

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

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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

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**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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

## LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2014

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### Trustees

Veolia ES Limited	- authorised representative Douglas Benjafield, Chairman Keith McGurk appointed 1 <sup>st</sup> April 2013 Robert Hunt /Tom Spaul (alternate) appointed 22 <sup>nd</sup> November 2013
London Borough of Havering	- authorised representative Councillor Mike Armstrong
Basildon Borough Council	- authorised representative Councillor Mo Larkin appointed 1 <sup>st</sup> April 2013
Castle Point Borough Council	- authorised representative Councillor Ray Howard appointed 1 <sup>st</sup> April 2013
Thurrock Council	- authorised representative Councillor Charlie Curtis appointed 1 <sup>st</sup> April 2013
The Environment Agency	- authorised representative Debbie Jones resigned 1 <sup>st</sup> April 2013 Gary Cockett appointed 1 <sup>st</sup> April 2013
Essex Wildlife Trust	- authorised representative Paul Davis resigned 1 <sup>st</sup> April 2013 Bob Hills appointed 1 <sup>st</sup> April 2013
Port of London Authority	- authorised representative Alistair Gale
Natural England	- authorised representative Neil Fuller appointed 1 <sup>st</sup> April 2013
Reginald Warner	
John Robb	- appointed 1 <sup>st</sup> April 2013
Barrie Lawrence	- appointed 1 <sup>st</sup> April 2013

### Company Registered Number

03617355

### Charity Registered Number

1084805

### Registered Office

Rainham House  
Manor Way  
Rainham  
Essex  
RM13 8RH

### Auditors

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

### Bankers

The Co-operative Bank plc  
Head Office, PO Box 101,  
1 Balloon Street,  
Manchester M60 4EP

Barclays Private Bank  
1 Churchill Place,  
Canary Wharf,  
London E14 5HP

### Solicitors

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

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

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2014**

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The Trustees, who are also directors of the Trust for the purposes of the Companies Act, submit their annual report and the financial statements of The Veolia North Thames Trust.

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 six times a year and also holds an Annual General Meeting.

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

#### **Constitution, policies and objectives**

The Trust is registered as a charitable company limited by guarantee and was incorporated on 12 August 1998. Following the merger with the Veolia Pitsea Marshes Trust and the Veolia Mardyke Trust on 31<sup>st</sup> March 2013, 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 2013/14 is concerned, the Trust adopted several specific objectives as follows:

- To ensure that, save in exceptional circumstances, applications for funding are brought to the Trust board at the first available meeting after the receipt of the proposals;
- To bring the existence of the Trust and its funding policies to the attention of a wider grouping of potential project applicants;
- To raise the profile of the Trust within the Havering community in general, with particular reference to sustainability issues;
- To seek EB Accreditation under the ENTRUST voluntary scheme.

There have been no changes in the strategic objectives since the last annual report. At their March 2014 meeting, the board received a report from the Trust Secretary, assessing the success of the Trust in meeting these objectives.

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

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2014

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### Structure, Governance and Management

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

### Statement on public benefit

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

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

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

1a It must be clear what the benefits are

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

1b The benefits must relate to the aims

The aim of the Trust, as detailed in the principle objectives set out above, is to provide an efficient and effective service to the people 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.

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

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2014

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### Related party relationships

The three Trusts operating from Rainham House, Rainham, as set out in note 19 to the accounts, have separate Trust boards, although some Trustees are common to more than one Trust. This Trust meets the overhead costs of the office. 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 £926,610 were registered where a Trustee was either the project holder or had ultimate responsibility for the ownership and day to day operational use of the underlying asset.

### Principal achievements of the year

*Implementing the new structure of the Trust with no interruption to our service to project holders*

*Holding an inaugural Event for the enlarged Trust*

*Meeting the Government's Challenge to Environmental Bodies*

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

*Implementing the new structure of the Trust with no interruption to our service to project holders*

The year commenced with the new and enlarged Trust now handling all matters previously administered by the Veolia Havering Riverside Trust, the Veolia Pitsea Marshes Trust and Veolia Mardyke Trust. With the predicted volume of new project applications coming from the much wider Trust geographical area, it was decided to move to bi-monthly instead of quarterly meetings. This has meant Trust meetings handling some 20/24 project applications per meeting. The new much enlarged Trust board settled in well and as far as we are aware, no project-holder was inconvenienced by the changes. This is due mainly to the hard work of staff and bodes well for the future.

