

**CWM HARRY LAND TRUST LIMITED
EXECUTIVE COMMITTEE REPORT AND ACCOUNTS**

PERIOD ENDED 30TH JUNE 2008

Charity Number

1100899

Company Number

4892008

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Cwm Harry Land Trust Limited
Accounts for the period ended 30th June 2008

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Cwm Harry Land Trust Limited

Report of the Executive Committee for the period ended 30th June 2008

The Executive Committee presents its report and financial statements for the year ended 30th June 2008.

Reference and Administrative Information

Charity Name:	Cwm Harry Land Trust Limited
Charity Registration No.	1100899
Company Registration No.	4892008
Registered Office and Operational address:	Unit H Vastre Industrial Estate Newtown Powys SY16 1DZ
Trustees	Dr L R Mytton R C Saunders J Shearer
Company secretary:	R C Saunders
Senior Management Team:	A Kennerley Chief Executive Officer R Northridge Development Officer D Clarke Collection and Processing Manager
Accountants The Counting House, 37 Ash Parva, Whitchurch, Shropshire, SY13 4DT	
Bankers Triodos Bank, Brunel House, 11 The Promenade, Bristol, BS8 3NN	
Solicitors Wrigleys Solicitors, 19 Cookridge Street, Leeds, LS2 3AG	

Cwm Harry Land Trust

Report of the Executive Committee for the period ended 30th June 2008

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 9th September 2003 and registered as a charity on 26th November 2003. The company was established under a Memorandum of Association which established the objects and powers of the charitable company, and is governed under its Articles of Association. The directors as members of the company, and in compliance with section seven of the Memorandum of Articles of Association, undertake to contribute such amount may be required, but limited to amounts not to exceed £10 individually, if the company should be wound up.

Recruitment and Appointment of Executive Committee

The Articles of Association govern the appointment of the Trustees, who are charged with the management of the Trust in furtherance of its principal activities, fund management and financial affairs generally.

Under the requirement of the Memorandum and Articles of Association one third of the Trustees must retire at each Annual General Meeting, selected in rotation. If eligible and willing, they may offer themselves for re-election.

New members of the Executive Committee are occasionally recruited upon the recommendation of existing Committee members.

Trustee Induction and Training

Prospective new Trustees are provided with documentation produced by the Charity Commission concerning the responsibilities of Charity Trustees.

Risk Management

The Trustees have overall responsibility for ensuring that the Trust has appropriate systems and controls, financial and otherwise. The systems of financial controls are designed to provide reasonable, but not absolute, assurance against material misstatement of loss.

Cwm Harry Land Trust

Report of the Executive Committee for the period ended 30th June 2008

The Trustees are aiming to implement a range of measures to address risk management:

- 2 and 5 year business plans
- Annual budgets
- Monthly profit and loss and balance sheets
- Trust procedures manual
- Quarterly performance indicators

The executive committee will continue to monitor risks and set up policies to mitigate them.

Organisational Structure

The Trust is managed by a Committee of the Trustees and the Senior Management Team; this Committee meets quarterly. The Trustees are responsible for the strategic direction and policy of the charity. At the present there are three Trustees from a variety of professional backgrounds relevant to the work of the charity.

Related parties

The Trust's main activity remains its Food Waste Recycling Project. This project was funded until 30th June 2008 by Powys Zero waste, after which a Service Level Agreement was entered into with Powys County Council.

Objects and Activities

The principal activity of the Trust, as determined by its Memorandum of Association, continues to be to protect and preserve the environment for the public benefit in general and by encouraging sustainable waste management in particular.

Achievements and Performance

Food recycling project – this project initially serving the Newtown area, has been extended to cover Welshpool and has now been further extended to cover more outlying areas of Powys as well as undertaking a contract with North Shropshire District Council. Increased service have resulted in improved economies of scale with regard to processing. The Trust also completed its project to install an in-vessel composting system. The material being produced by this system has now gained veterinary approval, which is a major step forward, and has reduced haulage costs and gate fees incurred in respect of out-sourced processing.

