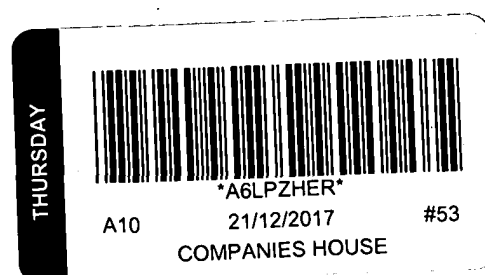


**VEOLIA NORTH THAMES TRUST**  
(A company limited by guarantee)  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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



**VEOLIA NORTH THAMES TRUST**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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# VEOLIA NORTH THAMES TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

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### Trustees

|                              |  |
|------------------------------|--|
| Veolia ES Limited            | - authorised representative Douglas Benjafield, Chairman<br>Keith McGurk<br>Robert Hunt /Tom Spaul (alternate)   |
| London Borough of Havering   | - authorised representative Councillor Robert Benham   |
| Basildon Borough Council     | - authorised representative Councillor Terri Sargent resigned 21 <sup>st</sup> July 2016<br>authorised representative Councillor Peter Holliman appointed 21 <sup>st</sup> July 2016 |
| Castle Point Borough Council | - authorised representative Councillor Ray Howard  |
| Thurrock Council             | - authorised representative Councillor Gerard Rice resigned 9 <sup>th</sup> June 2016<br>authorised representative Councillor Pauline Tolson appointed 9 <sup>th</sup> June 2016     |
| Essex Wildlife Trust         | - authorised representative Stewart Goshawk  |
| Port of London Authority     | - authorised representative Alistair Gale  |
| Natural England              | - authorised representative Neil Fuller  |
| Reginald Warner              |  |
| Barrie Lawrence              | - died 21 <sup>st</sup> April 2017   |
| Charlie Curtis               | - previously alternate Trustee with Barrie Lawrence  |
| Sandra Hillier               |  |

### Company Registered Number

03617355

### Charity Registered Number

1084805

### Registered Office

Unit D, Wat Tyler Country Park  
Pitsea Hall Lane, Pitsea  
Essex SS16 4UH

### Auditors

haysmacintyre  
Chartered Accountants & Registered Auditors  
26 Red Lion Square  
London WC1R 4AG

### Bankers

Santander Bank  
Customer Service Centre  
Bootle,  
Merseyside L30 4GB

### Solicitors

Stone King  
16 St John's Lane  
London EC1M 4BS

# **VEOLIA NORTH THAMES TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2017**

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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 Veolia North Thames Trust.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2016.

## **OBJECTIVES AND ACTIVITIES**

### **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 Thurrock Unitary Authority, the Borough of Basildon, the Borough of Castle Point and the London Borough of Havering together with 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 2016/17 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 communities served by the Trust, with particular reference to sustainability issues;

There have been no changes in the strategic objectives since the last annual report. At their March 2017 meeting, the board received a report from the Trust Secretary, assessing the success of the Trust in meeting these objectives.

### **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 2.96% (2.96% during 2015/16) of the Trust's landfill tax related receipts from Veolia ES Limited, the landfill site operator.

**TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**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). Trustees' policy is to maintain un-invested monies on deposit earning a market rate of interest.

**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 from the areas set out above under Constitution, policies and objectives, 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.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Principal achievement of the year**

There were no significant achievements this year. As was mentioned in last year's Annual Report, Veolia ES Limited, decided to cease funding this Trust with effect from 1 January 2016 and, despite representations being made to the company during the year by Trustees and others, including local MPs, the company refused to reconsider the matter.

At the start of the year, the Trust had 65 projects in progress. Although an immediate stop on funding new projects was agreed, there were 3 projects that had been held over from 2015/16 for various reasons and these meant that the Trust and its predecessors funded a total of 698 projects in all. During the year, all the 68 projects were completed. The balance of funds within the Trust was held, awaiting the resolution and consequent settling of the frozen pension debt in respect of an old final salary scheme, which was triggered by the redundancy of all staff at the end of November 2016. The Trust became dormant at that date, pending the resolution of discussions with various parties, including ENTRUST, the regulator for all Environmental Bodies, which continued after the end of the Trust's year.

Following discussions with the Trust's former Project Officer, Gary Baker, he volunteered to transfer out his accumulated pension fund. The Trust agreed in turn to compensate him for any consequential loss in such funds and as a result was able to settle with the pension company on a figure that permitted the release of further funds for project spend. Full provision is made in these accounts for the pension sums thus payable and our thanks are extended to both Mr Baker and to The Pensions Trust for their considerable assistance in resolving this matter.