*Holding an inaugural Event for the enlarged Trust*

We held an inaugural Event for the enlarged Trust in November at St Gabriel's Church in Pitsea, with the central aim of the day being to give reassurance to key stakeholders and partners about the enhanced capacity of the new single Trust. The day was an outstanding success with nearly 120 people attending the morning's activities and lunch. This was the largest turn out for a Trust Event that we have experienced, with the single exception of the 10<sup>th</sup> Anniversary celebrations a few years ago, which covered all three Veolia Trusts. Those attending included the MP and the Mayor for Castle Point, the council leaders of Havering & Basildon, three of the four local authority chief executives and senior executives from Veolia ES Limited. The overall costs of the event were well below the budgeted figure.

*Meeting the Government's Challenge to Environmental Bodies*

For a couple of years, the Government has been urging all Distributive and Environmental Bodies, such as the Trust, to reduce the funds they hold by clearing project payments more quickly. Specifically for the current year, we were required to reduce our funds by 25% as against the equivalent balances held by the three Trusts at 31<sup>st</sup> March 2010. Trustees resolved that we should meet the target and agreed the steps to be taken to ensure it was achieved. After a significant amount of extra work for staff and the co-operation in particular of the various local authorities with whom we deal, the Trust Secretary was able to report to the May 2014 meeting of the Trust that the target had been narrowly met.

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

This year's grant from Veolia ES Limited was £2,720,000, double the grant received by the former Veolia Havering Riverside Trust last year but slightly down on the combined figure for the three individual Trusts. Trustees were duly

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

## TRUSTEES' REPORT (continued)

### FOR THE YEAR ENDED 31 MARCH 2014

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

grateful to Veolia ES Limited for their generosity, as they were also grateful for the fact that Veolia themselves found an additional 10% from their own resources for much of this sum and thus obviated the need for the Trust to seek Third Party Funding. It gave the Trust increased opportunities to fund worthwhile projects, as the figures for the year indicate, with total project funding at some £3.2m, reflecting the enhanced size of this Trust. At the start of the year, the Trust took over 74 current projects from the Pitsea Marshes and Mardyke Trusts. During the year, 110 projects were approved by the Trust and registered with ENTRUST thus making a total of 476 projects to date in this Trust. By 31st March 2014, 421 of these projects had been completed (1,102 across the three Trusts that now make up this Trust) and 83 were in progress, including 28 of the projects from the other two Trusts. 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 sites. Of particular significance this year was the £255,000 committed for the restoration of Langtons Gardens in Hornchurch; other large projects included £120,000 for a dementia-friendly community garden at Thurrock Hospital, £125,000 for enhanced facilities for the Vange Community Group and £200,000 for the refurbishment of the stable at the beautiful grade II listed Rainham Hall; in addition, there were numerous smaller projects involving churches, sports clubs or community facilities.

In the 2014 Budget, the Chancellor announced a 10% "once-off" reduction in the annual sum going into the Landfill Communities Fund (LCF), leaving the Fund at an estimated £71m for 2014/15. The sum taken is being used specifically to tackle crime involving waste but there is concern that such a reduction may be repeated in future years and representations to this effect have been made to the Treasury.

#### **Other**

It is one of our objectives that the Trust should seek voluntary accreditation as an EB under the ENTRUST scheme. During the year, however, the pressure on a small office of meeting the other Trust objectives meant that no progress was made. We would hope to return to this matter in the new financial year and it remains a Trust objective.

At the start of the year, as set out elsewhere in these accounts, the Trust board expanded considerably, taking in a number of new directors / Trustees and reflecting the enhanced geographical area served by the Trust. During the year, it was resolved by the board that the number of Veolia ES Limited representatives should be increased from two to three and Robert Hunt and Tom Spaul became alternate Trustees. Lastly, at the end of the year, Trustees were advised that Councillor Mike Armstrong, who had represented the London Borough of Havering for a number of years, would not be standing at the forthcoming elections and would therefore cease to be the appointed representative for the authority. Mike was thanked warmly for his significant service to the Trust.

