

Registered number: 03419138
Charity number: 1064144

THE VEOLIA ENVIRONMENTAL TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

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VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023

The Veolia Environmental Trust

The Trustees, who are directors for the purposes of company law, present the annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 March 2023.

Administrative Details and Trustees

The Directors of the Charitable Company ("the Charity") also referred to as the Trust, are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. As set out in the Articles of Association, the Chair of the Trustees is nominated by the members of the Board.

The Trustees below served during the year, and up to the date of the signing of this report.

Trustees	Mrs C M Schwaller MBE, Chair
	Mr L Bailey
	Mr J F Brown (resigned 6 September 2022)
	Ms J Demetrius
	Mr J Dennison
	Mrs R Forbes
	Mr R P Hullah
	Mr D J F Macphail
	Mr D Moore (resigned 13 April 2023)
	Ms M Price (resigned 26 August 2022)
	Ms R Rao (appointed 24 June 2022)
	Ms R Titchen (appointed 24 June 2022)

Company registered number	03419138
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Charity registered number	1064144
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Registered office	210 Pentonville Road London N1 9JY
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The Charity is incorporated in England and Wales

VEOLIA ENVIRONMENTAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Secretary	Ms J Demetrius
Senior Management Team	Andrew Brown - Executive Director Elizabeth Cooke - Head of Grants Lorraine Womack - Head of Finance and Operations
Independent auditors	WR Partners Chartered Accountants Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	Barclays Bank plc 54 Lombard street London EC3V 9EX

VEOLIA ENVIRONMENTAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements for the year 1 April 2022 to 31 March 2023. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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 2019) as amended by SORP Update Bulletin 2 (effective 5 October 2018).

Since the Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required, however the Trust feels that it is important to produce a strategic report and ensures transparency and clarity to the vital funding that the Trust distributes and is set out below.

Objectives and activities

a. Policies and objectives

The Veolia Environmental Trust (the Trust) was set up in 1997 following the introduction of the Landfill Communities Fund in 1996. The Trust is registered with ENTRUST as an environmental body under the Landfill Tax Regulations and is also a registered charity. The Landfill Communities Fund (LCF) is regulated by ENTRUST on behalf of HM Revenue & Customs.

Veolia Environmental Services (UK) plc and its subsidiaries (Veolia) voluntarily donated 5.3% of its landfill tax liability to the Trust to 31 March 2023. This was the maximum amount allowed for the period. The Trust is enrolled to receive such funding.

The principal objectives of the Trust are to support environmental and community projects, as set out in the Trust's Memorandum and Articles of Association. The principal activities continue to meet these objectives.

The Trust uses the contribution of landfill tax payments for two of the five major categories of grants permitted under the Landfill Tax Regulations, as follows:

- Category D - the provision, maintenance or improvement of a public park or another public amenity
- Category DA - conservation or promotion of biodiversity

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Objectives and activities (continued)

b. Public benefit

In order to ensure the Trust continues to benefit the public, it aims to award grants correctly, fairly and proportionately to projects which meet its criteria, are needed, and will lead to long-term and sustainable improvements to the natural and built environment therefore increasing wellbeing and quality of life in communities.

The Trust works to ensure that its operations are compliant with the requirements of the Landfill Communities Fund and Trustees have had regard to the guidance issued by the Charity Commission on public benefit.

The Trust supports many projects where volunteers make a vital contribution. As well as providing a vital practical resource, and expertise that will benefit the wider community, volunteers can also develop new skills and make personal connections that will benefit them in the future.

One of the principal requirements of the Trust is that an applicant consults with local people in order to identify a need for the project and provide the opportunity for engagement and influence. Without this consultation, a project's public benefit may be limited. The Trust has ensured that such community engagement has taken place and the need for the project has been identified.

Community "Ownership" is also important to the Trust, which considers the public benefit is maximised by supporting projects where the community has been genuinely involved in the project design and will continue to play a meaningful role in its delivery.

The sustainability and environmental impact of projects also have a high priority. To have wider public benefit, projects must have a long-term future and need to positively improve the built or natural environment. Trustees place additional value on projects that can demonstrate a reduction in CO2 emissions and a net gain in biodiversity.

Achievements and performance

a. Review of activities

The Trustees, who are directors for the purposes of company law, present their strategic report for the year ended 31 March 2023.

The government's Autumn Budget 2021 Landfill Tax Briefing set the potential value for the LCF for 2022/23 at £30.8 million and the percentage credit that Veolia, as the landfill site operator could claim against its Landfill Tax liability for LCF contributions made to the Trust was maintained at 5.3% from 1 April 2021.