Cwm Harry Land Trust

Report of the Executive Committee for the period ended 30th June 2008

Community Supported Agriculture – The Trust has continued to build relationships with local growers and develop its customer base, in the Newtown area, for locally grown vegetables. Previously this operation was only running for approximately 9 months of the year, however, in order to maintain a customer base it was decided that steps would be taken to provide veggie bags throughout the year with no breaks. The Trust is now investing in this part of the business.

Financial Review

The financial results are set out on pages 8 to 16. Powys Zero Waste ended their funding arrangement with CHLTL in June 2008, with income that had been budgeted, failing to materialise. This proved to be a very challenging period regarding the cash-flow of the Trust.

The Trust is moving forward with its major project, and has increased contracts in the year in question. The trust now has 10 employees.

Reserves Policy

It incurs financial obligations, liabilities, opportunities, contingencies and risks inherent to its ongoing work. During 2007/08 most of the Trusts income continued to be through grants, which were for restricted use, and this income was secure only for a limited period. From July 2008, the Service Level Agreement entered into with Powys County Council provides the majority of income received, which is unrestricted.

Staff have statutory employment rights and entitlements which will, as time passes, include entitlement to redundancy payments in the event of closure or other contingencies. The greater part of the Trust's annual expenditure is deployed to meet salaries and on-costs of its employees. The Trustees believe that the Trust reserves should be maintained at not less than 20% of the sum identified in its budget for any given year for the costs of employing staff.

At the discretion of the Trustees the reserved funds may be used for other purposes that the Trustees consider essential for the Trust to continue to carry out its work. In this event the Trustees will identify the means by which the reserve will be replenished within the following calendar year.

It will be the responsibility of the Financial Sub Committee to monitor and review this policy and its implementation not less frequently than twice yearly. The Trust's future Annual Reports will include information about this policy, the future needs, opportunities, contingencies and risks for which this policy is maintained and the level of Reserves held.

Cwm Harry Land Trust Limited

Report of the Executive Committee for the period ended 30th June 2008

Plans for Future Periods

Food recycling project

The Trust comprises of two enterprises:

Food Waste Collection:

CHLTL is currently negotiating a full second round with Powys County Council, and exploring other sub-contracting opportunities. The current Service Level Agreement with Powys CC expires in 2010, and preparations are underway to renegotiate for a new contract. The Trust also continues to expand its commercial customer base in the private sector.

Food Waste Processing

There are ongoing plans to move toward an Anaerobic Digestion system (a process in which microorganisms break down biodegradable material in the absence of oxygen) instead of the in-vessel composting system that is currently being used. The Trust is preparing to enter into the Welsh Assembly Procurement scheme later in this year. As mentioned previously, the material the Trust produces through composting now has veterinary approval. Following on from this The Trust's next priority is to gain BSA PAS 100 certification, which would mean that the end product be deemed to be of a standard which could be sold as a compost material. This is a significant step forward as it takes the Trust from processing and disposing of green waste to being the producer of a saleable product. The Trust however recognises the value of this resource to its own growers involved in the Veggie Bag Scheme and would be looking in the first instance to make nutrient rich matter available to them, therefore improving the quality of the vegetables that it supplies to the community through the Veggie Bag Scheme.

Community Supported Agriculture

The Trust is looking to invest in its own allotment, which is to be developed as a high value salad growing site. It is currently in the process of recruiting for a dedicated grower for this project. A second post is being created for a Community Outreach Officer. This role will involve promoting home vegetable growing, with the appointee offering practical advice and information within the community. It is intended that this role will encompass working with schools and other organisations, promoting both the Trust as well as food growing and healthy eating. Other responsibilities would include raising the profile of the Trust and recruiting volunteers for its own growing projects. The Trust is also seeking to appoint a Community Food Business Manager who will be

Cwm Harry Land Trust

Report of the Executive Committee for the period ended 30th June 2008

responsible for increasing the commercial and domestic customer base of the Veggie Bag Scheme. The appointee will also work with growers to enable them to achieve appropriate remuneration for their crops. The Trust recognises that this is a critical period for the Community Supported Agriculture venture, but believes that this side of the project deserves the investment to take it forward, and if developed properly will be a huge benefit to the community and growers, as well as the Trust itself.

Other projects

The Trust has an ongoing interest in promoting its core beliefs and raising the profile of the work it carries out within the community. It also continues to develop its training and consultancy function.