#### **Plans for 2014 and beyond**

The board has adopted the following objectives for 2014/15:

- To ensure that, save in exceptional circumstances, applications for funding are brought to the Trust board at the first available meeting after the receipt of the proposals.
- To bring the existence of the Trust and its funding policies to the attention of a wider grouping of potential project applicants.
- To raise the profile of the Trust within Trust communities in general, with particular reference to sustainability issues.
- To seek EB Accreditation for the Trust under the ENTRUST voluntary scheme.
- To meet whatever follows on from the Government's current challenge to EBs and maintain funds at as a low a level as possible.

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

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

#### **FOR THE YEAR ENDED 31 MARCH 2014**

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##### **Plans for 2014 and beyond (continued)**

The Trust will seek to fund more projects within the community, with particular reference to the priority area adjacent to the landfill sites. The Trust will seek to continue to commit all the funds it receives from Veolia ES Limited, whilst continuing to look, where possible, for a contribution to new projects from the applicants themselves.

##### **Reserves policy**

It is the policy of the Trust to commit all the landfill tax credits it receives for grants to projects, which meet the criteria set out in its grants policy. The ongoing costs of the Trust are solely related to the approval and monitoring of the grants and therefore there is little need to maintain a significant reserves provision. Nevertheless, and recognising that there would be unavoidable costs when it eventually becomes necessary to wind up the operations of the Trust, the Trustees have set aside of a reserve for that purpose. When this was reviewed this year, Trustees determined to increase it to £188,000 and this is reflected in the Balance Sheet on page 10 and in Note 16.

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

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

##### **Risk management**

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

##### **Grant making policies**

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

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

##### **ENTRUST**

The Trust is registered with ENTRUST (registration number 293151), a regulatory organisation which oversees the operation of environmental bodies registered under the Landfill Communities Fund (LCF). ENTRUST charges a levy of 2% (2% during 2012/13) of the Trust's landfill tax related receipts from Veolia ES Limited, the landfill site operator.

##### **Trustees' liability**

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



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

## TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2014

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### Statement of Trustees' Responsibilities

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

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

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

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

In so far as we are aware:

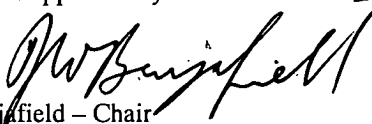
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

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

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

This report was approved by the Trustees on 22/8/14 and signed on its behalf, by:

  
Douglas Benjfield – Chair

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

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

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We have audited the financial statements of Veolia North Thames Trust for the year ended 31 March 2014 which comprise the Statement of Financial Activities (incorporating, the Income and Expenditure account), the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

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

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

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

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

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

#### **Opinion**

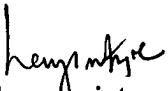
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

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

  
haysmacintyre  
Chartered Accountants  
Registered Auditors

..... 22/08/..... 2014

26 Red Lion Square  
London  
WC1R 4AG

**THE VEOLIA NORTH THAMES TRUST (FORMERLY THE VEOLIA HAVERING RIVERSIDE TRUST)**  
**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure account)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

	<b>Note</b>	<b>Unrestricted Funds 2014 £</b>	<b>Total Funds 2013 £</b>
<b>INCOMING RESOURCES</b>			
Incoming resources from generated funds			
Voluntary income	2	2,720,000	1,385,000
Investment income	3	82,669	69,909
Other incoming resources	4	7,211	-
<b>TOTAL INCOMING RESOURCES</b>		<b>2,809,880</b>	<b>1,454,909</b>
<b>RESOURCES EXPENDED</b>			
Charitable activities – environmental project work	5	3,524,792	2,472,316
Governance costs	9	21,034	13,584
<b>TOTAL RESOURCES EXPENDED</b>		<b>3,545,826</b>	<b>2,485,900</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(735,946)</b>	<b>(1,030,991)</b>
<b>TOTAL FUNDS AT 1 APRIL 2013</b>		<b>1,605,315</b>	<b>1,872,341</b>
<b>FUND TRANSFERS AT 31 MARCH 2013 FROM:</b>			
Veolia Pitsea Marshes Trust		-	600,363
Veolia Mardyke Trust		-	163,602
<b>FUNDS AT 31 MARCH 2014</b>		<b>£869,369</b>	<b>£1,605,315</b>

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

The notes on pages 11 to 21 form part of these financial statements.

## BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014 £	2013 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	12	-	-
<b>CURRENT ASSETS</b>			
Debtors	13	9,358	30,445
Cash at bank		3,935,168	5,966,435
		<u>3,944,526</u>	<u>5,996,880</u>
<b>CREDITORS:</b> Amounts falling due within one year	14	<u>(2,953,232)</u>	<u>(4,332,122)</u>
		<u>991,294</u>	<u>1,664,758</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>991,294</u>	<u>1,664,758</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	15	<u>(121,925)</u>	<u>(59,443)</u>
<b>NET ASSETS</b>		<u><u>£869,369</u></u>	<u><u>£1,605,315</u></u>
<b>CHARITY FUNDS</b>			
Unrestricted funds:			
General funds	16	681,369	1,443,315
Designated funds	16	188,000	162,000
		<u><u>£869,369</u></u>	<u><u>£1,605,315</u></u>

The Trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011. The Trustees acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2014 and of its deficit for the year then ended in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

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

The financial statements were approved by the Trustees and authorised for issue on 22/8/2014 and signed on their behalf by:

Douglas Benjafield - Chair

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

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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### 1. ACCOUNTING POLICIES

#### **Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in 2005, applicable accounting standards and the Companies Act 2006.

#### **Company status**

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

#### **Fund accounting**

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

#### **Incoming resources**

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

#### **Resources expended**

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

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

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

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

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

#### **Cash flow**

The financial statements do not include a cash flow statement because the Trust, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

All assets costing more than £1,000 are capitalised. Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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

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

**FOR THE YEAR ENDED 31 MARCH 2014**

**1. ACCOUNTING POLICIES (continued)**

**Operating leases**

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

**Pensions**

The company has operated a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 September 2011, with a funding update at 30 September 2013. 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.

**VAT**

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

**2. VOLUNTARY INCOME**

	<b>Unrestricted Funds 2014 £</b>	<b>Total Funds 2013 £</b>
Contributions from Veolia ES Limited	<b>2,720,000</b>	<b>£1,385,000</b>

**3. INVESTMENT INCOME**

	<b>Total Funds 2014 £</b>	<b>Total Funds 2013 £</b>
Interest receivable	<b>£82,669</b>	<b>£69,909</b>

**4. OTHER INCOME**

	<b>2014 £</b>	<b>2013 £</b>
Income from sale of land for M25 extension	<b>5,000</b>	-
Other income – repayment of grant	<b>2,211</b>	-
	<b>£7,211</b>	<b>£ -</b>

**5. RESOURCES EXPENDED**

	<b>Activities Undertaken Directly £</b>	<b>Grant Funding of activities £</b>	<b>Support costs £</b>	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Charitable support	234,218	3,222,991	67,583	3,524,792	2,472,316
Governance costs	9,108	-	11,926	21,034	13,584
	<b>£243,326</b>	<b>£3,222,991</b>	<b>£79,509</b>	<b>£3,545,826</b>	<b>£2,485,900</b>