The Trust has received £4,335,000 in contributions this financial year in comparison to 2021/2022 of £5,414,000. Early contribution estimates for the year indicated the total contribution for 2022/2023 to be £5,370,000. Revised estimates received later in the year planned the total contribution level to be £4,800,000. The Trust did not have to make any significant changes to ensure the running of the Trust remained at the same level as previous years in terms of staffing, administration costs and the funding of projects.

Although the Covid-19 pandemic was no longer prominent in this year, applicants and funded projects continued to experience significant difficulties with its economic after effects. Rising prices of building materials coupled with shortages of labour and transportation continued to affect funded projects' ability to obtain quotes for work (necessary as part of the Finance Agreement process), engage contractors and establish with certainty estimated start and completion dates for works.

VEOLIA ENVIRONMENTAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

In December 2019 the Trust agreed to assist the Veolia Havering Riverside Maintenance Trust (VHRMT) and Veolia Pitsea Marshes Maintenance Trust (VPMMT), known collectively as the Veolia Maintenance Trusts (VMTs) as they move towards closure. This process is still ongoing. During this financial year, the Trust received no transfer of funding or projects from either trust, and it is anticipated that the final transfer will take place in the 2023/24 financial year.

The Trust gave its best wishes and thanks to one long-serving Trustee who had reached the end of his term of office this year. John Brown had been an integral member of the Trust for many years, and his insight and commitment will be missed. We also said goodbye to Melanie Price who stepped down as a trustee this year. Although Melanie had only been with the Trust a comparatively short time, she brought great energy and experience to the Board.

The Trust would like to thank all those mentioned above for their support, dedication and commitment to the Trust and wish them all well on their new endeavours.

The Trust welcomed two new Trustees: Rituja Rao and Rachel Titchen, in June and July 2022 respectively.

Rachel is a Charity and Pensions Investment Consultant with an actuarial background. After having worked with pension schemes for over 10 years, Rachel wanted to do more with her expertise and helped create a way of providing advice to charities of all sizes. Rachel has spent her career in Trustee meetings and is very much looking forward to being on the other side of the table.

Rituja Ravikiran Rao is an award-winning Delivery Manager, Industry Speaker, and emerging thought leader. Currently, she's a Senior Enterprise Project Manager at Deliveroo delivering exciting new products and leading global partner integrations. She has a track record of successfully delivering complex IT projects for various Banking, Fintech, and Tech organisations. She is vocal about Graduate careers in Tech regardless of STEM degrees and the power of social mobility. Rituja is a strong advocate of skills diversity in Tech and uses her platforms to raise awareness about no-code tech careers. She sits on various Charity and university advisory boards as a Board Director and Trustee, sharing her expertise on the future of work and Gen Z careers.

Impact of COVID-19

Although the direct effects of the COVID-19 pandemic on the Trust had subsided during the period, our applicants and funded projects continued to be affected indirectly. They continued to experience significant issues and delays with obtaining quotes for works, commencing and completing projects caused by labour, transportation and materials shortages. The Trust continued to provide flexibility and support where possible, and to work with Entrust to extend deadlines where needed.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

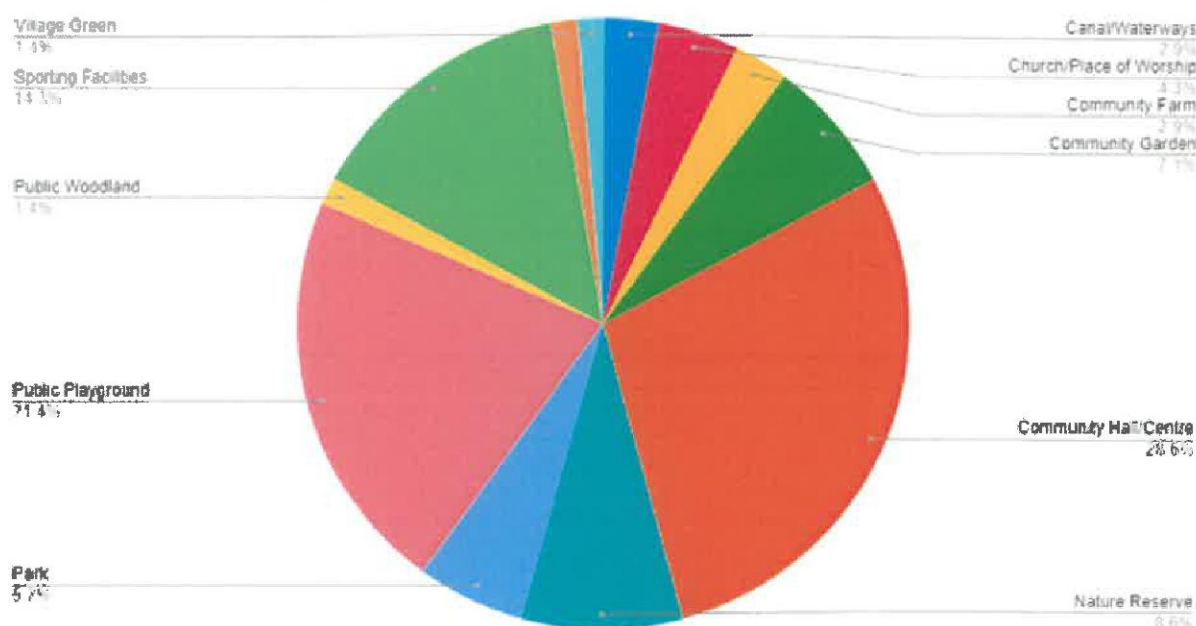
Achievements and performance (continued)

