,907</u>	<u>£956,253</u>

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

5. ACTIVITIES UNDERTAKEN DIRECTLY

	2009	2008
	£	£
Annual review costs	27,151	33,345
PR fees	5,549	15,044
Staff costs	30,877	29,232
Plaques	1,029	745
ENTRUST Levy	22,260	14,000
Fees for administrative support	27,085	28,365
	<u>£113,951</u>	<u>£120,731</u>

6. SUPPORT COSTS

	Charitable Activities	Governance	2009	2008
	£	£	£	£
Property rent	6,506	1,148	7,654	7,577
Fees for administrative support	11,511	2,031	13,542	14,182
Sundry expenses	626	111	737	1,359
Depreciation – tangible fixed assets	271	48	319	322
Legal and professional fees	284	50	334	803
Office costs	4,093	722	4,815	2,824
Travel	1,351	239	1,590	1,983
Insurance	509	90	599	242
Bank charges	210	37	247	234
Staff costs	8,065	1,423	9,488	8,888
	<u>£33,426</u>	<u>£5,899</u>	<u>£39,325</u>	<u>£38,414</u>

7. GRANTS PAYABLE – Institutional

	Unrestricted Funds	Unrestricted Funds
	2009	2008
	£	£
2nd Cranham Scouts	12,085	-
Age Concern - HOPWA House	68,497	-
Brenda Blakemore Hall - improvements	15,000	-
Briar Community Association - community & Youth project	196,247	-
Brittons School playing fields	-	25,000
Chafford School - environmental studies centre	-	100,000
Clockhouse Gardens - bird feeding and observation area	14,750	-
Coldharbour Lane to Rainham Path	-	50,000
Corbet's Tey School - development of swimming pool	-	50,000
Cottons Park - improvements	-	35,000
Cranham Community Association - heating improvements	-	5,964
Cranham Marsh - grazing	10,000	-
Elm Park Lawn Tennis Club - floodlighting	-	7,000
Elm Park Library - PV system	-	30,000
Front Lane Community Centre - refurbishment	60,000	-
Gidea Park Tennis Club	25,000	-
Grenfell Park - improvements	35,000	-
Hacton Lane - improvements	40,000	-
	<u>476,579</u>	<u>302,964</u>

Carried forward to page 14

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

	Unrestricted Funds 2009 £	Unrestricted Funds 2008 £
GRANTS PAYABLE – Institutional (continued)		
Brought forward from page 13	476,579	302,964
Harrow Lodge Park - improvements	17,034	-
Havering Asian and Social Welfare Association - improvements	15,000	-
Havering Islamic Cultural Centre	23,000	-
Havering Road Methodist Church - play area	-	4,440
Havering Samaritans	-	22,300
Havering Women's Aid Centre	1	30,000
Haynes Park - improvements	40,000	-
Hindu Welfare Association	11,860	-
Holy Cross Church, Hornchurch - repairs	4,522	-
Holy Cross Church, Hornchurch - replacement boiler	-	2,635
Hornchurch Country Park & Ingrebourne Valley Nature Reserve	52,000	-
Hornchurch Cricket Club - improvements	34,307	-
Hylands Park – development	-	45,000
Hylands Park - tennis courts	18,000	-
King George's Bowls Club	2,150	-
LESSA open space	-	30,000
Louis Marquesi Park - improvements	-	25,000
Park Lane - improvements	30,000	-
Rainham Church - hall repairs	14,500	-
Rainham Church - improvements	13,000	-
Rainham Library - play and education space	-	22,000
Rainham Marshes - phase 6	(883)	-
Rainham Marshes - phase 7	80,000	81,112
Rainham Marshes - phase 8	80,000	-
Restoration of Parklands Bridge	-	(15,544)
Romford & Gidea Park Rugby Club - clubhouse	-	50,000
Royal British Legion Band	40,000	-
ROYALS – improvements	76,500	-
Rush Green Community Association	-	(10,700)
Rush Green wildlife garden	33,300	-
Spring Farm Park	-	62,500
St Andrew's Church Hornchurch - additional re North St Halls	-	2,000
St Andrew's Park - improvements	60,000	-
St Edward's C of E School - sports hall	-	25,000
St James' Church - church hall	13,621	-
St Mary's Primary School, Hornchurch - swimming pool	-	58,500
Stubbers Adventure Centre - Young Mariners Club	-	5,900
The Glen, Rainham - improvements	35,000	-
Trinity Methodist Church - heating improvements	-	16,500
Upminster Park – development	-	25,000
Wennington Church – improvements	29,000	-
Whybridge Church	11,000	-
Whybridge Church – renovation	-	6,000
TOTAL	£1,209,491	£790,607

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

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

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

8. GOVERNANCE COSTS	Unrestricted Funds 2009 £	Total Funds 2008 £
Allocation of support costs	5,899	5,761
Auditors' remuneration	5,405	5,346
Trustees' indemnity insurance	735	1,155
	<u>£12,039</u>	<u>£12,262</u>
9. NET INCOMING RESOURCES	2009 £	2008 £
This is stated after charging:		
Depreciation of tangible fixed assets	319	322
Auditors' remuneration	5,405	5,346
Auditors' remuneration – non audit	192	194
Pension costs	<u>5,169</u>	<u>4,443</u>
During the year, no Trustees received any remuneration (2008 - £NIL).		
During the year, no Trustees received any benefits in kind (2008 - £NIL).		
During the year, no Trustees received any reimbursement of expenses (2008 - £NIL).		
10. STAFF COSTS AND NUMBERS	2009 £	2008 £
Staff costs were as follows:		
Wages and salaries	32,654	31,163
Social security costs	2,542	2,514
Pension costs	<u>5,169</u>	<u>4,443</u>
	<u>£40,365</u>	<u>£38,120</u>
	No.	No.
The average full-time equivalent number of employees during the year was:		
Charitable activities	<u>1</u>	<u>1</u>

