



North London Waste Authority

Statement of Accounts for the year ended

31 March 2024

(Unaudited)

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

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STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs as the Chief Finance Officer. For the North London Waste Authority that officer is the Financial Adviser.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

THE FINANCIAL ADVISER'S RESPONSIBILITIES

The Financial Adviser is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code of Practice). In preparing this Statement of Accounts, the Financial Adviser has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Authority's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority and the Group will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

CERTIFICATION BY THE FINANCIAL ADVISER

The accounts which follow have been prepared in accordance with the requirements of Regulation 9 of the Accounts and Audit Regulations 2015 issued under the Local Audit and Accountability Act 2014 and, except where specifically stated, in accordance with all recognised statutory requirements and codes of practice applicable to local authorities.

I certify that the statement of accounts gives a true and fair view of the financial position of the Authority and of the Group as at 31 March 2024 and the income and expenditure of the Authority and of the Group for the year then ended.

Jon Rowney

Financial Adviser

North London Waste Authority

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON
WASTE AUTHORITY**

Auditors Report

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Auditors Report

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Auditors Report

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NARRATIVE REPORT

INTRODUCTION

The purpose of this foreword is to provide an easily understandable guide to the most significant matters reported in the Authority's accounts which have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2023/24* (The Code) and the *Guidance Notes for Practitioners* (both published by the Chartered Institute of Public Finance and Accountancy). The Code requires that five key statements are provided; they comprise:

Movement in Reserves Statement: This shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Comprehensive Income and Expenditure Statement: This summarises the Authority's income and expenditure for the year in accordance with generally accepted accounting practices. Adjustments required to show the extent to which revenue balances have increased or decreased are shown in the Movement in Reserves Statement.

Balance Sheet: This shows the value at the balance sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement: This summarises the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by the levy on the NLWA constituent boroughs, charges for non-household waste and other miscellaneous income receipts. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

Expenditure and Funding Analysis: This statement shows how annual expenditure is used and funded from resources (principally the levy) in comparison with those resources consumed in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement and supporting notes.

GROUP ACCOUNTS

The summarised group accounts show in aggregate the income and expenditure and assets, liabilities and reserves of the group comprising the Authority and the Authority's interest in LondonEnergy Ltd.

OPERATING PERFORMANCE

The Authority manages waste in line with the waste hierarchy to protect the environment and preserve resources for future generations. In 2023/24 we accepted responsibility for managing the organic waste and dry mixed recycling collected by Enfield Council (this material was previously managed by Enfield). In

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total, on behalf of the seven boroughs, we processed 57,000 tonnes of food and garden waste and 124,414 tonnes of dry mixed recycling – significant increases on the previous year, reflecting this service change.

We continued our commitment to recycling as many materials in the UK as possible – achieving 100% for metals, plastic and glass. However, a fall in paper and card recycling capacity in the UK and Europe led to more of these materials being processed in Asia.

In 2023/24 we dealt with 563,508 tonnes of residual waste. This is an increase of 6,414 tonnes on 2022/23, but lower than 2020/21 and 2021/22.

The Authority is committed to leading the way for recycling innovation and in 2023/24, we continued to expand the range of materials collected at our network of Reuse and Recycling Centres (RRCs). We offer residents one of the most extensive ranges of recycling services in London, enabling residents to manage their waste more sustainably and helping to support the circular economy. This year we increased the number of mattresses collected, with around 9,000 mattresses being processed per month. We launched a new trial service to encourage reuse at two of our RRCs in Waltham Forest and Barnet by offering a place for residents to deposit unwanted DIY materials and take them free of charge. Our expanded polystyrene recycling service continued to grow this year, and we trialled recycling hard plastics and carpets at several of our sites. In total, our RRCs dealt with 39,402 tonnes of waste, of which 72% was recycled, reused or composted.