### **Other matters**

Prior to the news of the cessation of Veolia funding, Trust Officers had carried out a strategic review of all Trust expenditure and this was presented to Trustees at their meeting in May 2016, where the recommendations for cost savings were adopted. Subsequently, the Trust moved its offices to cheaper and smaller premises in Wat Tyler Country Park, Pitsea, Essex, with the assistance of Basildon Borough Council. After the end of the financial year, we were saddened to receive news of the death of one of our Trustees, Barrie Lawrence, after a long illness. Barrie had originally been a Trustee of the Veolia Mardyke Trust and served the two Trusts for nearly 13 years.

### **Plans for 2017 and beyond**

Once the issue of the outstanding pension debt has been resolved (see earlier paragraph above), the Trustees will determine how to spend the relatively small balance of funds in hand and be wound up. It is expected that the latter will take place before the end of March 2018.

## VEOLIA NORTH THAMES TRUST

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 MARCH 2017

#### FINANCIAL REVIEW

The Trust's income fell from £5,291,530 in 2016 to £4,843, following the cessation of grants from Veolia ES Limited. This has resulted in a deficit for the year of £381,095 compared to a surplus of £605,749 in 2016. The accumulated funds will prove sufficient to meet all the Trust's liabilities but we now expect the Trust to be wound up before 31 March 2018.

#### Risk management

The Trust has a formal risk management process through which the major risks to which the organisation may be exposed are identified and has ranked these by likelihood and impact, culminating in a risk control document which is updated on a regular basis. All significant risks, together with current mitigation actions, are reviewed annually by the Trustees. The Trustees are satisfied that systems have been developed and are in place to mitigate identified risks to an acceptable level.

The principal risks and uncertainties identified by the Trust are as follows:

| Risk identified                         | Action taken to mitigate the risk   |
|---|---|
| Loss of key records through fire        | All statutory books are kept in a fire-proof safe.  |
| Loss of key personnel/poor staff morale | Staff were made redundant during the year, following the cessation of funding from Veolia ES Limited.             |
| Health and Safety                       | Security of building includes a security lock on the building front door and the park itself is closed overnight. |

#### 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. The target level for the general reserve is in line with the actual amount held in reserve.

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 previously set aside a reserve for that purpose. At the beginning of the year, this amounted to £234,000 and, given that the overwhelming cost of winding up is in respect of the triggering of the previously frozen pension debt, the reserve is being used to meet the resultant cost.

#### 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 management accounts at its meetings. A Trust Secretary, Project Officer and Administrative Officer were in post until 30<sup>th</sup> November 2016 when the latter two were made redundant. The Trust is currently dormant but operates from an office in Wat Tyler Country Park, Pitsea, Essex.

#### 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 periodically 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.

## **VEOLIA NORTH THAMES TRUST**

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

#### **FOR THE YEAR ENDED 31 MARCH 2017**

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##### **Key management personnel**

The charity considers its Trust Secretary, Robin Squire, together with its Trustees (who are unremunerated), to be its key management personnel. The Trust Secretary is paid fees based on the work undertaken. His fees are set by the Trustees on an annual basis.

##### **Related party relationships**

The three Trusts operating from Wat Tyler Country Park in Pitsea, Essex, as set out in note 18 to the accounts, have separate Trust boards, although some Trustees are common to more than one Trust. This Trust met the overhead costs of the office until 30<sup>th</sup> November 2016. Otherwise, there is no relationship between the Trusts, 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 -£45,392 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. The net negative figure arises as there were several projects where the full amount of the original grant was not taken up.

##### **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.

##### **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.



**VEOLIA NORTH THAMES TRUST**

**TRUSTEES' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**Statement of Trustees' Responsibilities (continued)**

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 19/10/2017 and signed on its behalf, by:

Douglas Benjafield – Chair



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

## VEOLIA NORTH THAMES TRUST

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We have audited the financial statements of Veolia North Thames Trust for the year ended 31 March 2017 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 including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

### Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set on page 8, 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. We have been appointed auditor under the Companies Act 2006. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### 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 2017, and of the charitable company's net movement in funds, 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.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Trustees' Annual Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Annual Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the directors' report).

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

  
Murtaza Jessa (Senior Statutory Auditor)  
for and on behalf of  
haysmacintyre, Statutory Auditor

26 Red Lion Square  
London  
WC1R 4AG

19 OCT 2017

**VEOLIA NORTH THAMES TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)**

**FOR THE YEAR ENDED 31 MARCH 2017**

|  | <b>Note</b> | <b>Unrestricted<br/>Funds<br/>Total<br/>2017<br/>£</b> | <b>Unrestricted<br/>Total<br/>Funds<br/>2016<br/>£</b> |
|--|-------------|--|--|
| <b>INCOME AND ENDOWMENTS FROM:</b>                 |             |  |  |
| Donations and legacies                             | 2           | -  | 5,270,000  |
| Investments  | 3           | 4,843  | 21,530   |
| <b>TOTAL</b>                                       |             | <b>4,843</b>   | <b>5,291,530</b>                                       |
| <b>EXPENDITURE ON:</b>                             |             |  |  |
| Charitable activities – environmental project work | 4           | 385,938  | 4,685,781  |
| <b>TOTAL</b>                                       |             | <b>385,938</b>   | <b>4,685,781</b>                                       |
| <b>NET INCOME AND NET MOVEMENT IN FUNDS</b>        |             | <b>(381,095)</b>                                       | <b>605,749</b>   |
| <b>RECONCILIATION OF FUNDS:</b>                    |             |  |  |
| FUNDS AT 1 APRIL 2016                              | 15          | 776,850  | 171,101  |
| <b>FUNDS AT 31 MARCH 2017</b>                      | 15          | <b>£395,755</b>  | <b>£776,850</b>  |