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

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

11.	TANGIBLE FIXED ASSETS	Office equipment £	Furniture and fittings £	Total £
	Cost			
	At 1 April 2008	7,473	5,677	13,150
	Scrapped during year	(3,193)	(1,010)	(4,203)
	At 31 st March 2009	4,280	4,667	8,947
	Depreciation			
	At 1 April 2008	7,154	5,677	12,831
	Charge for the year	319	-	319
	Depreciation on assets scrapped	(3,193)	(1,010)	(4,203)
	At 31 March 2009	4,280	4,667	8,947
	Net Book Value			
	At 31 March 2009	£ -	£ -	£ -
	At 31 March 2008	£319	£ -	£319
12.	DEBTORS: due within one year		2009 £	2008 £
	Accrued interest		54,686	34,995
	Payment in advance		69	159
			£54,755	£35,154
13.	CREDITORS: amounts falling due within one year		2009 £	2008 £
	Other creditors		1,008,106	931,109
	Accruals		5,682	5,860
			£1,013,788	£936,969
14.	CREDITORS: amounts falling due after more than one year		2009 £	2008 £
	Other creditors		£108,123	£ -

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

15. PENSION COMMITMENTS

The Trust participates in the SCVO Scottish Voluntary Sector Pension Scheme. The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 30 September 2007. From October 2007 there are two benefit structures available. These are final salary with a 1/60th accrual rate and final salary with a 1/80th accrual rate.

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

The Trust has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members from October 2007.

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

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

During the accounting period the Trust paid contributions at the rate of 15.2%. Member contributions were paid at a rate of 7.5%.

As at the balance sheet date there were two active members of the Scheme employed by this Trust. The Veolia ES Cleanaway Pitsea Marshes Trust (VESCMT) also bears a proportion of the costs of these employees, including the pension costs. The annual pensionable payroll in respect of these members was £58,821. This Trust continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. 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 2005. Preliminary results of the formal valuation as at 30 September 2008 have been calculated by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the 30 September 2008 was £45.1 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £20.438 million (equivalent to a past service funding level of 68.8%).

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:

	<u>% pa</u>
- Investment return pre retirement	6.8
- Investment return post retirement	4.6
- Rate of salary increases	4.2% for five years and 4.7% thereafter
- Rate of pension increases:	
for pensionable service pre 6 April 2005	3.0
for pensionable service post 5 April 2005	2.3
- Rate of price inflation	3.2

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

15. PENSION COMMITMENTS (continued)

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

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary 1/60th accrual rate	20.0% comprising employer contributions of 12.5% and member contributions of 7.5% or employer contributions of 14% and member contributions of 6.0%
Final salary 1/80th accrual rate	15.3% comprising employer contributions of 9.3% and member contributions of 6%

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

In view of the past service shortfall it was agreed that the joint contribution rates, including the deficit contribution of 2.7%, shown in the table below would be payable with effect from 1 October 2007.

Benefit structure	Joint contribution rate (% of pensionable salaries)
Final salary 1/60th accrual rate	22.7% comprising employer contributions of 15.2% and member contributions of 7.5%
Final salary 1/80th accrual rate	18.0% comprising employer contributions of 12.0% and member contributions of 6.0%

New employers joining the Scheme pay contributions at the ongoing joint future service contribution rate. This rate applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining.

New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between the SCVO Pensions Committee and the Scheme Actuary.

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

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an on-going funding basis, by 31 March 2022.

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

The recovery plan from the 2008 valuation will be submitted to the Pensions Regulator in due course. The next full actuarial valuation will be carried out as at 30 September 2011.

THE VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

15. PENSION COMMITMENTS (continued)

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

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

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

The 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 2008. As of this date the estimated employer debt for the Trust was £110,962, which would be borne by this Trust and VESCPMT in agreed proportions.

16. OPERATING LEASE COMMITMENTS

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows: -

	2009 £	2008 £
Expiry date		
Between two and five years	<u>£6,723</u>	<u>£6,448</u>

17. RELATED PARTY TRANSACTIONS

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

The Veolia ES Cleanaway Havering Riverside Trust and the Veolia ES Cleanaway Pitsea Marshes Trust share between them the overhead costs of the office in an agreed ratio. Mr Robin Squire, the Trust Secretary, who earned fees (including VAT) in the year in both the Veolia ES Cleanaway Havering Riverside Trust and the Veolia ES Cleanaway Pitsea Marshes Trust of £40,627 and £35,900 respectively, is a Trustee of both the Veolia ES Cleanaway Havering Riverside Maintenance Trust and the Veolia ES Cleanaway Pitsea Marshes Maintenance Trust. There are no other transactions between the companies.

18. TAXATION

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

VEOLIA ES CLEANAWAY HAVERING RIVERSIDE TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2009

19. TRUSTEES' INDEMNITY INSURANCE

During the year the Trust purchased insurance to protect the Trust from loss arising from any wrongful or dishonest act of any Trustee or employee and to indemnify the Trustees against the consequence of any wrongful act. The total cover provided by such insurance is £3,000,000, which covers the four companies listed in 17 above, together with the Veolia ES Cleanaway Mardyke Trust, and the total premium applicable to the Trust in respect of such insurance was £735 (2008: £1,155).