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

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

**FOR THE YEAR ENDED 31 MARCH 2014**

<b>6. ACTIVITIES UNDERTAKEN DIRECTLY</b>			<b>2014</b>	<b>2013</b>
			<b>£</b>	<b>£</b>
Annual review costs			18,915	30,266
PR fees			23,064	11,062
Staff costs			86,836	35,127
Plaques			3,903	1,017
ENTRUST Levy			54,400	27,700
Fees for administrative support			47,100	28,147
			<b>£234,218</b>	<b>£133,319</b>
<b>7. SUPPORT COSTS</b>			<b>2014</b>	<b>2013</b>
	<b>Charitable Activities</b>	<b>Governance</b>	<b>£</b>	<b>£</b>
	<b>£</b>	<b>£</b>		
Property rent	9,328	1,646	10,974	6,035
Fees for administrative support	20,017	3,533	23,550	14,073
Sundry expenses	2,632	464	3,096	70
Legal and professional fees	4,418	780	5,198	4,468
Office costs	8,174	1,442	9,616	2,519
Travel	3,956	698	4,654	1,571
Insurance	652	115	767	720
Bank charges	946	167	1,113	491
Staff costs	17,460	3,081	20,541	11,567
	<b>£67,583</b>	<b>£11,926</b>	<b>£79,509</b>	<b>£41,514</b>
<b>8. GRANT FUNDING OF ACTIVITIES</b>			<b>Unrestricted funds</b>	
			<b>2014</b>	<b>2013</b>
			<b>£</b>	<b>£</b>
Albany School – community sports facility			-	65,000
All Saints Church, Ockendon - kitchen			1,186	-
Anchor Trust, Rainham – resurfacing Right of Way			2,980	-
Ardleigh Green Family Centre – building purchase			110,000	-
Ardleigh House Community Association – floor / hall			16,000	13,384
Aveley Village Forum – recreation ground			(95)	-
Avelon Place Centre – communal gardens			17,278	-
Basildon & Thurrock Hospital Trust – walkway mini-gardens			4,951	-
Basildon Rugby Club - irrigation			3,577	-
Bedford's Park – access & walled garden			-	115,500
Belhus Park - skate area			(75,000)	-
Benfleet People's Trust			(23,000)	-
Billericay Bowls Club – kitchen			6,600	-
Blackshots Bowls Club – gullies			20,475	-
Blackshots tennis courts - refurbishment			35,514	-
Blackshots toddler play area			27,000	-
Bosworth Field – play area			-	30,000
Bowers Marsh – hydrological & grazing			30,000	-
Briar Community Association – community & youth project			-	(6,151)
Buglife Stepping Stones			31,878	-
Canvey Lake – path creation			13,123	-
Castle Point Wildlife Group – Westwood woodland			10,885	-
Chafford Hundred Community Forum – gazebo			150	-
Chafford Hundred Pre-School – garden			14,840	-
Carried forward			<b>248,342</b>	<b>217,733</b>

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

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

**FOR THE YEAR ENDED 31 MARCH 2014**

<b>8 GRANT FUNDING OF ACTIVITIES (continued)</b>	<b>Unrestricted funds</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Brought forward	248,342	217,733
Chapman Sands Sailing Club – fence & jetty	78,576	-
Coalhouse Fort	90,000	-
Corringham Primary School – swimming facilities	(25,000)	-
Cottage plantation - purchase	23,361	-
Cranham Marshes	-	500
2 <sup>nd</sup> Cranham Scouts	-	(7)
De Gray plaque	(25)	-
East Tilbury Scout Group – climbing wall equipment	4,968	-
Essex Media Workshop – studio refurbishment	18,671	-
Five Links Residents Association	(37)	-
Friends of Concorde Beach – improvements	12,702	-
Friends of Harold Wood Park – scooter facilities	8,690	-
Friends of King George V Playing Fields	-	7,800
Friends of Parklands Park - improvements	18,000	-
Front Lane Community Association – repairs & refurbishment	-	24,800
Fryerns Social Club – play area	29,614	-
Ghyllgrove Community Centre	(48)	-
Grangewaters wildflower meadow	3,925	-
Grays Church – hall garden	5,500	-
Grays Town Park – gymnasium equipment	17,758	-
Grazing scheme - Cranham	15,693	-
Gull interpretation boards	(17)	-
Hacton Lane Hall – refurbishment	63,750	-
Hadleigh Country Park - grassland	79,500	-
Hadleigh Farm & Park Legacy	75,000	-
Hadleigh Park Lawn Tennis Club	48,000	-
Hangman's Wood – trees	(1,554)	-
Hardie Park – play area	30,000	-
Harold Hill Community Centre – kitchen refit	15,000	-
Harold Hill War Memorial - restoration	2,850	-
Harold Wood Neighbourhood Centre – storage	20,000	-
Harold Wood War Memorial Inst. – hall improvements	-	9,096
Havering Age Concern – roof	3,200	-
Havering Asian Social & Welfare Association – roof & toilet repairs	24,450	-
Havering Citizens' Advice Bureau – training unit	-	12,790
Havering Islamic Cultural Centre – air conditioning / car park	23,600	25,000
Havering Museum – lighting	4,810	-
Haynes Park Bowling Club - conservatory	-	13,850
Hindu Welfare Association of Essex – refurbishment of centre & roof repairs	45,721	-
Hornchurch, Elm Park & District Boxing Club	3,060	-
Hornchurch Town Centre - improvements	-	50,000
Hornchurch United Reformed Church – internal works	10,000	-
Hornchurch War Memorial – restoration	12,300	-
Horndon Parish Church – pathways	1,200	-
Ingrebourne Centre – heating system	-	20,600
Ingrebourne Valley - Enhancement & Project Officer	47,500	-
Ingrebourne Valley Heritage Centre	-	545,000
Ingrebourne Valley (Sustrans)	(109,232)	-
Lee Chapel South Community Association – improvements	9,996	-
Laindon Common Conservators – heath restoration	32,513	-
Laindon Park Primary School – community room extension	60,000	-
Langdon Hills Methodist Church - hall	30,000	-
Carried forward	1,082,337	927,162