In 2023/24 the Authority ran a number of high-profile behaviour change projects and campaigns, following the publication of its Waste Prevention Plan in January 2023. This included:

- Launching 'Reduce, Reuse, Your Cycle' to encourage reusable period product take-up
- Awarding over £200,000 of grants to grass roots organisations to run waste prevention projects in their communities
- Increasing reusable nappy voucher take-up by 31%
- Trialling a new approach to encourage residents and businesses to reduce single use plastics
- Developing a high-profile recycling communications campaign with borough councils 'Eat Like a Londoner' – a pan-London food waste prevention campaign
- Creating a new education programme for schools
- Running a listening exercise to hear about residents' priorities and inform the development of our next Joint Waste Strategy.

Further information about the key developments, activities and trends in the Authority's management of north London's waste are available on NLWA website:

<https://www.nlwa.gov.uk/ourauthority/nlwa-annual-report-2023-24>

NORTH LONDON HEAT AND POWER PROJECT

To help tackle the climate emergency and to prevent rubbish going to landfill, NLWA is delivering the largest infrastructure project in our history. The energy from waste plant on the Edmonton EcoPark, which is reaching the end of its operational life, is being replaced by the greenest Energy Recovery Facility (ERF) in the country.

We have completed construction of a new Resource Recovery Facility (RRF) that provides additional capacity to manage recyclates and organics. We expect to welcome a new public reuse and recycling centre and a community and education building called EcoPark House in 2024.

In 2023/24 NLWA signed a new contract with LEL for the operation and maintenance of the RRF, RRC and EcoPark House. The first borough waste was delivered to the RRF 18 April 2024, has capacity to manage 374,000 tonnes of waste per year and is designed to bulk recycling and organic waste for onward transport to processors, extract recyclables from residual waste and prepare bulky waste for energy recovery.

The principal contractor on the ERF, Acciona, has taken possession of the northern area of the EcoPark and the adjacent construction laydown area. They have made good progress on civil and structural works including installing over 1,600 foundation piles and building the reinforced concrete bunkers.

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FINANCIAL PERFORMANCE

The Authority agreed its 2023/24 budget to meet the costs of its day-to-day statutory waste obligations and to fund the NLHPP. In doing so, the Authority was aware, as in past years, that if favourable circumstances arose during the year some revenue balances might become available to support future budgets.

The Authority is financing the NLHPP through borrowing from the Public Works Loan Board. As at 31st March 2024 the Authority had borrowed £970m for the project.

In February 2024, the Authority was advised that revenue balances at 31 March 2024 were forecast to be £8.830m. Since then the cost of processing residual waste reduced as more was processed at the EcoPark, interest earned on the Authority's cash balances was greater than forecast, and interest on borrowing recognised to March 2024 was lower than forecast. These have resulted in revenue balances at 31 March 2024 increasing by £1.874m to £10.704m. This is after a transfer of £3.833m into the new maintenance reserve.

Compared to the accounts for 2022/23, the net cost of services increased by £4,233m (9.0%). This can largely be attributed to retail price inflation which increased the costs of disposing of waste significantly. The Authority benefited from higher electricity generation prices in year which was used to minimise the levy. Toward the end of the year, the Authority agreed to provide LondonEnergy Ltd with an additional £9m of funding to assist with cost increases driven by the age and condition of the existing energy from waste facility.

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ANNUAL GOVERNANCE STATEMENT FOR NORTH LONDON WASTE AUTHORITY

1. Scope of Responsibility

North London Waste Authority is responsible for ensuring that its operations are conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Authority is also required to secure continuous improvement in the way it exercises its functions, having regard to economy, efficiency and effectiveness.

The Authority is also responsible for putting in place proper governance arrangements, facilitating the effective exercise of its functions, and managing its risks.

2. LGA Corporate Peer Review

The Authority welcomed a Corporate Peer Review in January 2023, and their initial report was presented to the Authority meeting in June 2023, which noted that:

“North London Waste Authority (NLWA) is a well-led and ambitious authority. It works collaboratively and with purpose with all its seven member authorities, to deliver day-to-day waste processing and minimisation services, while successfully managing a major redevelopment of the Edmonton EcoPark site to provide innovative new facilities to enable constituent boroughs and residents to meet their waste and recycling ambitions. A passion for the work they do to reduce waste and inform, educate, and influence recycling and reuse behaviours, shines through the organisation, modelled by the commitment of staff, members, and relationships with partners.

