

THAMES21 LIMITED

(BEING A COMPANY LIMITED BY GUARANTEE)

COMPANY REGISTRATION NUMBER: 4985828

CHARITY REGISTRATION NUMBER: 1103997

FINANCIAL STATEMENTS

FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005



THAMES21 LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

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THAMES21 LIMITED

Trustees, Directors, Officers and Advisors

FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

Directors

The following Directors (who were also Trustees) were appointed 5 December 2003 except John Barker who was appointed 9 August 2004.

Francis Anthony Armstrong Carnwath CBE (Chairman)
Celia Hensman MBE
Deputy John Alfred Barker
Stephen Colin Cuthbert CBE
Mark Laurence Bensted
Alan David Woods
Christopher John Birks
Dr Peter Brian Spillet

Appointment and retirement of Directors:

The number of Directors shall not be less than six and (unless otherwise determined by ordinary resolution) shall be a maximum of twelve Directors.

Each Director shall be appointed for an initial term of not more than three years (the "First Term") and shall retire at the end of the First Term unless an annual general meeting is held in the last twelve months of the Director's First Term, in which case the Director shall retire on the date of the annual general meeting.

After the date of retirement from the First Term a Director can be re-appointed for a "Second Term" of not more than three years subject to the same retirement provisions as apply to the First Term above.

A Director who has been re-appointed for a Second Term may not then be re-appointed for a further term unless the Charity, in general meeting, approves by ordinary resolution the re-appointment and the term for which the person is re-appointed as Director.

The Directors may appoint a person who is willing to act as a Director.

Chief Executive

Mark Lloyd was the Chief Executive for the period and resigned on 31st March, 2005. Deborah Leach was appointed from 13th June, 2005. Chris Coode was acting Chief Executive during the interregnum period.

THAMES21 LIMITED

Trustees, Directors, Officers and Advisors (Cont'd)

FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

Company Secretary

Brian Chapman

Solicitors:

Lovells
Atlantic House
Holborn Viaduct
London
EC1A 2FG

Insurance Brokers:

Griffiths and Armour
Drury House
19 Water Street
Liverpool
L20RL

Accounting and Payroll Services:

Port of London Authority
London River House
Royal Pier Road
Gravesend
Kent DA12 2BG

Bankers:

National Westminster Bank
St Paul's Branch
Juxon House
98 St Paul's Churchyard
London EC4M 8BU

Auditors:

PricewaterhouseCoopers LLP
First Point
Buckingham Gate
Gatwick
RH6 0PP

THAMES21 LIMITED
CHAIRMAN'S STATEMENT
FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

Chairman's Statement

Thames21 started operating in July 2004 after registering as a charity on 27 May 2004. This built on ten years of steady development, working to improve waterside environments in London. The increasing impact of the initiative, and growing involvement of people in communities throughout London, made independent charitable status the natural next step. The public launch of the charity was held on 28 October 2004. Local Environmental Quality Minister Alun Michael said: "Rivers and canals are vital green corridors through urban areas. By making them litter and graffiti free, Thames21 is encouraging people to make the most of London's greatest natural assets."

Thames21 developed from a partnership project supported by EnCams, the Port of London Authority, the Environment Agency, Thames Water, British Waterways London, the Corporation of London and London Local Authorities, who continue to support and guide Thames21 activities.

The charity works in partnership with local communities, volunteers, schools and businesses to create clean, safe and sustainable waterside environments.

Over the past year, Thames21 has worked with over 1600 volunteers to deliver:-

- 52 community clean up events on the river foreshore
- 15 clean up activities with the staff of major companies
- 12 wildlife habitat enhancements
- 10 public access events
- 3 major art installations
- 3 education events

Thames21 excels at delivering practical projects with tangible results. Developments in the past year have included:-

- the launch of the first Riverkeeper Programme, to complement and add value to the successful Adopt-a-River scheme
- improved biodiversity across London's rivers and canals by introducing innovative small-scale wildlife habitats
- The launch of Tightlines, a two year project using angling as a tool to engage young people, particularly those in deprived urban areas, encouraging them to discover and value their local waterside green spaces

The two Driftwood vessels operated by the PLA in support of Thames21 removed 477 tonnes of litter from the water, also working with foreshore clean-ups to take away litter collected by volunteers, and operating nine floating passive debris collectors on the Thames in central London.

In the past year the Canalkeeper programme, with 40 voluntary environmental wardens, has become the bedrock of the Canal Programme. It has been integrated more closely with contractual work, the canal vessel Taranchewer extending the areas of the canal network which it clears free of litter to include the Grand Union between Cowley Junction and Norwood Top Local, in addition to the Paddington Arm.

The charity's activities are a strong catalyst for community action and as an independent charity, Thames21 will, over the coming year seek to build a strong identity and greater recognition of its activities to increase opportunities for people to participate.