b. Achievements and performance

Contributions totalling £4,335,000 were received from Veolia during 2022/23 (2021/22 - £5,414,000) and it has advised the Trust that, during the period, it received no third party payments (2021/22 - £526,838).

In 2022/23, the Board made 71 awards in the various permitted categories, with a total value of £3,919,242. Since incorporation, over 2,700 projects with a total value of more than £100,000,000 have been supported. A total of £4,879,971 (2021/22 - £5,306,655) was either paid to projects during the year or is considered to be an obligation at the year end. Further details of current projects are given in the notes to the financial statements and the overall number of projects approved for funding during the year under review and the value of awards made are summarised in the chart below.

Number of Awarded Projects 2022/23



Total funds as at 31 March 2023 are £2,935,948 (2021/22 - £4,005,761) of which £1,763,894 are general funds and £1,172,054 are designated funds (2021/22 - £2,248,165 and £1,757,596 respectively).

Based on the ENTRUST 2022/23 annual return the administration costs for the financial accounting period 2022/23 amounted to £270,410, which represented 5.33% (2021/22 £254,133 and 4%) of expenditure on LCF projects, against the government target of 7.5%.

During the year under review, quarterly meetings were held via a mixture of in-person meetings and virtual meetings with Trustees to enable the funding of awards to projects, review the progress of projects and to continue to oversee the running and management of the Trust. Trustees reviewed the Trust's policies during the year, in line with the Trust's Policies Review Schedule.

VEOLIA ENVIRONMENTAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance (continued)

c. Factors relevant to achieve objectives

The Trustees consider that the objectives of the Trust have been achieved during the period by making 173 grant beneficiary payments. The Trust will continue to work to achieve these objectives in the future.

In December 2022 ENTRUST, conducted a Control Framework Inspection of the Trust to ensure that:

- Project expenditure is compliant with the Regulations;
- Statutory reporting requirements have been met;
- The Trust is appropriately governed and managed;
- Projects are delivered and managed according to regulatory requirements and ENTRUST guidance/good practice; and
- Unspent LCF funds are committed to approved projects within two years of receipt.

Inspectors reviewed and analysed project files and tested the actual activity against the procedures operated by the Trust, our control expectations and best practice. ENTRUST concluded all areas were operating satisfactorily with no findings to report or actions arising, which is a very satisfactory outcome and reflects well on the Trust staff and Trustees. As part of its Control Framework Inspection Report, Entrust issued guidance that the Trust should strengthen its background checks when recruiting trustees. The Trust immediately implemented new procedures which were accepted as satisfactory by Entrust.

Financial review

a. Going concern

The Trust has a strong balance sheet and cash reserves, and ability to manage costs to income. After making appropriate enquiries the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

b. Financial review

The Annual Accounts for the year to 31 March 2023 are set out at pages 19-37. In 2023 the unrestricted operating deficit was (£1,072,000) (2022: £320,000 deficit). The movement in fixed assets is set out in note 10 of the financial statements. The Trust has a strong balance sheet and cash reserves, and ability to manage costs to income.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed. The risks considered include payment of fictitious or otherwise fraudulent claims and the mis-management of the funds available to the Trust.

The Trustees are satisfied that systems are in place to manage these risks.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

d. Reserves policy

Reserves are held in the Trust's bank accounts and the current account is balanced on a monthly basis.

It is the policy of the Trust to hold £160,000 to cover costs in the event of the wind up of the Trust.