NLWA finances are well managed, and the peer team heard that the relationship between NLWA and the boroughs is strong, especially around financial management, and has positively developed over the past 12-14 years. Members and officers from the constituent boroughs feel that the current financial charging mechanism works and enables them to manage their budgets well.”

The Peer Review team made 10 recommendations and returned to the Authority in January 2024 to assess progress. Following what they described as “open and honest” conversations on their return visit, the team praised NLWA for “embracing” the process. They noted “excellent progress” in NLWA’s action plan to implement the 10 recommendations and serve the north London community.

They described NLWA as a “reflective organisation” and noted that it adapts well to challenges by managing and mitigating risks. The Authority was found to have made improvements across all recommendations, including by expanding the North London Community Fund, involving residents in developing the next Joint Waste Strategy and working to introduce independent members to the audit committee.

3. The Governance Framework

The key elements of the governance framework in which the Authority functions can be summarised as follows:

- The Authority has a clearly defined set of objectives in terms of service delivery, and these are reflected in its contract with LondonEnergy Ltd. and other key contracts.
- Policy and decision-making are managed and controlled within a strong well-established framework. The Authority’s standing orders set out in detail how the Authority operates, how decisions are made and the procedures to be followed to ensure efficiency, transparency and accountability. Political and management control is exercised through Authority Members and Advisers and Officers, whose roles are defined in Standing Orders and who work to defined and established processes.
- Compliance with policies, laws and regulations is dealt with through a range of written rules and procedures which are regularly reviewed and updated. These include Standing Orders relating

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to the Authority, Standing Orders relating to Committees, delegations to Officers, and Contract Standing Orders. The Authority also follows the London Borough of Camden Financial Standing Orders.

- Central to the Authority's achievement of its objectives is an effective risk management regime. In addition to regular reviews of detailed risk registers by the Authority's management team, the registers are considered annually by the Members' Finance Working Group. Informed by the annual review, a report is presented to the Authority outlining developments in the Authority's key corporate risks. The report also includes an up-to-date high level risk register.
- The Authority is also able to benefit from the rules and procedures set in place by its Lead Borough. Officer responsibilities and actions are controlled through Schemes of Officer Delegation.
- The effective and efficient use of resources and the securing of continuous improvement are achieved through a range of review processes and are integral to the Joint Waste Strategy, Residual Waste Reduction Plan 2020 to 2022 and the development of the next generation of waste infrastructure and services for north London. A new Joint Waste Strategy is being prepared for consideration by Members along with Constituent Boroughs (Barnet, Camden, Enfield, Hackney, Haringey, Islington, Waltham Forest) which will focus on activities to move all waste up the waste hierarchy.
- The financial management of the Authority is organised through a wide range of well-established processes and procedures which deliver strong financial control arrangements. The Authority has in place a detailed strategic budget planning process which is supported by the London Borough of Camden's comprehensive Financial Standing Orders. Members receive and consider detailed financial information on a regular basis, and this facilitates the political decision making process. The process is further supported by the work of the Members' Finance Working Group.
- Other features of the financial control environment include the annual production and review of a medium-term financial forecast. The Authority also benefits from the Internal Audit Shared Service of the London Boroughs of Camden and Islington which provides assurances to management that the London Borough of Camden's – and therefore the NLWA's – control systems are adequate, effective and operating as intended and investigates identified or suspected cases of fraud/irregularity.
- Performance management within the Authority is considered through a range of review arrangements including external/internal audit reviews and annual reports.

As all staff are employed by the London Borough of Camden, they are required to complete mandatory training sessions which include anti-fraud, cyber security and information handling, among others. The Authority maintains a register of related party transactions for all Members and Senior officers and there is a separate register of gifts and hospitality that have been offered. The governance framework comprises the systems and processes, culture and values, by which the Authority is directed and controlled. It enables the Authority to monitor the achievement of its strategic objectives and ensure its services are appropriate and cost-effective.

NLWA's framework has been in place for the year ended 31 March 2024 and up to the date of approval of the annual report and statement of accounts.