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

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

**FOR THE YEAR ENDED 31 MARCH 2014**

<b>8 GRANT FUNDING OF ACTIVITIES (continued)</b>	<b>Unrestricted funds</b>	
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Brought forward	1,082,337	927,162
Langtons Gardens – restoration	255,000	-
Legacy XS - conservatory	(5,000)	-
Lincewood Primary School – community room	50,000	-
Linford Methodist Church – kitchen	19,730	-
Linley Close play area	9,640	-
Mardyke Open Space - improvements	-	33,960
Mill Meadow – hedge laying	3,400	-
Mistley Community Association - renovations	12,500	-
Most Holy Redeemer Church – hall	25,000	-
Music on the March – Royal British Legion Hall	(37,789)	-
New Ingrebourne Trust – works on centre	-	14,820
New Life Church, Crouch Valley	50,000	-
New Testament Church of God, Harold Hill	27,000	45,400
New Windmill Hall - refurbishment	-	60,000
Ockendon Scouts & Guides – roof extension	64,000	-
Orsett Bowls Club – gullies & paths	24,813	-
Outwood Common	27,500	-
Parklands Bridge - restoration	-	35,000
Pitsea Mount Community Association – hall exterior	2,483	-
Queen Elizabeth II park schemes	(456)	50,000
Queen’s Park – hedge laying	3,400	-
Rainham Bowls Club – matting	-	1,000
Rainham Church – new door	(1,368)	-
- stonework repairs	30,000	-
Raiham Cricket Club – (with Thames Rugby Club – cricket square)/improvements	29,420	24,170
Rainham Education project	-	20,000
Rainham Hall – refurbishment of stable	200,000	-
Rainham Marshes - phase 10	-	(25,000)
- phase 11	-	80,000
- phase 12	75,986	-
Rainham Marshes – local community engagement	-	206,000
Rainham Marshes Nature Reserve (LB Havering)	-	53,950
Rainham Marshes – guides (phase 2)	-	42,000
Rainham Walkway – boundary fence	25,000	-
Rainham War Memorial – restoration / pedestrianisation	25,028	100,000
Ramsden Belhus village hall – indoor bowls mats	830	-
Ramsden Cray’s Park - improvements	7,000	-
Raphael’s Tennis Club – equipment	1,547	-
Rise Park – resurfacing	60,000	-
Romford Beekeepers – apiary upgrade	-	8,000
Romford War Memorial – restoration	17,600	-
Royal Liberty School – cricket facilities	-	12,000
ROYALS – improvements & Hot Hatch Enterprise Zone	24,701	136,900
Sacred Heart of St Mary’s School - renovations	38,000	32,000
Shotgate Park – path	(6,000)	-
South Green Memorial Hall – heating system	10,000	-
South Ockendon Community Forum,	(454)	-
South Ockendon Recreation Ground – car park & gymnasium	22,547	-
South Ockendon Village Hall – replacement of heating system	3,520	-
Spiderfield, Purfleet – play area	(20,000)	-
Springhouse Bowls Club - watering	8,318	-
St Alban’s Church – refurbishment	91,212	-
St Andrew’s Church, Wickford – improvements	9,742	-
Carried forward	2,266,187	1,857,362