It is the policy of the Trust to hold a minimum of £500,000 in its current account to meet day-to-day running costs to ensure that it can remain operational.

The Trust's free reserves, excluding designated funds at the year-end, amounted to a surplus of £1,763,894 (2021/22 - £2,242,429). Included within these reserves is £1,308,631 (2021/22 - £1,974,972) of approved financial support, not yet comprising binding commitments and £50,000 VMTs administration funding set aside for any future costs.

The Trust only places funds on treasury deposit when cash flow allows in order to maximise income.

Structure, governance and management

a. Structure, governance and management

The Trust is registered as a charitable company limited by guarantee (charity number 1064144) and was set up by a Trust deed on 8 August 1997.

The principal objectives of the Trust are to support community and environmental projects, as set out in the Trust's Memorandum of Association. The principal activities continue to relate to the meeting of these objectives.

During the period the Memorandum of Association was reviewed and updated to bring it in line with the Trust's strategic goals.

b. Methods of appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected or co-opted under the terms of the Trust deed. During the last year, Trustees maintained a sub group to deliver a more structured approach to the recruitment of Trustees which was agreed and followed to recruit two new Trustees.

VEOLIA ENVIRONMENTAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Trust is a company limited by guarantee and a registered charity. Its expenditure is directed in furtherance of its charitable objectives. The Trust has made a number of grants during the period to other charitable organisations; these are detailed in the notes to the financial statements.

The Trust's Board currently comprises ten Trustees. Up to seven, plus the Chair, are independently appointed, and up to four are appointed by Veolia. No member of the Board benefits financially for their services.

The Trustees can already nominate new Trustees and this approach will continue in addition to the Trust advertising any vacancies. Trustees are recruited for their specific skills and experience to ensure the Trust has a broad depth of knowledge. Upon appointment, each Trustee receives an induction pack and is offered a visit to the Trust's offices, in order to understand more fully the way in which the organisation operates. Trustees are regularly kept abreast of changing circumstances relevant to the Trust via email and at Trustee meetings.

The Trustees meet quarterly to consider applications, discuss the business of the Trust and review projects already underway.

The Trustees take reasonable steps to:

1. Ensure that funds from the Landfill Communities Fund are used only for purposes approved by the regulator, ENTRUST;
2. Ensure there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
3. Secure the commercial, efficient and effective management of the Trust's resources and expenditure.

Applicants applying for any of the Trust's grants are requested to check if their proposed project meets the funding criteria on the Trust's website. Applicants are given access to the Trust's online grant management system, where they are invited to create a Veolia Environmental Trust User Account and submit their application form for review. All applications are assessed by Trust staff ensuring they are compliant with the governing regulations and the Trust's criteria. At this stage, an applicant may be asked for more information as it is assessed for how well they meet the Trust's objectives for funding and before they are reviewed by the Board of Trustees, who decide whether funding should be awarded and if so, the amount to be given.

If a grant is awarded the Trust ensures the project is registered with ENTRUST. Applicants, unless instructed otherwise, are required to secure a third-party contribution of 10% of the award amount, the 10% is then paid directly by the contributing third party to the landfill operator, Veolia. Once the Trust is satisfied all the required documentation is complete, a Finance Agreement is issued. The project can start once this is in place, or equivalent consent by the Trust has been granted. The beneficiary of a grant is required to maintain contact with the Trust throughout the duration of the project. This includes reporting progress and expenditure via their Veolia Environmental Trust User Account as well as a final report on completion of the project. Some grant recipients hold events to celebrate and raise awareness of the supported project within their community, although during this year events have often been placed on hold or been virtual due to the current restrictions. Projects and associated assets are monitored for a minimum period of three years following completion.

VEOLIA ENVIRONMENTAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

As two independent Trustee vacancies opened up this year, the Trustee Skills Audit was reviewed prior to the posts being advertised.

Following the interviews two candidates were successful and were formally accepted as trustees at the September 2022 Board meeting.

Following on from this an induction pack was provided to each new Trustee along with a video conference with the Chair to discuss the role and responsibilities and answer any questions.