Key elements of the framework include:

- A clearly defined set of objectives, starting with a focus on the preservation of today's resources and environment for future generations. We are committed to innovation and careful planning to ensure we manage waste resources effectively and sustainably. We work with residents, schools and businesses to promote waste minimisation and recycling to preserve resources and reduce the amount of waste produced. We aim to promote a circular economy, keeping materials in use and out of the waste stream for as long as possible.
- Standing Orders which set out how the Authority operates, how decisions are made, how meetings are managed, the procedure for entering contracts and the roles of Authority

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Members, advisers and officers. The Authority also follows the London Borough of Camden Financial Standing Orders.

- An effective risk management regime, which includes regular reviews of detailed risk registers by the Authority's management team and an annual risk review by the Members' Finance Working Group. Informed by that annual review, a report is presented to the Authority outlining developments in corporate risks and includes an up-to-date high level risk register.
- The preparation of a new Joint Waste Strategy which will focus on activities to move all waste up the waste hierarchy.
- A detailed strategic budget planning process which includes the annual production and review of our medium-term financial forecast and is supported by the London Borough of Camden's Financial Standing Orders. Members receive and consider detailed financial information on a regular basis, and this facilitates political decision making. The process is further supported by the work of the Members' Finance Working Group.
- The Camden & Islington Internal Audit Shared Service which provides assurances to management that NLWA's control systems are adequate, effective and operating as intended and investigates identified or suspected cases of fraud/irregularity.
- Staff appraisal, performance management and capability arrangements.
- A mandatory training programme for all staff which includes anti-fraud, cyber security and information handling, repeated every 2 years. The Authority maintains a register of related party transactions for all Members and Senior officers and there is a separate register of gifts and hospitality.

4. The System of Internal Control

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. It is designed to identify and rank risks to the achievement of the Authority's objectives, to evaluate the likelihood of them being realised, assess the impact should they occur, and to mitigate and manage them effectively

- NLWA conducts, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review is informed by the work of the internal auditors, Authority managers and our external auditors and other review agencies.
- The wider content of this annual governance statement indicates an adequate level of assurance from the Authority's governance framework. The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual audit opinion that can be used by the organisation to inform its governance statement. The Head of Internal Audit is satisfied that the work undertaken by Internal Audit during 2023/24 has enabled them to form a reasonable conclusion that NLWA's control framework, specifically with regard to key financial systems, is adequate.

The Audit and Governance Committee, the Programme Committee with regard to the NLHPP and the Members' Finance Working Group, enable elected Members to understand, review and challenge the Authority's governance framework, financial controls and risk management.

The Authority continues to have in place strong and effective working arrangements with its constituent boroughs.

5. Significant Governance Issues

A key element of the annual governance review process is the identification of any significant governance issues. The Authority has adopted CIPFA's approach, which advises that the following should be considered significant:

- The issue has seriously prejudiced or prevented achievement of a principal objective;

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- The issue has resulted in a need to seek additional funding to allow it to be resolved;
- The issue has resulted in significant diversion of resources from another aspect of the business;
- The issue has led to a material impact on the accounts;
- The Audit Committee, or equivalent, has advised that it should be considered significant for this purpose, or
- The Head of Internal Audit has reported it as significant in the annual opinion on the internal control environment.

No significant governance issues have been identified during the year. Work has been undertaken however to ensure that the Authority's governance arrangements continue to follow best practice:

- The Members' Finance Working Group reviewed the Authority's risk register, and the conclusions were reported to the Authority in April 2023. A high-level risk register for LondonEnergy Ltd, containing the organisation's key risks, was included so that the risks for the company could be taken into account by the Authority as shareholder.
- Changes to Standing Orders were approved at the Authority meeting in April 2023 and October 2023 to:
 - Reflect the appointment and the role of the Director of Corporate Services,
 - Increase the limits for the Managing Director and Programme Director to procure and award contracts from £150,000 to 200,000,
 - Revise the hybrid meetings procedure.
- Also at the meeting in April 2023, the Authority approved the appointment of a new board member of LondonEnergy Ltd. In December 2023, the Authority approved the reappointment of the Authority's Chair and Vice Chairs, and its Managing Director and Environment Adviser to the board of LondonEnergy Ltd for a further 3 years.
- The Authority allows residents to make deputations to any of its public meetings, and on 22 June 2023 deputations were made at the Authority Meeting concerning emissions from the current Energy from Waste Facility, concerns about the safety of Energy from Waste for local residents, Authority Members serving on the board of LondonEnergy Ltd. and delays in the publication and audit of the Authority's annual accounts. Responses to the deputation were provided at the meeting.