All funds in 2016 were unrestricted.

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

The notes on pages 13 to 23 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2017

|  | Notes | 2017<br>£        | 2016<br>£          |
|--|-------|------------------|--------------------|
| <b>FIXED ASSETS</b>  |       |                  |                    |
| Tangible fixed assets  | 11    | -                | -                  |
| <b>CURRENT ASSETS</b>  |       |                  |                    |
| Debtors  | 12    | 152              | 3,475              |
| Cash at bank   |       | 658,164          | 3,280,879          |
|  |       | <u>658,316</u>   | <u>3,284,354</u>   |
| <b>CREDITORS:</b> Amounts falling due within one year          | 13    | <u>(262,561)</u> | <u>(2,439,235)</u> |
|  |       | 395,755          | 845,119            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |                  |                    |
|  |       | 395,755          | 845,119            |
| <b>CREDITORS:</b> Amounts falling due after more than one year | 14    | -                | (68,269)           |
| <b>NET ASSETS</b>  |       | <u>£395,755</u>  | <u>£776,850</u>    |
| <b>CHARITY FUNDS</b>   |       |                  |                    |
| Unrestricted funds:  |       |                  |                    |
| General funds  | 15    | 395,755          | 542,850            |
| Designated funds   | 15    | -                | 234,000            |
|  |       | <u>£395,755</u>  | <u>£776,850</u>    |

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.

The financial statements were approved by the Trustees and authorised for issue on 19/10/2017 and signed on their behalf by:

Douglas Benjafield - Chair



The notes on pages 13 to 23 form part of these financial statements.

**VEOLIA NORTH THAMES TRUST**  
**STATEMENT OF CASH FLOWS**

**AS AT 31 MARCH 2017**

|  | 2017<br>£              | 2016<br>£                |
|--|------------------------|--------------------------|
| <b>Cash flows from operating activities:</b>                                       |                        |                          |
| Net income for the reporting period (as per the Statement of Financial Activities) | (381,095)              | 605,749                  |
| Adjustments for:   |                        |                          |
| Depreciation charges   | -                      | -                        |
| Dividends and interest   | (4,843)                | (21,530)                 |
| Decrease in debtors  | 3,323                  | 7,957                    |
| (Decrease)/increase in creditors   | (2,244,943)            | 562,286                  |
| <b>Net cash (used in)/provided by operating activities</b>                         | <u>(2,627,558)</u>     | <u>1,154,462</u>         |
| <b>Cash flows from investing activities:</b>                                       |                        |                          |
| Dividends and interest   | 4,843                  | 21,530                   |
| Purchase of tangible fixed assets  | -                      | -                        |
| <b>Net cash provided by investing activities</b>                                   | <u>4,843</u>           | <u>21,530</u>            |
| <b>Cash flows from financing activities</b>  | -                      | -                        |
| <b>Change in cash and cash equivalents in the year</b>                             | <u>(2,622,715)</u>     | <u>1,175,992</u>         |
| <b>Cash and cash equivalents at the beginning of the year</b>                      | <u>3,280,879</u>       | <u>2,104,887</u>         |
| <b>Cash and cash equivalents at the end of the year</b>                            | <u><u>£658,164</u></u> | <u><u>£3,280,879</u></u> |

## 1. ACCOUNTING POLICIES

### **Basis of Accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Veolia North Thames Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### **Preparation of the accounts on a going concern basis**

Having considered future budgets and cash flows and the fact that Veolia Limited has ceased to fund the company, the Trustees confirm they have no material uncertainties about the entity's ability to meet all its liabilities in full and be wound up during the course of the next 12 months.

### **Company status**

The Trust is a company limited by guarantee. The members of the company are the Trustees named on page 2. 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**

Unrestricted funds are those funds available to the charity for its general purposes. They include funds designated by the Trustees for particular purposes where their use remains at the discretion of the Trustees.

### **Income recognition**

Contributions from Veolia ES Limited are credited to the Statement of Financial Activities when the Trust is legally entitled to the receipt. Investment income is credited to income when it is receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

### **Expenditure**

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered. Expenditure items have 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. 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.

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.