The process of recruitment was successful and will be used again next year when further independent Trustee positions become available.

e. Pay policy for key management personnel

Although technically, all employees working on behalf of the Trust are Veolia employees, the terms and conditions of employment of all such personnel are determined by Trustees. This includes hours of work, salaries and any increases, for example because of cost of living increases, etc. The practice is to create appropriate job descriptions/ person specifications and to have them evaluated (Veolia uses the term benchmarked) through the Veolia HR function. This ensures a consistent and recognised approach but in every case, final approval is given by Trustees, usually by the Trust's Staffing and Remuneration Committee which has delegated powers (within its Terms of Reference) for all staffing matters.

f. Related party relationships

There are a number of related party relationships that the Trust is involved in, these have been summarised in note 20 of these financial statements. It should be noted that up to four Trustees can be appointed by Veolia and the names of those so appointed are listed on page 1 of this report. No Trustee receives any remuneration for their services except for the reimbursement of any travel and related expenses where these are claimed. None of the Veolia appointed Trustees made any expenses claims during the year. All expense claims are made in accordance with the Trustee Expense Guidance, Appendix C of the Finance Policy and receipts must be attached to all claims where appropriate.

g. Financial risk management

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

During the period, the Board of Trustees approved the creation of a Finance Committee to further scrutinise the Trust's financial performance, and to offer guidance on financial matters to the Head of Finance and Executive Director.

VEOLIA ENVIRONMENTAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Structure, governance and management (continued)

h. Trustees' indemnities

Veolia has agreed to indemnify one or more Trustees of the charitable company against liability in respect of proceedings brought by third parties subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the report of the Trustees.

Plans for future periods

The future of the Trust is dependent upon the government continuing to offer, and its landfill operator continuing to participate in, the LCF. In the 2022 Budget, the government confirmed the continuation of the LCF scheme and maintained the LCF diversion rate at 5.3% from April 2022.

The Trust therefore anticipates another year of the effective and efficient distribution of whatever LCF monies are available, to worthwhile community projects.

During 2021, the Trust conducted a period of extensive consultation and research in order to inform the future strategic direction of the charity. In January 2022, Trustees formulated a new vision, mission, values and strategic goals for the Trust, placing increased emphasis on supporting communities to reduce their carbon footprint and enhance local biodiversity. A three-year business plan was developed to support the delivery of the Trust's new strategic goals and it began to be implemented during the period. It is expected that the Trust's eligibility criteria and process will be launched in May 2023 to support the implementation of the new strategic plan.

Members' liability

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

VEOLIA ENVIRONMENTAL TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Employee engagement and Equity, Diversity and Inclusion

Employees have been consulted on issues of concern to them by means of regular staff meetings and have been kept informed on specific matters directly by management and by the Chair of the Trustees. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Trust has adopted a number of Veolia policies in relation to aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Trust's Equal Opportunities Policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of staff.

As part of their commitment to diversity, equity and inclusion (DEI), trustees enshrined a strategic goal focussing on providing fair and accessible funding to all in the Trust's 2022 - 2025 Business Plan. During the period, the Trust began developing data collection methods and benchmarking measures of DEI performance that will begin to see results in 2023/24. The Trust management will report its DEI performance on an annual basis to trustees.

In 2022/23 trustees undertook Unconscious Bias training in order to identify and mitigate any bias or unfairness in the decision making process.

A DEI survey of staff and trustees undertaken in February 2023 showed that:

- More than half of the staff/trustee team are females (53%)
- 20% of the staff/trustee team are from a Black, Asian or Minority Ethnic background. This is slightly above the UK average (18%)
- 27% of the staff/trustee team are living with a long term health condition or impairment

Draft figures provided by ENTRUST as part of their Economic, Community and Environmental Impact Model (ECEIM) report for 2021/22 showed that:

- 26% of funds awarded in 2021/22 went to areas in the 1st (most deprived) and 2nd deciles on the IMD. This is better than the average for the LCF as a whole.
- The average population of 'non-White British' people in postcode areas that the Trust funded is 24%. This is double the average for the LCF as a whole.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the 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 . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Trust and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Trust will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of WR Partners as auditors of the Charity is to be proposed at the forthcoming Annual General Meeting.

Approved by order of the members of the board of Trustees and signed on their behalf by:


J Demetrius (Sep 6, 2023 13:38 GMT+1)
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Ms J Demetrius
Company Secretary and Trustee
Date:

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEOLIA ENVIRONMENTAL TRUST

Opinion

We have audited the financial statements of Veolia Environmental Trust (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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).

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 2023 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

VEOLIA ENVIRONMENTAL TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEOLIA ENVIRONMENTAL TRUST
(CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

VEOLIA ENVIRONMENTAL TRUST
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEOLIA ENVIRONMENTAL TRUST
(CONTINUED)

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We reviewed the susceptibility of the Charity's financial statements to material misstatement and identified the principal risks, implementing a series of testing procedures to provide us with sufficient comfort to issue our opinion.
- We reviewed the Charity's regulatory environment to ensure we could conclude that it had acted in accordance with the framework relevant to the Charity and its environment and identify any instances of non-compliance.
- We also assessed the Charity's internal control procedures to ensure we could appropriately scrutinise these controls and establish whether our understanding of the control environment was sufficient to supplement our additional testing procedures.
- The engagement team consisted of a team that the engagement partner believes is equipped with the relevant level of technical and Charity awareness to carry out our work to the required standard.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEOLIA ENVIRONMENTAL TRUST
(CONTINUED)

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's Trustees 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 opinions we have formed.



WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

8th September 2023

WR Partners are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:				
Donations and legacies	3	4,335	4,335	5,429
Total income		<u>4,335</u>	<u>4,335</u>	<u>5,429</u>
Expenditure on:				
Charitable activities	6	5,407	5,407	5,749
Total expenditure		<u>5,407</u>	<u>5,407</u>	<u>5,749</u>
Net movement in funds		<u>(1,072)</u>	<u>(1,072)</u>	<u>(320)</u>
Reconciliation of funds:				
Total funds brought forward		4,006	4,006	4,326
Net movement in funds		(1,072)	(1,072)	(320)
Total funds carried forward		<u><u>2,934</u></u>	<u><u>2,934</u></u>	<u><u>4,006</u></u>

The notes on pages 22 to 37 form part of these financial statements.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 03419138

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	2	6
		<u>2</u>	<u>6</u>
Current assets			
Debtors	11	7	6
Cash at bank and in hand	16	3,143	4,302
		<u>3,150</u>	<u>4,308</u>
Creditors: amounts falling due within one year	12	(218)	(308)
Net current assets		<u>2,932</u>	<u>4,000</u>
Total net assets		<u><u>2,934</u></u>	<u><u>4,006</u></u>
Charity funds			
Unrestricted funds	13	2,934	4,006
Total funds		<u><u>2,934</u></u>	<u><u>4,006</u></u>

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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


Caroline Schwaller (Sep 6, 2023 11:21 GMT+1)
.....
Mrs C M S Schwaller MBE
(Chair)

Date: Sep 6, 2023


J Demetrius (Sep 6, 2023 13:38 GMT+1)
.....
Ms J Demetrius
Trustee

Sep 6, 2023

The notes on pages 22 to 37 form part of these financial statements.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash used in operating activities	15	(1,159)	(813)
Cash flows from investing activities			
Purchase of tangible fixed assets	10	-	(2)
Net cash provided by/(used in) investing activities		-	(2)
Change in cash and cash equivalents in the year		(1,159)	(815)
Cash and cash equivalents at the beginning of the year		4,302	5,117
Cash and cash equivalents at the end of the year	16	3,143	4,302

The notes on pages 22 to 37 form part of these financial statements

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Trust is a company limited by guarantee, incorporated in England. The registered office is disclosed on the Trust information page. The members of the Trust 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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the second edition Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Veolia Environmental 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.

2.2 Going concern

The financial statements have been prepared on the going concern basis.

After making enquires, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust has a strong balance sheet and cash reserves, and ability to manage costs to income. After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

2.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations and legacies

Income under the Landfill Communities Fund is recognised on the basis of amounts received.

Investment Income

Interest on funds held on deposit is included when 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.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 - 10 years straight line basis
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VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Debtors

Prepayments are valued at the amount prepaid net of any discounts due.

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.10 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.12 Pensions

The Trust operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Trust to the fund in respect of the year.

2.13 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.

The Trust may, at its discretion, designate funds for specific purposes that would otherwise form part of general reserves. The designated funds comprise of amounts due under special project awards where the financial agreements have been signed but certain conditions are yet to be satisfied and hence the awards are conditional. Until the conditions are met to the satisfaction of the Trust, no obligation exists and no liability is recognised. As such, the amounts within the designated fund are not available for other purposes. Project payments are included in the Statement of Financial Activities and Grants payable in the furtherance of the Charity's objects where they are paid in the year, or valid requests for payment are received and approved by the Trust by the end of the accounting period.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

3. Income from donations and legacies

	Unrestricted funds 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Donations			
Landfill Tax Credits	4,335	4,335	5,414
Project Refunds	-	-	15
	<u>4,335</u>	<u>4,335</u>	<u>5,429</u>
<i>Total 2022</i>	<u>5,429</u>	<u>5,429</u>	

Donations were received from Veolia ES Landfill during the current and prior year.