6. Matters for Future Action

There is a continuing need to keep the Authority's governance and control arrangements under review and to take action where appropriate. This will include:

- Keeping under review the governance arrangements for LondonEnergy Ltd, including the preparation for the next operating contract from 2025 and an addendum to the existing contract for the operation of new assets created by the North London Heat and Power Project.
- Training, where appropriate, to Members and officers, and an ongoing review of the over-arching and supporting risk registers so that the Authority will be able to track and accurately manage the identified risks associated with all aspects of its work.
- Implementation of any recommendations proposed by internal audit reviews and the development and completion of a further internal work programme in 2024/25.

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7. Signed Agreement

We have been advised of the arrangements that are in place to ensure that an effective system of governance exists in the Authority and of the plan to further review and enhance our governance arrangements in the coming year. We are satisfied with these steps and will monitor their implementation and operation as part of our next review.

Councillor Richard Olszewski
Chair of the Authority

Jenny Rowlands
Clerk to the NLWA

North London Waste Authority

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MOVEMENT IN RESERVES STATEMENT

	General Balance	Maintenance Reserve	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
2023/24	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023 brought forward	16,075	-	1,439	17,514	207,859	225,373
Movement in reserves during 2023/24						
Total Comprehensive Income and Expenditure	(1,630)	3,833	-	2,203	(1,000)	1,203
Adjustments between accounting basis & funding basis under regulations	(3,741)	-	-	(3,741)	3,741	-
Increase/(Decrease) in 2023/24	(5,371)	3,833	-	(1,538)	2,741	1,203
Balance at 31 March 2024 carried forward	10,704	3,833	1,439	15,976	210,601	226,577
	General Balance	Maintenance Reserve	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
2022/23	£000	£000	£000	£000	£000	£000
Balance at 31 March 2022 brought forward	15,250	-	1,439	16,689	215,027	231,716
Movement in reserves during 2022/23						
Total Comprehensive Income and Expenditure	5,063	-	-	5,063	(11,406)	(6,343)
Adjustments between accounting basis & funding basis under regulations	(4,238)	-	-	(4,238)	4,238	-
Increase/(Decrease) in 2022/23	825	-	-	825	(7,168)	(6,343)
Balance at 31 March 2023 carried forward	16,075	-	1,439	17,514	207,859	225,373

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COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2022/23			2023/24		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	£'000	£'000	£'000
38,124	-	38,124	43,149	-	43,149
1,658	-	1,658	2,131	-	2,131
10,146	-	10,146	12,607	-	12,607
2,733	(95)	2,638	4,522	1,443	5,965
-	-	-	9,000	-	9,000
5,422	(562)	4,860	5,824	-	5,824
3,858	(19)	3,839	5,118	(28)	5,090
262	-	262	1,022	-	1,022
244	-	244	-	-	-
202	-	202	183	-	183
-	-	-	1,495	-	1,495
760	(16)	744	685	-	685
-	(6,484)	(6,484)	-	(8,308)	(8,308)
-	(1,265)	(1,265)	-	(1,547)	(1,547)
-	(8,091)	(8,091)	-	(5,268)	(5,268)
-	-	-	-	(10,000)	(10,000)
-	(135)	(135)	-	(150)	(150)
-	(479)	(479)	-	(41)	(41)
63,409	(17,146)	46,263	85,736	(23,899)	61,837