**1. ACCOUNTING POLICIES (continued)**

**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 |

During the year, the company switched its offices and scrapped all furniture and office equipment previously capitalised.

**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 2016. From 1 April 2010, the current scheme was discontinued by the pension provider and the Trustees agreed accordingly to replace the scheme with a defined contribution pension scheme whilst continuing also to make deficit payments on the discontinued scheme in order to preserve staff benefits. See also note 16 to the accounts.

**Debtors**

Sundry debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank**

Cash at bank consists of a bank account.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**VAT**

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

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basis financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Estimation uncertainty**

In the view of the Trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**VEOLIA NORTH THAMES TRUST**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

| <b>2. VOLUNTARY INCOME</b>           |   |  |                          |                             | <b>Unrestricted<br/>Funds<br/>2017<br/>£</b> | <b>Total<br/>Funds<br/>2016<br/>£</b> |
|--------------------------------------|---|--|--------------------------|-----------------------------|--|---------------------------------------|
| Contributions from Veolia ES Limited |   |  |                          |                             | -  | £5,270,000                            |
| <b>3. INVESTMENT INCOME</b>          |   |  |                          |                             | <b>Total<br/>Funds<br/>2017<br/>£</b>        | <b>Total<br/>Funds<br/>2016<br/>£</b> |
| Interest receivable                  |   |  |                          |                             | £4,843                                       | £21,530                               |
| <b>4. EXPENDITURE</b>                |   |  |                          |                             | <b>Total<br/>2017</b>                        | <b>Total<br/>2016</b>                 |
|                                      | <b>Activities<br/>Undertaken<br/>Directly</b> | <b>Grant<br/>Funding of<br/>Activities</b> | <b>Support<br/>costs</b> | <b>Governance<br/>costs</b> | <b>£</b>                                     | <b>£</b>                              |
|                                      | £   | £  | £                        | £                           | £  | £                                     |
| Charitable support                   | 266,429                                       | 24,894                                     | 71,590                   | 23,025                      | 385,938                                      | 4,685,781                             |
|                                      | <u>£266,429</u>                               | <u>£24,894</u>                             | <u>£71,590</u>           | <u>£23,025</u>              | <u>£385,938</u>                              | <u>£4,685,781</u>                     |



**VEOLIA NORTH THAMES TRUST**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

**5. ACTIVITIES UNDERTAKEN DIRECTLY**

|                                 | 2017<br>£       | 2016<br>£       |
|---------------------------------|-----------------|-----------------|
| Pension deficit                 | 181,751         | 10,220          |
| PR fees                         | -               | 10,148          |
| Staff costs                     | 51,105          | 67,499          |
| Plaques                         | 403             | 4,128           |
| ENTRUST Levy                    | -               | 122,264         |
| Fees for administrative support | 33,170          | 47,046          |
|                                 | <u>£266,429</u> | <u>£261,305</u> |

**6. SUPPORT COSTS**

|                                 | 2017<br>£      | 2016<br>£      |
|---------------------------------|----------------|----------------|
| Property rent                   | 4,206          | 9,328          |
| Fees for administrative support | 14,097         | 19,995         |
| Sundry expenses                 | 553            | 490            |
| Legal and professional fees     | 22,434         | 383            |
| Office costs                    | 3,385          | 5,162          |
| Travel                          | 1,647          | 3,053          |
| Insurance                       | 705            | 672            |
| Bank charges                    | 83             | 586            |
| Staff costs                     | 24,480         | 33,158         |
|                                 | <u>£71,590</u> | <u>£72,827</u> |

**7. GRANT FUNDING OF ACTIVITIES**

|   | Unrestricted funds |                |
|---|--------------------|----------------|
|   | 2017<br>£          | 2016<br>£      |
| Appleton School – stage lighting                          | -                  | 11,276         |
| Aveley Bowls Club – additional facilities                 | -                  | 8,785          |
| Balstonia Park – improvements                             | (171)              | 12,945         |
| Barnhall Community Association – vegetable garden         | -                  | 2,925          |
| Basildon District Scouts – internal improvements          | (3,582)            | 17,600         |
| Bata Heritage Centre – expansion of exhibition            | -                  | 6,845          |
| Bedford's Park – visitor centre                           | -                  | 23,346         |
| Billericay Cricket Club – improvement works               | -                  | 20,138         |
| Blackshots Bowls Club – edges                             | -                  | 34,352         |
| Bower Hall, Havering-atte-Bower - refurbishments          | (2,980)            | 19,425         |
| Brenda Blakemore Community Centre – improvement works     | -                  | 4,194          |
| Broadford Primary School – outdoor gym & learning area    | -                  | 22,681         |
| Buglife – Stepping Stones                                 | (924)              | -              |
| Burma Star War Memorial, Orsett                           | -                  | 5,181          |
| Canvey Island Football Club                               | -                  | 150,000        |
| Canvey Island Swimming Club – equipment                   | -                  | 1,012          |
| Canvey Island War Memorial Hall – external works          | -                  | 17,457         |
| Carousel School of Gymnastics – major improvements        | -                  | 75,000         |
| Chadwell St Mary Community Association – community garden | -                  | 1,408          |
| Chafford Gorges – improvements                            | -                  | 28,940         |
| Chapman Sands Sailing Club – fencing                      | -                  | 8,040          |
| Chaseway play area  | -                  | 20,000         |
| Christ Church, Billericay – repairs                       | -                  | 54,494         |
| Church of the Good Shepherd, Collier Row – heating        | -                  | (7,278)        |
| Church of Our Lady of Canvey – hall extension             | -                  | (70,000)       |
| Carried Forward   | <u>(7,657)</u>     | <u>468,766</u> |