Responsibilities of the Management Committee

Company law requires the management committee members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements the management committee members should follow best practice and:

Select suitable accounting policies and then apply them consistently

Make judgements and estimates that are reasonable and prudent

Prepare the financial statements on a going-concern basis unless it is inappropriate to presume that the company will continue in business.

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

Members of the Management Committee

The Management Committee is made up of both Trustees and of the Senior Management Team. Those members of the Management Committee who are Trustees for the purpose of Charity Law, who served during the year and up to the date of this report are set out on page 1.

Cwm Harry Land Trust Limited

Report of the Executive Committee for the period ended 30th June 2008

Independent Examiners Report to the Trustees of Cwm Harry Trust Limited

We report on the accounts of the company for the year ended 30th June 2008, which are set out on pages 8 to 16.

Respective Responsibilities of Trustees and Examiner

The trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 43(2) of the Charities Act 1993 (the 1993 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000, and I am qualified to undertake the examination by being a qualified member of ICAEW.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

Examine the accounts under section 43 of the 1993 Act;

to follow the procedures laid down in the general Directions given by the Charity Commission under section 43(7)(b) of the 1993 Act; and to state whether particular matters have come to our attention.

Basis of independent examiner's report

Our examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with our examination, no matter has come to my attention:

1. which gives us reasonable cause to believe that in any material respect the requirements: to keep accounting records in accordance with section 386 of the Companies Act 2006; and to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting for Charities.

Have not been met; or

2. to which, in our opinion, attention should be drawn in order to enable a proper understanding of the accounting to be reached.

Name: Colin F. Whitfield:
Relevant Professional qualification or body: ICAEW
Address: Redbrook View, Redbrook Maelor, Whitchurch, Shropshire, SY13 3AD.
Date: 30 April 2009



Cwm Harry Land Trust
Statement of Financial Activities for the period ended 30th June 2008

	Restricted Food Recycling Project 2008 £	Restricted Community Supported Agriculture 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 9 months £	Total Funds 2007 £
Incoming Resources					
Incoming resources from generated funds:					
<i>Voluntary income</i>					
Donations			30	30	109
<i>Investment income</i>					
Bank interest received			506	506	1,557
Incoming resources from charitable activities	293,387	27,125	13,055	333,567	422,158
Other incoming resources					
Rent received			1,935	1,935	1,935
Total incoming resources	<u>293,387</u>	<u>27,125</u>	<u>15,526</u>	<u>336,038</u>	<u>425,759</u>
Resources expended					
Charitable activities	214,285	34,400	51,520	300,204	342,951
Governance costs	341		3,387	3,729	4,994
Total resources expended	214,626	34,400	54,907	303,933	347,945
Net (outgoing)/incoming resources before transfers	<u>78,761</u>	<u>(7,275)</u>	<u>(39,381)</u>	<u>32,105</u>	<u>77,814</u>
Apportionment re. management costs	(13,273)		13,273		
Project subsidy from unrestricted funds		5,000	(5,000)		
Net movement in funds	<u>65,488</u>	<u>(2,275)</u>	<u>(31,108)</u>	<u>32,105</u>	<u>77,814</u>
Reconciliation of funds					
Total funds brought forward	106,613	6,258	36,056	148,927	71,113
Total funds carried forward	<u>172,101</u>	<u>3,983</u>	<u>4,948</u>	<u>181,032</u>	<u>148,927</u>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

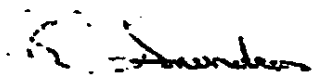
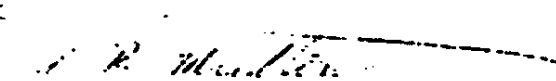
Cwm Harry Land Trust Limited

Balance Sheet as at 30th June 2008

	Note	£	2008 £	2007 £
Fixed assets	9	248,384		132,581
Current assets				
Debtors	10	25,217	61,208	
Cash at bank and in hand		479	32,065	
		<u>25,696</u>	<u>93,273</u>	
Creditors: amounts falling due within one year	11	(93,047)	(76,927)	
Net current assets	12		(87,352)	16,346
			<u>181,032</u>	<u>148,927</u>
Capital and reserves				
Unrestricted funds				
Revenue reserve		4,948	36,056	
Restricted funds				
Food recycling	13	172,101	108,613	
Community supported agriculture	13	3,983	6,258	
		<u>181,032</u>	<u>148,927</u>	

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The accounts were approved by the Trustees and signed on its behalf on

Trustee

Trustee

Cwm Harry Land Trust Limited

Notes to the Accounts for the period ended 30th June 2008

Accounting Policies

The principal accounting policies are summarised below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investment at market value, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005.