4. Grant making

	2023 £000	<i>2022 £000</i>
Analysis of Grants		
Category A - remediation of land	-	-
Category B - reduction of pollution	-	-
Category D - public amenities	4,808	5,192
Category DA - conservation of bio-diversity	171	114
Category E - restoration of religious buildings or places of historical interest	-	-
Total	<u>4,979</u>	<u>5,306</u>

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

5. Grant making (continued)

The support costs associated with grant-making are £Nil (2022: £Nil)

The principal objectives of the Veolia Environmental Trust are to support community and environmental projects, as set out in the Trust's Memorandum and Articles of Association. Grants recognised in the year relate to projects approved by the Trustees after the consideration of their compliance with the governing regulations and the Trust's criteria.

The Trust does not offer grants to individuals. The material grants to institutions for the year came to a total of £4,979,000 (2022: £5,307,000) are set out below:

	2023 £000
Grant Recipient:	
Ackers Adventure	50
Alfriston Parish Council	57
Bilbrook Parish Council	75
Bury Metropolitan Borough Council	75
Flixton Cricket and Sports Club	60
Gasworks Dock Partnership	154
Kirkdale Amateur Boxing Club	75
Leeds City Council	57
Long Eaton RFC C.I.C	75
Manchester City Council	60
Newton Aycliffe Cricket Club	53
One Church Brighton	71
Oxton Parish Council	75
Railway Land Wildlife Trust	140
Penkridge Parish Council	56
Shirley Community Association	75
Somerford Youth and Community Centre	80
St Andrews Grange	75
Telford Interfaith Council	75
The Conservation Volunteers	60
Todwick Parish Council	54
Trafford Athletic Club	67
Vauxhall Neighbourhood Council	63
Total grants < £50,000 (150 grants)	3,297

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Grant funding of activities 2023 £000	Support costs 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Charitable activities	-	4,979	428	5,407	5,749
<i>Total 2022</i>	25	5,307	417	5,749	

Analysis of direct costs

	Charitable activities 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Special Projects	-	-	25
<i>Total 2022</i>	25	25	

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Analysis of expenditure by activities (continued)

Analysis of support costs

	Charitable activities 2023 £000	Total funds 2023 £000	<i>Total funds 2022 £000</i>
Staff costs	232	232	215
Depreciation	2	2	2
Other Staff Costs	1	1	2
Travel & Subsistence	3	3	-
Phone/Internet	1	1	1
Motor Expenses	7	7	6
Consultancy	8	8	9
Printing & Stationery	1	1	-
Office Equipment	-	-	1
Periodicals & Subscriptions	1	1	1
Audit Fee	11	11	11
PR	1	1	4
Meeting Expenses	3	3	1
Fees & Charges	1	1	6
Administration Fees - ENTRUST	154	154	158
Loss on disposal of Fixed Assets	2	2	-
	<u>428</u>	<u>428</u>	<u>417</u>
<i>Total 2022</i>	<u>417</u>	<u>417</u>	

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Net Income/(Expenditure)

Net Income/(Expenditure) is stated after charging:

	2023 £000	2022 £000
Audit fee	9	8
Accountancy fee	2	2
Depreciation	2	2
	13	12

8. Staff costs

	2023 £000	2022 £000
Wages and salaries	185	172
Social security costs	21	19
Contribution to defined contribution pension schemes	26	24
	232	215

The Trust has no employees. Staff who work full time for the Trust are employed by Veolia Environmental Services and the costs of employment are re-charged to the Trust. Above show the aggregate payroll costs of these staff.

The average number of persons employed by the Trust during the year was as follows:

	2023 No.	2022 No.
Management and Administration	5	5

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

The total employee benefits, including employer pension contributions and national insurance, of the key management personnel of the charity were £166K (2022: £158K).

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, expenses totalling £2,114 were reimbursed or paid directly to 5 Trustees (2022 - £1,260 to 5 Trustees). The expenses were paid to Trustees in relation to travel, subsistence and out of pocket expenses.

10. Tangible fixed assets

	Fixtures and fittings £000
Cost or valuation	
At 1 April 2022	15
Disposals	(9)
At 31 March 2023	<u>6</u>
Depreciation	
At 1 April 2022	9
Charge for the year	2
On disposals	(7)
At 31 March 2023	<u>4</u>
Net book value	
At 31 March 2023	<u><u>2</u></u>
At 31 March 2022	<u><u>6</u></u>

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Debtors

	2023	2022
	£000	£000
Due within one year		
Prepayments and accrued income	7	6
	<u>7</u>	<u>6</u>
	<u><u>7</u></u>	<u><u>6</u></u>

12. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Amounts held as Agent	174	274
Other creditors	10	4
Accruals and deferred income	34	30
	<u>218</u>	<u>308</u>
	<u><u>218</u></u>	<u><u>308</u></u>