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2014

8 GRANT FUNDING OF ACTIVITIES (continued)	Unrestricted funds	
	2014 £	2013 £
Brought forward	2,266,187	1,857,362
St Anne's Church, Canvey Island – refurbishment	17,057	-
St Francis Catholic Church, Gidea Park – environmental improvements	-	45,000
St Francis Hospice – garden	16,000	-
St Gabriel's Church – heating	18,984	-
St Gabriel's Community Centre – floor	6,700	-
St Gabriel's Community Centre – improvements	99,081	-
St John's Church, Aveley – various works	16,100	-
St Joseph's RC Church, Upminster - refurbishments	-	100,000
St Luke's Hospice – community room	56,231	-
St Mary's Church, Grays – church hall improvements	5,658	-
St Michael's Church, Fobbing – window repairs	16,000	-
St Nicholas Church, Elm Park – roof / screen	8,000	633
St Peter's Church, Thundersley – heaters	6,000	-
Stanford Methodist Church – hall	6,406	-
- repairs	17,202	-
Stubbers Adventure Centre – access improvements	-	115,691
Thames Chase Forest Centre – bats & water voles / access and interpretation	23,032	56,750
Thundersley Spiritualist Church – hearing loop system	1,100	-
Thurrock Hospital – dementia friendly community garden	120,000	-
Thurrock Rugby Club - grandstand	(10,000)	-
Thurrock Scouts - toilets	80,000	-
Trinity Methodist Church, Vange – youth hall refurbishment	32,885	-
Tweedway Hall – kitchen refurbishment / improvements	18,000	30,000
Upminster Methodist Church – kitchen refurbishment	-	30,000
1 <sup>st</sup> Upminster Scout Hall - repairs	-	5,470
Upminster War Memorial - restoration	28,450	-
Usk Road – play area	10,730	-
Vange Community Group - facilities	125,000	-
Victoria Road Chapel – enlargement	7,542	-
Wat Tyler Country Park - Birch Grove improvements	10,000	-
- Green Centre improvements	22,000	-
- play area	80,000	-
Wennington Church – roof beams/heating	6,048	3,225
Wennington Village Association – village sign	-	(420)
West Billericay CA – Hannakins Farm	27,250	-
Westlake Park - improvements	44,000	-
Whybridge Junior School – cricket nets / all weather pitch	6,500	60,000
Wick Community Centre – partition replacement	6,000	-
Wickford Cricket Club – roof	12,500	-
Wickford War Memorial Park – home front garden	18,000	-
William Edwards School – badminton	(5,002)	-
Wintergardens Baptist Church – hymnal	(1,300)	-
You and Me counselling – improvements	4,650	-
Total	<u>£3,222,991</u>	<u>£2,303,711</u>

Grants shown as negative figures above are where the grant awarded has not been fully taken up by the recipient. The amount unclaimed has therefore been put back into general funds. All grants have been made to support local community projects in accordance with the Charity's objectives and all have been approved by ENTRUST.

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

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

**FOR THE YEAR ENDED 31 MARCH 2014**

<b>9. GOVERNANCE COSTS</b>	<b>Unrestricted Funds 2014 £</b>	<b>Total Funds 2013 £</b>
Allocation of support costs	11,926	6,228
Auditor's remuneration	7,200	6,120
Trustees' indemnity insurance	1,908	1,236
	<u>£21,034</u>	<u>£13,584</u>
<b>10. NET INCOMING RESOURCES</b>	<b>2014 £</b>	<b>2013 £</b>
This is stated after charging:		
Depreciation of tangible fixed assets	-	-
Auditor's remuneration	7,200	6,120
Auditor's remuneration – non audit	360	198
Pension costs	12,869	7,162
	<u>12,869</u>	<u>7,162</u>
During the year, no Trustees received any remuneration (2013 - £NIL).		
During the year, no Trustees received any benefits in kind (2013 - £NIL).		
During the year, no Trustees received reimbursement of expenses (2013 - £NIL).		
<b>11. STAFF COSTS AND NUMBERS</b>	<b>2014 £</b>	<b>2013 £</b>
Staff costs were as follows:		
Wages and salaries	88,126	36,063
Social security costs	6,382	3,469
Pension costs	12,869	7,162
	<u>£107,377</u>	<u>£46,694</u>
	<b>No.</b>	<b>No.</b>
The average full-time equivalent number of employees during the year was:		
Charitable activities	<u>2</u>	<u>1</u>