Funding for Thames21's work still depends on the support of our key strategic partners and funding raised for specific projects. The Bridge House Trust has generously provided funding towards the salary of the Chief Executive, and the charity is also extremely grateful to the Port of London Authority for providing Accounts and Personnel services, and to the Corporation of London for providing the charity with office space. A key objective for the year ahead is to increase the charity's financial stability and core funding to enable the long term planning which will be required for Thames21 to have increasing impact and benefit - enhancing the quality of waterside environments, changing attitudes, and getting increasing numbers of people and communities involved.

Francis Carnwath CBE
Chairman

THAMES21 LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

Thames21 Limited is incorporated as a private company limited by guarantee (registration number 4985828) and as a charity (registration number 1103997).

The company was incorporated on 5 December 2003, but did not start operating until 1 July 2004. The Directors submit their report and the financial statements for the period 5th December 2003 to 31st March 2005.

Objects of the Company

In accordance with the Memorandum of Association the objects for which the company is established are for the public benefit to protect, maintain and enhance the nation's rivers canals and associated features (the "Waterways") in particular by:

- a) The removal of litter, waste and debris;
- b) Advancing education in the plants, wildlife and ecosystems of the Waterways and other related subjects whether by teaching, producing materials or by conducting or commissioning research (and publishing the results of such research); and
- c) Raising awareness of the ways in which the Waterways might be protected from pollution and improved for the benefit of the people and wildlife in particular by the use of publications, lectures, the media, public advocacy and other forms of communication.

Principal Activities of the Company

The Company's principal activities are:

- An Adopt-a-River scheme involving over 4,000 participants, 50 groups and several businesses in looking after their local river;
- Promotion of safe public access to rivers and canals and organising events for thousands of people to discover their local watercourse;
- A Canal keepers scheme with 40 voluntary environmental wardens;
- Cleansing vessels and passive debris collectors on the tidal Thames operated by the Port of London Authority that remove around 500 tonnes of litter each year;
- A litter collecting boat on the canal, Taranchewer, and teams of staff carrying out cleansing and maintenance contracts funded by British Waterways;
- Graffiti cleaning contracts, mural creation and habitat enhancements;
- Education projects and campaigns to change perceptions and behaviour.

Historical Origins

The organisation began as a project called Thamesclean in 1994, before becoming a partnership programme called Thames21 in 1998 under the auspices of the Tidy Britain Group (now EnCams) and supported by, the Port of London Authority, the Environment Agency, Thames Water, British Waterways London, The Corporation of London and 19 local authorities. Thames21 Ltd was established as a company limited by guarantee in December 2003 and became a registered charity in July 2004.

Organisation and Structure

The charity is governed by the Directors (who are also Trustees) who meet at regular intervals throughout the year. Day to day management is carried out by the Chief Executive and a team of Managers.

Future Developments

In the next twelve months the charity intends to consolidate recent growth and also look at developing new strands of work which will increase benefits to the River Thames and waterways of London and to the communities and individuals they affect.

Key aspects the charity will be focussing on include:

- Increasing financial stability, to enable long-term planning;
- Developing the charity's existing systems and structures to enable more and larger community programmes to be delivered;
- Improving the flow of information to enable more members of the public to get involved in the charity's programmes and to enable Thames21 to share the practical knowledge and experience it has gained with a wider audience.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the net movement in funds of the company for that period. In preparing those financial statements, the directors confirm they have:-

- selected suitable accounting policies and then apply them consistently
- made judgements and estimates that are reasonable and prudent
- stated whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Risk Management

The major risks to which the charity is exposed have been identified by the Directors through consultation with charity managers, other operational staff and volunteers. Risks that could potentially prevent the charity from achieving its strategic objectives have been assessed and systems are being developed as appropriate to mitigate these risks, which will be reviewed on an annual basis.

Results

The results for the nine months are set out on the Statement of Financial Activities on page 12.

Reserves Policy

The Trustees believe that the charity should hold financial reserves because:

1. Many projects are ongoing into the future.
2. It requires protection against and the ability to continue operating despite unforeseen setbacks.
3. It requires the ability to be able to take advantage of change and opportunities to further its objectives.

The directors consider there are sufficient reserves to carry on the operations of the charity for the foreseeable future.

Volunteers

Many volunteers give up their time to help out the charity. We are greatly indebted to these volunteers for their commitment and support.

Auditors

The Company's auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and in accordance with Section 385 of the Companies Act 1985, a resolution will be proposed at the forthcoming Annual General Meeting to re-appoint them.