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Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
-	(52,294)	(52,294)	Levy	-	(53,667)	(53,667)
-	(52,294)	(52,294)	Other Operating Income	-	(53,667)	(53,667)
-	(222)	(222)	Interest Receivable	-	(11,388)	(11,388)
5	-	5	Pension Interest Cost	10	-	10
1,148	-	1,148	Revenue Funding of Capital – Interest	1,008	-	1,008
1,153	(222)	931	Financing and Investment (Income) and Expenditure	1,018	(11,388)	(10,370)
		(5,100)	(Surplus)/Deficit on Provision of Services			(2,200)
		17,255	(Surplus)/Deficit on revaluation of Property, Plant and Equipment Assets			270
		(10,204)	(Surplus)/Deficit on revaluation on Currency Euro account			730
		37	Actuarial Loss/(Gain) on Pension Assets			(3)
		7,088	Other Comprehensive (Income) and Expenditure			997
		1,988	Total Comprehensive (Income) and Expenditure			(1,203)

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BALANCE SHEET

	Note	31 Mar 2023 £'000	31 Mar 2024 £'000
Property, Plant and Equipment	5	605,212	913,862
Long Term Investments	7	119,392	119,392
LONG TERM ASSETS		724,604	1,033,254
<u>Short Term Assets</u>			
Cash and Cash Equivalents	15	533,724	258,455
LondonEnergy Ltd		608	477
Other Local Authorities		28	657
HM Revenue and Customs		8,557	23,430
Other Entities and Individuals		2,728	3,443
CURRENT ASSETS		545,645	286,462
<u>Short Term Creditors</u>			
Short Term Borrowings	8	(3,965)	(14,013)
LondonEnergy Ltd		(7,622)	(17,741)
Other Local Authorities		(9,554)	(8,134)
Other Entities and Individuals		(23,515)	(63,053)
CURRENT LIABILITIES		(44,656)	(102,941)
Long Term Borrowings	8	(1,000,000)	(990,000)
Other Long Term Liabilities	17	(219)	(198)
LONG TERM LIABILITIES		(1,000,219)	(990,198)
NET ASSETS		225,374	226,577
<u>Usable Reserves</u>			
General Fund Balance		16,075	10,704
Maintenance Reserve	12	-	3,833
Capital Receipts Reserve	12	1,439	1,439
<u>Unusable Reserves</u>			
Capital Adjustment Account	9	76,787	80,508
Revaluation Account	10	109,586	108,585
Capital Revaluation Account	11	21,706	21,706
Pension Reserve	17	(219)	(198)
TOTAL RESERVES		225,374	226,577

Jon Rowney

Financial Adviser January 2025

North London Waste Authority

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CASH FLOW STATEMENT

	Note	31 Mar 2023 £'000	31 Mar 2024 £'000
Net surplus on the provision of services		(5,100)	(2,200)
Adjustments to net surplus on the provision of services for non-cash movements	14	(9,791)	(33,624)
Net cash (inflow) / outflow from operating activities		<u>(14,891)</u>	<u>(35,824)</u>
Investing activities		269,977	311,093
Financing activities		(181,373)	-
Net decrease / (increase) in cash and cash equivalents	15	<u>73,713</u>	<u>275,269</u>
Cash and cash equivalents at the beginning of the reporting period		<u>(607,437)</u>	<u>(533,724)</u>
Cash and cash equivalents at the end of the reporting period		<u>(533,724)</u>	<u>(258,455)</u>

The Authority's cash balances are held and managed on its behalf by the London Borough of Camden.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

EXPENDITURE AND FUNDING ANALYSIS

2022/23			2023/24		
Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
38,124	-	38,124	43,149	-	43,149
1,658	-	1,658	2,131	-	2,131
10,146	-	10,146	12,607	-	12,607
1,834	804	2,638	4,522	1,443	5,965
-	-	-	9,000	-	9,000
4,860	-	4,860	5,824	-	5,824
3,871	(32)	3,839	5,118	(28)	5,090
262	-	262	1,022	-	1,022
244	-	244	-	-	-
202	-	202	183	-	183
-	-	-	1,495	-	1,495
744	-	744	685	-	685
6,200	(5,052)	1,148	6,171	(5,163)	1,008