**VEOLIA NORTH THAMES TRUST**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

**7. GRANT FUNDING OF ACTIVITIES (continued)**

|  | <b>Unrestricted funds</b> |                  |
|--|---------------------------|------------------|
|  | <b>2017</b>               | <b>2016</b>      |
|  | <b>£</b>                  | <b>£</b>         |
| Brought forward  | (7,657)                   | 468,766          |
| Collier Row Catholic Club – hall improvements                          | -                         | 8,960            |
| 2 <sup>nd</sup> Collier Row Scout Group – new scout hall               | -                         | 9,000            |
| Corpus Christi Church, Collier Row – heating replacement               | -                         | 38,494           |
| Cottage plantation – purchase  | -                         | (1,230)          |
| Cranham Baptist Church – facility upgrades                             | -                         | 30,000           |
| Dagnam Park – signage  | -                         | 5,848            |
| Disability Inclusion Society – community planting project              | -                         | 4,100            |
| East Thurrock Community Association – refurbishments                   | -                         | 12,000           |
| Elm Park Community Association Hall - roof                             | -                         | 35,500           |
| Ford Judo Club – modular sprung floor                                  | -                         | 8,980            |
| Friends of Harold Wood Park – scooter facilities                       | -                         | 5,180            |
| Friends of King George Playing Fields – gym equipment                  | -                         | 10,000           |
| Friends of St Andrew's Park – playground equipment                     | -                         | 18,000           |
| Fryerns Social Club – improvements                                     | 44,600                    | -                |
| Grays Parish Church – hall improvements                                | -                         | 3,336            |
| Grays Sikh Temple (Gurdwara) – improvement works                       | -                         | 114,571          |
| Great Berry Residents Association – improvements to open space         | -                         | 28,000           |
| Growing Together Thundersley – therapeutic community garden            | -                         | 54,951           |
| Hadleigh & Thundersley Cricket Club – extension to pavilion            | -                         | 155,000          |
| Hadleigh Country Park – grassland                                      | -                         | (2,175)          |
| Hall Lane, Upminster – children's play area                            | -                         | 40,000           |
| Hardie Park – new skate park   | -                         | 120,000          |
| Harold Hill & District Community Association – security                | -                         | 6,018            |
| Harold Hill Bowls Club – development works                             | -                         | 40,223           |
| Harold Wood Cricket Club – sightcreens                                 | -                         | 1,960            |
| Havering Association for People with Disabilities – training computers | -                         | 3,784            |
| Havering – atte – Bower playing fields – play area                     | -                         | 35,840           |
| Havering Islamic Cultural Centre – extension to centre/                | -                         | 50,000           |
| HOPWA House – modernisation  | -                         | 36,529           |
| Hornchurch Country Park – WW1 tribute                                  | -                         | 39,000           |
| Horndon-on-the-Hill Cricket Club – disabled access                     | -                         | 10,898           |
| Ingrebourne Valley - Enhancement & Project Officer                     | -                         | (2,517)          |
| Island Yacht Club – race & safety office                               | 11,734                    | 9,000            |
| Keats Avenue play area   | -                         | 50,000           |
| Kingston Ridge Scouts – footpath                                       | -                         | 875              |
| Kingswood open space – play for life                                   | -                         | 70,000           |
| Koala Park – court and fitness facility                                | -                         | 68,193           |
| Lake Meadow Park – refurbishment of Child in the Park statue           | -                         | 6,963            |
| Langdon Hills Residents Association – community play area              | -                         | 85,578           |
| Langdon Hills Visitor Centre – enriching the visitor experience        | -                         | 66,039           |
| Langham Hall Charitable Trust – installation of CCTV                   | -                         | 1,000            |
| Langtons Gardens – restoration   | -                         | 150,000          |
| Little Burstead village hall – natural car park                        | -                         | 11,300           |
| Living landscapes, Langdon   | 14,357                    | -                |
| Lower Thames Rowing Club – secure compound                             | -                         | 29,800           |
| Markhams Chase ponds – improvements                                    | (100)                     | 20,000           |
| Marshalls Park School – upgrade of floodlighting                       | -                         | 11,528           |
| Memorial Park Pavilion, Basildon                                       | -                         | 55,334           |
| New Life Church, Crouch Valley   | -                         | (1,413)          |
| New Testament Church of God, Harold Hill – refurbishments              | -                         | 48,819           |
| Norsey Wood – improvements   | -                         | 21,500           |
| Dutch barn   | -                         | 20,000           |
| bat project  | -                         | 1,816            |
| Carried forward  | <b>62,934</b>             | <b>2,115,348</b> |