(b) Fund accounting

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the Management Committee for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor through the terms of an appeal.

(c) Accounting Policies – Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services by volunteers has not been included in these accounts.

Cwm Harry Land Trust Limited

Notes to the Accounts for the period ended 30th June 2008 (Cont'd)

(d) Investment income is included when receivable.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

(e) Resources expended

Expenditure is recognised on an accrual basis as a liability incurred. Expenditure includes VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

All costs are allocated to the Statement of Financial Activities on a basis designed to reflect the use of the resource.

(f) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. The costs of minor additions or whose costing below £1,000 are not capitalised. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Building Modifications	10% per annum, reducing balance
Plant and Machinery	15% per annum, reducing balance
Office Equipment	25% per annum, reducing balance
Motor Vehicles	25% per annum reducing balance

Cwm Harry Land Trust Limited
Note to the Accounts for the period ended 30th June 2008

	Restricted Food Recycling Project 2008 £	Restricted Community Supported Agriculture 2008 £	Unrestricted Funds 2008 £	Total Funds 2008 £	Total Funds 2007 £
Grants received					
Powys Zero Waste Ltd; PHD project Cleanstream, Powys CC SWMG grant, and other match funding for PHD	225,958.00			225,958.00	293,308.00
Environment Wales: CSA project	52,772.00	12,432.00		52,772.00	86,559.00
Match funding for CSA project					9,850.00
Other grants received	14,627.00	9,137.00		23,764.00	
Release of deferred capital grant			1,500.00	1,500.00	1,500.00
	293,357.00	21,569.00	1,500.00	316,426.00	406,744.00
Other income from charitable activities					
Composting Champions					5,433.00
Shareholder Food Payments		5,358.00		5,358.00	5,310.00
Bin Hire and other income	30.00	200.00	11,555.00	11,785.00	4,671.00
	293,387.00	27,125.00	13,055.00	333,567.00	422,158.00

Cwm Harry Land Trust Limited
Notes to the Accounts for the period ended 30th June 2008 (continued)

3. Resources expended on charitable activities:

	Restricted Food Recycling Project £ 2008	Restricted Community Supported Agriculture £ 2008	Unrestricted Funds £ 2008	Total Funds £ 2008	Total Funds £ 2007
Brought in vegetables					
Bin bags and other direct costs	16,172	4,962	294	21,428	45,860
Staff training, health and safety	1,437		1,473	2,909	6,492
Subcontractors	28,294		592	28,886	49,676
Wages and salaries	81,662	24,831	30,047	136,540	123,421
Travel and accommodation	966	956	151	2,073	2,672
Rent & premises expenses	26,244		2,672	28,916	34,088
Light, heat and water	3,176		859	4,035	2,446
Legal, professional, and consultancy fees	1,731	234	6,680	8,646	9,060
Subscriptions	393	17	21	431	737
Waste Management and HGV licenses	2,263		514	2,777	7,452
Insurance	3,917		65	3,982	4,000
Motor Expense	1,949	(16)	658	2,591	5,201
Printing and stationary	3,093	88	666	3,848	3,623
Marketing	2,089	1,701	765	4,556	5,735
Repairs and renewals	9,443	121	456	10,020	1,644
Hire of vehicle and skips	2,305			2,305	4,541
Telephone	1,270		690	1,961	2,224
Miscellaneous expenses	905	137	413	1,455	1,114
Volunteer expenses	270	142		412	
Bank charges	401	157	358	916	2,062
Loan interest			2,090	2,090	85
Depreciation	25,200	1,088	2,055	28,323	30,137
Loss/profit on sale of asset	1,105			1,105	671
	214,285	34,400	51,520	300,204	342,951