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

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

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

**FOR THE YEAR ENDED 31 MARCH 2014**

**12. TANGIBLE FIXED ASSETS**

	Office equipment £	Furniture and fittings £	Total £
<b>Cost</b>			
At 1 April 2013	3,876	8,320	12,196
At 31 March 2014	3,876	8,320	12,196
<b>Depreciation</b>			
At 1 April 2013	3,876	8,320	12,196
At 31 March 2014	3,876	8,320	12,196
<b>Net Book Value</b>			
At 31 March 2014	£-	£-	£-
<i>At 31 March 2013</i>	£-	£-	£-

**13. DEBTORS: due within one year**

	2014 £	2013 £
Accrued interest	7,899	30,364
Payments in advance & sundry debtors	1,459	81
	<u>£9,358</u>	<u>£30,445</u>

**14. CREDITORS: amounts falling due within one year**

	2014 £	2013 £
Other creditors	2,944,906	4,317,951
Accruals	8,326	14,171
	<u>£2,953,232</u>	<u>£4,332,122</u>

**15. CREDITORS: amounts falling due after more than one year**

	2014 £	2013 £
Other creditors	<u>£121,925</u>	<u>£59,443</u>

**16. SUMMARY OF FUNDS**

	Brought forward £	Incoming resources £	Resources expended £	Transfers £	Carried forward £
General funds	1,443,315	2,809,880	3,545,826	(26,000)	681,369
Designated funds – winding up costs	162,000	-	-	26,000	188,000
	<u>£1,605,315</u>	<u>£2,809,880</u>	<u>£3,545,826</u>	<u>£-</u>	<u>£869,369</u>

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2014

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

##### Designated fund

The designated fund has been set up to cover unavoidable costs when it eventually becomes necessary to wind up the operations of the Trust. This fund was reviewed this year and the Trustees agreed to increase it to £188,000.

#### 17. PENSION COMMITMENTS

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

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

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

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

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

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Scheme is a multi-employer scheme where the Scheme assets are co-mingled for investment purposes and benefits are paid from total Scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2011, by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at 30 September 2011 was £66.2 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £28.8 million (equivalent to a past service funding level of 69.7%).

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

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

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.

From 1 April 2013 a new recovery plan came into effect, following the finalisation of the 2011 valuation. Confirmation of the contributions payable from 1 April 2014 to 31 March 2015 was advised to employers by letter in February 2014.

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

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

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 MARCH 2014

#### 17. PENSION COMMITMENTS (continued)

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

The recovery plan from the 2011 valuation has been submitted to The Pensions Regulator.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2013. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £81 million (from £73m at 30 September 2012) and indicated a decrease in the shortfall of assets compared to liabilities to approximately £34 million (from £36m at 30 September 2012), equivalent to a past service funding level of 71% (from 67.2% at 30 September 2012).

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

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

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. Therefore, the amount of the debt 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 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 2013. As of this date the estimated employer debt for the Veolia North Thames Trust was £153,970.

#### 18. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows: -

	2014	2013
	£	£
<b>Expiry date</b>		
Less than five years	<u>£6,200</u>	<u>£6,200</u>

#### 19. 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 four charities.

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

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

**FOR THE YEAR ENDED 31 MARCH 2014**

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

The Veolia North Thames Trust bears the overhead costs of the office. Mr Robin Squire, the Trust Secretary, who earned fees in the year of £70,650, is a Trustee of both the Veolia Havering Riverside Maintenance Trust and the Veolia Pitsea Marshes Maintenance Trust. There are no other transactions between the companies.

**20. TAXATION**

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

**21. TRUSTEES' INDEMNITY INSURANCE**

During the year the Trust purchased insurance to protect the Trust from loss and to indemnify the Trustees against the consequence of any wrongful act. The total cover provided by such insurance is £3,000,000, which covers the three companies listed in 19 above, and the total premium applicable to the Trust in respect of such insurance was £1,908 (2013: £1,236).