**VEOLIA NORTH THAMES TRUST**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

| <b>7. GRANT FUNDING OF ACTIVITIES (continued)</b>                   | <b>Unrestricted funds</b> |                  |
|---|---------------------------|------------------|
|   | <b>2017</b>               | <b>2016</b>      |
|   | <b>£</b>                  | <b>£</b>         |
| Brought forward   | <b>62,934</b>             | <b>2,115,348</b> |
| North Hill, Romford – improvements                                  | -                         | 7,500            |
| Orsett Churches Centre – redecoration                               | <b>(3,544)</b>            | 14,600           |
| Orsett Village Hall – improvements works                            | -                         | 4,428            |
| Pages Wood nature reserve – purchase                                | <b>(3,733)</b>            | 3,733            |
| Palmers Rest Gardens – accessibility works                          | -                         | 6,784            |
| Passingham Avenue – play area improvements                          | -                         | 26,000           |
| Peartree Close Residents Association – community gardens            | -                         | 297              |
| Pegasus Bowls Club – improvement works                              | -                         | 32,164           |
| Pitsea Royal British Legion & Bowls – improvements                  | -                         | 1,000            |
| Rainham Bowls Club – installation of canopy                         | -                         | 5,950            |
| Rainham Hall – refurbishment of stable                              | -                         | 52,080           |
| Rainham Marshes – local community engagement                        | -                         | (206,000)        |
| local community engagement (new project)                            | <b>(35,566)</b>           | 259,950          |
| nature reserve  | -                         | (53,950)         |
| Ramsden Belhus Short Mat Bowls Club - machinery                     | -                         | 4,714            |
| Rise Park – Green Flag works  | -                         | 50,000           |
| Robert Beard Youth Centre – boiler and windows upgrade              | -                         | 65,000           |
| Romford United Reformed Church – upgrade of toilets                 | -                         | 5,000            |
| ROYALS – security works   | -                         | 10,372           |
| media suite   | -                         | 7,508            |
| RSPB – Wennington Marsh lapwing lifeline                            | -                         | 104,118          |
| Runnymede Swimming Club – diving blocks                             | -                         | 7,118            |
| Rush Green Community Association – perimeter fencing                | <b>1,997</b>              | 14,974           |
| Rush Green Regeneration Group – mower                               | -                         | 1,618            |
| Safeguarding Havering’s water voles                                 | -                         | 875              |
| Shinfodo Jujitsu Club – equipment                                   | -                         | 3,623            |
| South Green & District Memorial Hall – renovations                  | -                         | 6,000            |
| South Ockendon Village Hall – improvement works                     | -                         | 18,838           |
| Springhouse Bowls Club – improvement works                          | -                         | 68,553           |
| St Andrew’s Church, Wickford - improvements                         | -                         | 17,700           |
| St Catherine’s Church, East Tilbury – restoration & redevelopment   | -                         | 31,952           |
| St Francis Hospice – renovation of ornamental fish pond             | -                         | 80,000           |
| St Gabriel’s Church – repairs to roof                               | -                         | 46,595           |
| St George’s Church, Thundersley – conversion of baptistery          | -                         | 8,000            |
| St John the Divine Church, Billericay – renewal of hall roof        | -                         | 19,750           |
| St Luke’s Hospice – meeting room                                    | -                         | 54,689           |
| St Margaret’s Church, Stanford-le-Hope – hall improvements          | -                         | 67,947           |
| St Martin of Tours, Basildon – refurbishments                       | -                         | 176,220          |
| St Mary’s Church, Stifford – replacement organ                      | -                         | 14,535           |
| St Mary the Virgin Church, South Benfleet                           | -                         | 20,000           |
| St Michael’s Church, Aveley – disabled access                       | -                         | (639)            |
| restoration & improvement works                                     | -                         | 109,364          |
| St Nicholas Church, Laindon – restoration works                     | -                         | 149,985          |
| St Peter & St Paul Church, Horndon on the Hill – spire              | -                         | 8,134            |
| St Peter’s Church, Nevendon – restoration works                     | -                         | 37,700           |
| St Peter’s Church, Thundersley – electrical works                   | -                         | 16,933           |
| St Stephen’s Church, Purfleet – community room extension            | -                         | (54)             |
| Steepleview Community Association – furnishings                     | -                         | 5,173            |
| Thundersley Congregational Church – land development                | -                         | 28,274           |
| Thundersley Spiritualist Church – internal upgrade works            | -                         | 5,670            |
| Thurrock Association Sunday League – extension to Lakeside pavilion | -                         | 129,050          |
| Thurrock Community Leisure – improvements to Blackshots Civic Hall  | -                         | 67,155           |
| Thurrock Harriers Athletics Club – car park improvements            | -                         | 45,012           |
| Carried forward   | <b>22,088</b>             | <b>3,777,340</b> |

**FOR THE YEAR ENDED 31 MARCH 2017**

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.