4. Governance costs

	Restricted Food Recycling Project 2008 £	Restricted Community Supported Agriculture 2008 £	Unrestricted Funds 2008 £	Total Funds £	Total Funds 2007 £
Trustees' expenses	341		26	367	468
Accountancy			2,985	2,985	3,923
Trustees' indemnity insurance			377	377	603
	341	-	3,387	3,729	4,994

Cwm Harry Land Trust Limited
Notes to the accounts for the period ended 30th June 2008 (continued)

5 Net Incoming Resources for the year	2008	2007
	£	£
This is stated after charging:		
Auditors' remuneration:		
In respect of Inspection/audit		2,600
in respect of other accountancy		2,000
Depreciation	<u>30,951</u>	<u>30,136</u>

6 Staff costs and numbers

Staff costs are as follows:

Salaries and wages	121,795	112,538
Social security costs	14,748	10,383
Pension costs		500
	<u>136,540</u>	<u>123,421</u>

No employee received emoluments of more than £60,000

The average number of employees during the year, calculated on the basis of the full time equivalents, was as follows:

	2008	2007
	No	No
Development Officer	1	1
Food recycling project	5	4
Community supported agriculture project	1	1
Administration	1	2
	<u>8</u>	<u>8</u>

7 Trustees remuneration and Related party transactions

No member of the management committee received any remuneration during the year. Expenses amounting to 366.99 were reimbursed to 3 members of the management committee (2007: 468).

No trustees or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2007: nil)

8 Taxation

As a charity, the Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation on Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

Cwm Harry Land Trust Limited
Notes to the Accounts for the period ended 30th June 2008 (continued)

9 Tangible Fixed Assets

	Building Modifications £	Plant & Machinery £	Office Equipment £	Motor Vehicles £	Total £
Cost					
Balance as at 1st October 07	62,791	44,709	11,540	57,424	176,464
Additions in year	103,383	42,759	798		146,938
Disposals in year				(5,000)	(5,000)
Balance as at 30th June 2008	166,174	87,468	12,338	52,424	318,402
Depreciation					
Balance as at 1st October 2007	9,419	8,471	4,546	21,448	43,884
Charges for year	11,757	8,887	1,460	6,219	28,323
Disposals				(2,188)	(2,188)
Balance as at 30th June 2008	21,175	17,358	6,006	25,480	70,019
Net book value					
As at 30th June 2008	144,999	70,110	6,330	26,945	248,384
As at 30th September 2007	53,373	36,239	6,994	35,976	132,581

10 Debtors	2008 £	2007 £
Trade debtors - grants due		
Other debtors and prepayments	252,217	45,963
	<u>252,217</u>	<u>15,245</u>
	<u><u>252,217</u></u>	<u><u>61,208</u></u>

11 Creditors: Amounts falling due within one year

	2008 £	2007 £
Overdrawn bank accounts	36,114	
Loan - Charities Aid Foundation	45,729	20,000
Trade Creditors	1,515	14,252
Accruals	1,200	4,816
Taxes and NI	2,488	
Other creditors	6,001	
Deferred capital grant - CCW		1,500
Deferred revenue grant income		36,359
	<u>93,047</u>	<u>76,927</u>
	<u><u>93,047</u></u>	<u><u>76,927</u></u>

Cwm Harry Land Trust Limited
Notes to the Accounts for the period ended 30th June 2008

12 Analysis of net assets between funds

	Restricted Food Recycling Project £	Restricted Community Supported Agriculture £	General Funds £	Total Funds £
Tangible Fixed Assets	229,199	5,125	14,060	248,384
Current Assets			25,696	25,696
Current Liabilities	4,003	296	88,748	93,047
	<u>225,196</u>	<u>4,828</u>	<u>(48,992)</u>	<u>181,032</u>

13 Purposes of Restricted Funds

Food Recycling Project:

To set up and run the first kitchen food waste recycling and composting service in Powys.

Community Supported Agriculture:

To support local growers by sharing the risks and benefits of farming with them, to provide greater access to fresh, locally grown vegetables and fruit, to encourage innovative cookery and preserving of surplus, to help our environment by reducing waste and cutting food miles.

14 Subsequent Events

Funding from Powys Zero Waste ceased on 30th June 2008 and as mentioned in the previous accounts a service level agreement was put in place by Powys County Council. This runs until March 2010.