BY ORDER OF THE BOARD

Registered Office:
Bakers' Hall
Harp Lane
London
EC3R 6LB



B. Chapman (Secretary) 8 September 2005

THAMES21 LIMITED

REPORT OF THE AUDITORS

FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THAMES21 LIMITED CHARITY

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The Directors also act as trustees for the charitable activities of Thames21 Limited. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the report of the directors and the chairman's statement.

Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 March 2005 and of its net incoming resources, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Gatwick

Date: 12 September 2005

THAMES21 LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

	Notes	Unrestricted Funds £	Restricted Funds £	2005 Total £
INCOMING RESOURCES				
Donations and Gifts	2	99,154	-	99,154
Incoming Resources from Operating Activities: Activities in furtherance of the charity's objects:				
Grants and Contributions	3	334,846	136,124	470,970
Total incoming resources		434,000	136,124	570,124
RESOURCES EXPENDED				
Cost of generating funds	4	15,066	-	15,066
Charitable Expenditure: Costs of Activities in furtherance of the charity's object	5	268,281	130,028	398,309
Driftwood contribution to Port of London Authority		50,000	-	50,000
Support Costs	6	51,639	-	51,639
Management and administration costs	7	3,900	-	3,900
Total resources expended		388,886	130,028	518,914
NET MOVEMENT IN FUNDS		45,114	6,096	51,210
TOTAL FUNDS CARRIED FORWARD		45,114	6,096	51,210

All activities reported above relate to continuing activities.

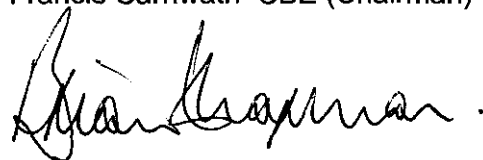
All recognised gains and losses are reflected through the Statement of Financial Activities and therefore, no separate Statement of Total Recognised Gains and Losses or Statement of Income and Expenditure is presented.

THAMES21 LIMITED
BALANCE SHEET
AS AT 31 MARCH 2005

	Notes	£	£
CURRENT ASSETS			
Debtors	9	59,341	
Cash at bank and in hand		<u>154,947</u>	
		214,288	
CURRENT LIABILITIES			
Creditors – amount falling due within one year	10	<u>163,078</u>	
NET CURRENT ASSETS			<u>51,210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>51,210</u>
FUNDS	11		
UNRESTRICTED FUNDS			
General fund		45,114	
RESTRICTED FUNDS			
General fund		<u>6,096</u>	
			<u>51,210</u>

These financial statements were approved by the Directors on 8th September 2005 and signed on their behalf by:


Francis Carnwath CBE (Chairman)


Brian Chapman (Secretary)

THAMES21 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

1. ACCOUNTING POLICIES

The principle accounting policies adopted by the Company are as follows:-

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, are in accordance with applicable accounting standards in the UK and the provisions of the statement of Recommended Practice, 'Accounting and Reporting by Charities', issued by the Charity Commissioners in October 2000.

b) Fund Accounting

- i) Unrestricted funds are expendable at the discretion of the Trustees in furtherance of the objects of the charity; the fund comprises the accumulated surpluses and deficits of unrestricted income and expenditure.
- ii) Restricted funds are those where the donor has imposed restrictions on the use of the funds which are binding. Income arising on restricted funds and expenditure incurred in respect of these funds are reflected through the Statement of Financial Activities.

c) Income and Donations

Income received for specific purposes is reflected in its entirety in the Statement of Financial Activities on receipt, or when it becomes due if it relates to a signed contract. If there are conditions attaching which have not been fulfilled at the accounting reference date, it is reflected as deferred income.

d) Gifts in Kind

Gifts in kind represent the value of benefits provided to the charity without charge. These values are based on reasonable estimates and on information provided to us by suppliers. The total value is presented in the financial statements as both an incoming and outgoing resource.

e) Expenditure

Charitable expenditure, support costs, cost of providing funds and management and administration costs comprise direct expenditure attributable to the objectives or activity. Where costs cannot be directly attributed, they have been apportioned according to the estimated time or resources spent on each. Resources expended are accounted for on an accruals basis.

Support costs comprise the direct costs, including staff, attributable to charitable activities and an appropriate apportionment of indirect costs.

Management and administration costs include expenditure on administration of the charitable company and compliance with constitutional and statutory requirements. Any irrecoverable VAT is charged to the Statement of Financial Activities, where appropriate. The charity is registered for VAT.

f) Cash Flow

A cash flow statement has not been included as the Charity has taken advantage of the exemption available to small companies under Financial Reporting Standard 1 'Cash flow statements' ('FRS1').

THAMES21 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD 5th DECEMBER 2003 to 31ST MARCH 2005

g) Pensions Costs.