**VEOLIA NORTH THAMES TRUST**

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

**FOR THE YEAR ENDED 31 MARCH 2017**

| <b>8. GOVERNANCE COSTS</b>   | <b>Unrestricted<br/>Funds<br/>2017<br/>£</b> | <b>Total<br/>Funds<br/>2016<br/>£</b> |
|--|--|---------------------------------------|
| Allocation of support costs  | 12,633                                       | 12,852                                |
| Auditor's remuneration   | 8,280  | 7,680                                 |
| Trustees' indemnity insurance  | 2,112  | 2,059                                 |
|  | <u>£23,025</u>                               | <u>£22,591</u>                        |
| <b>9. NET INCOME</b>   | <b>2017<br/>£</b>                            | <b>2016<br/>£</b>                     |
| This is stated after charging:   |  |                                       |
| Depreciation of tangible fixed assets  | -  | -                                     |
| Auditor's remuneration   | 8,280  | 7,680                                 |
| Auditor's remuneration – non audit   | 7,230  | 450                                   |
| Pension costs  | 188,973                                      | 15,212                                |
|  | <u>188,973</u>                               | <u>15,212</u>                         |
| During the year, no Trustees received any remuneration (2016 - £NIL).          |  |                                       |
| During the year, no Trustees received any benefits in kind (2016 - £NIL).      |  |                                       |
| During the year, no Trustees received reimbursement of expenses (2016 - £NIL). |  |                                       |
| <b>10. STAFF COSTS AND NUMBERS</b>   | <b>2017<br/>£</b>                            | <b>2016<br/>£</b>                     |
| Staff costs were as follows:   |  |                                       |
| Wages and salaries   | 66,669                                       | 82,621                                |
| Social security costs  | 6,014  | 8,676                                 |
| Pension costs  | 7,222  | 15,212                                |
| Pension deficit funding / pensions settlement (see note 16)                    | 181,751                                      | 10,220                                |
|  | <u>£261,656</u>                              | <u>£116,729</u>                       |
|  | <b>No.</b>                                   | <b>No.</b>                            |
| The average number of employees during the year was:                           |  |                                       |
| Charitable activities  | <u>1</u>                                     | <u>2</u>                              |

No employee received remuneration amounting to more than £60,000 in either year.  
Amounts paid to key management personnel amounted to £49,755 (2016 - £70,570).

VEOLIA NORTH THAMES TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2017

11. TANGIBLE FIXED ASSETS

|                       | Office<br>equipment<br>£ | Furniture<br>and fittings<br>£ | Total<br>£ |
|-----------------------|--------------------------|--------------------------------|------------|
| <b>Cost</b>           |                          |                                |            |
| At 1 April 2016       | 3,876                    | 8,320                          | 12,196     |
| Disposals             | (3,876)                  | (8,320)                        | (12,196)   |
| At 31 March 2017      | -                        | -                              | -          |
| <b>Depreciation</b>   |                          |                                |            |
| At 1 April 2016       | 3,876                    | 8,320                          | 12,196     |
| Disposals             | (3,876)                  | (8,320)                        | (12,196)   |
| At 31 March 2017      | -                        | -                              | -          |
| <b>Net Book Value</b> |                          |                                |            |
| At 31 March 2017      | £-                       | £-                             | £-         |
| At 31 March 2016      | £-                       | £-                             | £-         |

12. DEBTORS: due within one year

|                                      | 2017<br>£   | 2016<br>£     |
|--------------------------------------|-------------|---------------|
| Accrued interest                     | 142         | 3,475         |
| Payments in advance & sundry debtors | 10          | -             |
|                                      | <b>£152</b> | <b>£3,475</b> |

13. CREDITORS: amounts falling due within one year

|                                   | 2017<br>£       | 2016<br>£         |
|-----------------------------------|-----------------|-------------------|
| Other creditors                   | -               | 2,425,567         |
| Accruals                          | 10,320          | 8,338             |
| Pension liabilities (see note 16) | 252,241         | 5,330             |
|                                   | <b>£262,561</b> | <b>£2,439,235</b> |

14. CREDITORS: amounts falling due after more than one year

|  | 2017<br>£ | 2016<br>£ |
|--|-----------|-----------|
| Pension deficit reduction plan (see note 16) | £-        | £68,269   |