Included within the creditors above are monies received from the Landfill Communities Fund (LCF) to which the Trust are acting as agents in administering these funds to 8 pre-existing agreed projects alongside ENTRUST. Of the monies received, £1,654,000 has been paid out as at 31 March 2023.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2023 £000
Unrestricted funds					
Designated funds					
Designated Funds - all funds	1,757	-	(4,880)	4,295	1,172
General funds					
General Funds - all funds	2,249	4,335	(527)	(4,295)	1,762
Total Unrestricted funds	4,006	4,335	(5,407)	-	2,934

Statement of funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Balance at 31 March 2022 £000
Unrestricted funds					
Designated funds					
Designated Funds - all funds	1,705	-	(5,307)	5,359	1,757
General funds					
General Funds - all funds	2,621	5,404	(417)	(5,359)	2,249
Total Unrestricted funds	4,326	5,404	(5,724)	-	4,006

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	2	2
Current assets	3,150	3,150
Creditors due within one year	(218)	(218)
Total	2,934	2,934

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2022 £000</i>	<i>Total funds 2022 £000</i>
Tangible fixed assets	6	6
Current assets	4,308	4,308
Creditors due within one year	(308)	(308)
Total	4,006	4,006

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Analysis of net assets between funds (continued)

General Fund

As of 31st March 2023, the Trustees have approved the financial support for a number of projects. These projects which are expected to lead to awards of approximately £1,763,894 (2022 - £1,974,972) do not comprise binding commitments because financial agreements had not been signed as at 31 March 2022.

Taking these projects into account, the total fund surplus at 31 March 2023 is £403,267 (2022 - £167,236). The transfer of £4,294,429 (2022 - £5,359,243) made from the general fund to the designated fund is in respect of the value of approved awards which have had a finance agreement signed during 2022/2023 and so are considered an obligation at the period end.

Designated Fund

The designated fund amounting to £1,172,000 (2022 - £1,757,596) has been allocated to projects permitted under the Landfill Tax regulations where financial agreements have been signed and upfront payments made, leaving the balance of the award to be claimed once evidence of expenditure relating to the payment is received. The balance on the designated fund is therefore considered to represent a contingent liability for which no amounts have been accrued. Designated funds are not disclosed by the due dates as the Trustees are not able to determine with certainty the timing of projects.

A contingent liability is considered due in respect of the total balance of £1,172,000 (2022 - £1,757,596).

During the course of the period, there has been £20,125 (2022- £13,000) released due to under spending projects and £121,500 (2022- £182,000) released due to withdrawn projects. These monies have been reallocated into the general fund.

15. Reconciliation of net movement in funds to net cash flow from operating activities

	2023	2022
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(1,072)	(320)
Adjustments for:		
Depreciation charges	2	2
Decrease/(increase) in debtors	(1)	1
Decrease in creditors	(88)	(496)
Net cash used in operating activities	(1,159)	(813)

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Analysis of cash and cash equivalents

	2023	2022
	£000	£000
Cash in hand	3,143	4,302
Total cash and cash equivalents	3,143	4,302

17. Analysis of changes in net debt

	At 1 April 2022	Cash flows	At 31 March 2023
	£000	£000	£000
Cash at bank and in hand	4,302	(1,159)	3,143
	4,302	(1,159)	3,143

18. Contingent liabilities

Grants offered subject to conditions which have not been met at the year end are included below as a contingent liability, but not accrued as expenditure in the year.

	2023	2022
	£000	£000
Grants		
Grants approved - no binding agreement at 31/03/2023	1,308	1,974
Grants permitted - projects not completed at 31/03/2023	1,172	1,758
	2,480	3,732

19. Operating lease commitments

The Trust had no commitments under non-cancellable operating leases at 31 March 2023.

VEOLIA ENVIRONMENTAL TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

20. Related party transactions

The table below shows the income received from related parties into the Trust during the year to 31 March 2023:

	2023	<i>2022</i>
	£000	<i>£000</i>
Veolia ES Landfill Limited	4,335	<i>5,414</i>
	4,335	<i>5,414</i>

Certain expenses of the Trust amounting to £241,000. (2022: £219,000) have been paid by subsidiaries of Veolia, and then recharged at cost to the Trust. This principally relates to recharging of employee costs. At the year end, balances with related parties were accruals £23,000 (2022: £20,000).

During the year, a grant of £45,000 was awarded to the Canal & River Trust an entity which Trustee J Dennison is an employee. J Dennison was excluded from the decision making process regarding this grant.