The charity operates a voluntary stakeholder pension plan, and some employees are members of the Environmental Campaigns Pension and Assurance Scheme which is a defined benefit scheme. The disclosures required for defined benefit schemes under Financial Reporting Standard 17: 'Retirement Benefits' ('FRS17') are not provided in these accounts, as this is a multi-employer scheme and the employer is unable to identify its share of the underlying assets and liabilities. The pension charge in the period represents the contributions payable. Further information is provided in note13.

THAMES21 LIMITED
NOTES TO THE FINANCIAL ACCOUNTS
9 MONTHS ENDED 31 MARCH 2005

	£
2. DONATIONS AND GIFTS	
Gifts in kind	<u>99,154</u>

3. GRANTS AND CONTRIBUTIONS

	Unrestricted Funds £	Restricted Funds £	2005 Total £
ENCAMS	108,697	-	108,697
British Waterways (Contracts)	-	92,540	92,540
Corporation of London	4,840	-	4,840
Environment Agency	70,000	-	70,000
Bridge House Trust	50,000	-	50,000
Local Authorities	62,920	-	62,920
Passive debris sponsorship	10,000	-	10,000
Sundry donations, membership	3,420	-	3,420
Business sponsorship	17,494	2,287	19,781
Other project income	7,000	41,297	48,297
Miscellaneous income	475	-	475
	<u>334,846</u>	<u>136,124</u>	<u>470,970</u>

4. COST OF GENERATING FUNDS

	£
Staff Costs	11,310
Gifts in Kind – Publicity	<u>3,756</u>
	<u>15,066</u>

5. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Unrestricted Funds		Restricted Funds		2005
	Staff Costs £	Other Costs £	Staff Costs £	Other Costs £	Total £
Core Activities	50,848	48,666	-	-	99,514
River Programmes	20,196	12,836	13,989	3,057	50,078
Enhancements	18,524	1,758	-	-	20,282
Education & Campaigns	3,815	1,021	-	-	4,836
Canal Programmes	31,587	5,296	70,173	17,270	124,326
Graffiti Cleaning	-	-	13,081	12,458	25,539
Gifts in Kind	-	73,734	-	-	73,734
	<u>124,970</u>	<u>143,311</u>	<u>97,243</u>	<u>32,785</u>	<u>398,309</u>

THAMES21 LIMITED
NOTES TO THE FINANCIAL ACCOUNTS
9 MONTHS ENDED 31 MARCH 2005

6. SUPPORT COSTS

	£
Staff Costs	27,926
Gifts in Kind	21,664
Other costs	2,049
	<u>51,639</u>

7. MANAGEMENT AND ADMINISTRATION COSTS

	£
Audit Fee	<u>3,900</u>

8. EMPLOYEES

	£
Staff costs during the year were:-	
Wages and Salaries	224,094
Social security costs	22,261
Pensions costs	15,094
	<u>261,449</u>

The average number of employees employed during the period was 14

9. DEBTORS

	£
Trade Debtors	51,923
Other Debtors	1,200
Prepayments and accrued income	6,218
	<u>59,341</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade Creditors	5,291
Other taxation and social security	13,259
Accruals	6,225
Deferred Income	138,303
	<u>163,078</u>

THAMES21 LIMITED
NOTES TO THE FINANCIAL ACCOUNTS
9 MONTHS ENDED 31 MARCH 2005

11. GENERAL FUNDS

	Unrestricted £	Restricted £	Total £
Balance at 5 December 2003	-	-	-
Net movement in funds	45,114	6,096	51,210
Balance at 31 March 2005	<u>45,114</u>	<u>6,096</u>	<u>51,210</u>

All funds are represented by net current assets.

12. TAXATION

The company is a Registered charity and is potentially exempt from taxation in respect of income and capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

13. PENSIONS COSTS

The charity operates a voluntary stakeholder pension plan which is open to all employees. Currently, 2 employees are members, with the employer matching employee contributions up to a maximum of 8% of salary.

In addition, 3 employees are members of the Environmental Campaigns Pension and Assurance Scheme, which is a multi-employer defined benefits scheme. The employer contributions are 16% of salary. The last actuarial valuation was carried out at 31st March 2004 and updated on 31st March 2005. There was a deficit in the scheme at 31st March 2005 of £2.88m. The trustees of this scheme have taken action to rectify this situation and are of the opinion that the projected deficit will be erased within 20 years from 31st March 2004.

The cost of providing benefits are charged to the Statement of Financial Activities.

14. TRUSTEES REMUNERATION AND EXPENSES

The Directors of the company are the Trustees under Charity Law and received no remuneration or expenses.

15. INDEMNITY INSURANCE

The Directors are indemnified out of the assets of the charity against loss arising from claims made against them by reason of wrongful acts committed by them in their capacity as a director of the charity. The annual premium payable was £2,339.

16. CAPITAL COMMITMENTS

There were no commitments for capital expenditure either authorised or contracted at 31 March 2005.