15. SUMMARY OF FUNDS

|  | Brought<br>forward | Income        | Expendi-<br>ture | Transfers | Carried<br>forward |
|--|--------------------|---------------|------------------|-----------|--------------------|
|  | £                  | £             | £                | £         | £                  |
| General funds                          | 542,850            | 4,843         | 385,938          | 224,000   | 395,755            |
| Designated funds –<br>winding up costs | 234,000            | -             | -                | (234,000) | -                  |
|  | <b>£776,850</b>    | <b>£4,843</b> | <b>£385,938</b>  | <b>£-</b> | <b>£395,755</b>    |

# VEOLIA NORTH THAMES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2017

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#### 15. SUMMARY OF FUNDS continued

##### Designated fund

The designated fund was set up to cover unavoidable costs when it eventually becomes necessary to wind up the operations of the Trust. With the cessation of funding from Veolia Limited with effect from the beginning of 2016, as detailed elsewhere, this fund is being used to meet the accumulated pension deficit. This was met in July 2017.

#### 16. PENSION COMMITMENTS

The Trust participates in the scheme, a multi-employer scheme which provides benefits to some 95 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the Trust to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £88.22m, liabilities of £122.15m and a deficit of £33.93m. To eliminate this funding shortfall, the Trustee had asked the participating employers to pay additional contributions to the scheme as follows:

##### Deficit contributions

|  |  |
|--|--|
| From 1 April 2017 to 31 October 2029   | £1,323,116 per annum<br>(payable monthly and increasing by 3% each on 1st April) |
| From 1 April 2017 to 30 September 2031 | £292,376 per annum<br>(payable monthly and increasing by 3% each on 1st April)   |
| From 1 April 2017 to 30 September 2031 | £37,475 per annum  |

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2011; this valuation showed assets of £66.21m, liabilities of £95.04m and a deficit of £28.83m. To eliminate this funding shortfall, payments consisted of £1,490,000 per annum, increasing by 3% each 1 April until 31 March 2028.

Since the end of the financial year, the gross liability under this scheme was confirmed as £314,593. Following discussions, the erstwhile company Project Officer, Gary Baker, determined that he would wish to transfer out the funds that related to him within the overall figure and he was fully supported by the Trust in arriving at that decision. In consequence and in order to ensure that Mr Baker did not lose out as a result of such a change, a sum was paid into the pension fund to compensate Mr Baker for the reduced value to which he would otherwise be entitled. As a result of these changes, the balance payable under the scheme by the Trust, including all related fees, has been agreed at £252,241, which is provided for in full in these accounts.

When taking account of the winding up designated fund, set aside several years ago and being overwhelmingly in respect of the pension debt, the fund has been written back to general funds.

# VEOLIA NORTH THAMES TRUST

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2017

#### 17. OPERATING LEASE COMMITMENTS

At 31 March 2017 the company had no annual commitments under non-cancellable operating leases: -

|                      | 2017<br>£ | 2016<br>£ |
|----------------------|-----------|-----------|
| <b>Expiry date</b>   |           |           |
| Less than five years | -         | £6,200    |

#### 18. RELATED PARTY TRANSACTIONS

Veolia ES Limited, the landfill site operator, also funds two further entities which operate from the same premises as the Veolia North Thames Trust; 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 three charities.

The Veolia North Thames Trust bore the overhead costs of the office until 30<sup>th</sup> November 2016 when the company became dormant following the cessation of funding by Veolia ES Limited. Mr Robin Squire, the Trust Secretary, who earned fees in the year of £49,755 (2016 £70,570), is a Trustee of both the Veolia Havering Riverside Maintenance Trust and the Veolia Pitsea Marshes Maintenance Trust. From 1<sup>st</sup> December 2016, he was paid by these two latter companies in total for the year £10,695 (2016 £Nil). There are no other transactions between the companies.

#### 19. 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.

#### 20. 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 three companies listed in 18 above, and the total premium applicable to the Trust in respect of such insurance was £2,112 (2016: £2,059).

#### 21. FUTURE OF THE CHARITY

Following the decision of Veolia ES Limited to cease funding the Charity from the 2016/17 financial year, the Trustees resolved to cease its operations on 30 November 2016. The Charity's activities and operations will continue to operate through the two maintenance trusts - the Veolia Pitsea Marshes Maintenance Trust and the Veolia Havering Riverside Maintenance Trust.

#### 22. FINANCIAL INSTRUMENTS

|  | Total<br>2017<br>£ | Total<br>2016<br>£ |
|--|--------------------|--------------------|
| Financial assets measured by amortised cost      | 10                 | -                  |
| Financial liabilities measured by amortised cost | 252,241            | 2,430,897          |

Financial assets measured at amortised cost include trade and sundry debtors.

Financial liabilities measured at amortised cost include other creditors and pension liabilities.