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000		£000	£000	£000
(6,484)	-	(6,484)	Non-Household Waste	(8,308)	-	(8,308)
(1,265)	-	(1,265)	Household Waste	(1,547)	-	(1,547)
(8,091)	-	(8,091)	Sale of Recyclable Material	(5,268)	-	(5,268)
			Electricity Income	(10,000)	-	(10,000)
(135)	-	(135)	Rent Receivable	(150)	-	(150)
(222)	-	(222)	Interest Received	(11,388)		(11,388)
(479)	-	(479)	Other Income	(41)	-	(41)
-	5	5	Pension Interest	-	10	10
-	37	37	Pension Asset – Actuarial (Gain)/Loss	-	(3)	(3)
51,469	(4,238)	47,231	Net Cost of Services	55,205	(3,741)	51,464
(52,294)	-	(52,294)	Levy	(53,667)	-	(53,667)
(52,294)	-	(52,294)	Other Income and Expenditure	(53,667)	-	(53,667)
(825)	(4,238)	(5,063)	(Surplus) or Deficit	1,538	(3,741)	(2,203)
15,250			Opening Balance	16,075		
825			Add Surplus/(Deficit) in Year	(1,538)		
16,075			Closing Balance at 31 March	14,537		

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

ACCOUNTING POLICIES

The accounts have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, which has been developed under the oversight of the Financial Reporting Advisory Board.

Accruals

In general, the accounts have been prepared on a basis that accrues and accounts for income and expenditure in the period to which they relate. At year-end, allowance is made in the accounts for expenditure and income not paid or received by 31 March, either on the basis of invoices received or a best estimate of the income or expenditure which should be accrued in that year's accounts.

Cash and cash equivalents

The Authority's cash and treasury management requirements are undertaken on its behalf by the London Borough of Camden; it therefore has no cash or cash equivalents on its own account. Instead, the Authority maintains an inter-authority account with Camden. The Authority receives interest on its Sterling balances equivalent to the average return achieved on Camden's own investment activity for the year. Foreign currency balances are held separately and the Authority receives interest on the balance at the prevailing rate.

Capital receipts

Capital receipts are credited to the Usable Capital Receipts Reserve when received. They are only available to fund future capital expenditure or to repay debt.

Leases

Expenditure on operating leases is charged to the income and expenditure account in the period to which it relates.

Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. IFRS requires the Authority to consider accruing for the cost of the leave entitlement earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The Authority has assessed the value of carried forward leave and has concluded that it is not significant and therefore no accrual has been made. However, non-consolidated performance related pay paid to staff in 2024/25 in respect of their work in 2023/24 has been accrued.

Post-employment benefits

In December 1994, all operational staff of the Authority transferred to LondonEnergy Ltd. However, the Authority continues to be responsible for the payment of employer borne pension costs (annual compensation) of former retired employees. The Authority has previously decided that this should continue to be paid on a pay-as-you-go basis. However, in accordance with International Accounting Standard 19 – Employee Benefits (IAS 19), the liability has been reflected in the Authority's Balance Sheet.

Employer-borne pension costs attributable to staff employed by the London Borough of Camden for work performed on behalf of the Authority are included in the support service recharges to the Authority.

Non-Current Assets

Land and buildings shown in the balance sheet represent the residual non-operational assets held by the Authority. Depreciation is not charged on non-operational assets. Fixed assets are valued at five-yearly intervals in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors, although material changes to asset valuations are adjusted in the interim period, as and when they occur.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Investments and Property

The Authority's investment in LondonEnergy Ltd is held at cost. The land at Pinkham Way was valued at 31 March 2023, in line with the five year valuation cycle. The Hornsey Street property was also valued at 31 March 2023. The land at EcoPark included in the 999-year lease was valued at 31 March 2024.

Charges to Revenue in respect of Capital Assets

The comprehensive Income and Expenditure Statement is charged with a capital charge for capital assets used in the provision of services. The charge consists of the annual provision for:

- Depreciation attributable to the assets used
- Impairment

The Authority is not required to include depreciation or impairment when setting its levy for the year but is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined in accordance with statutory guidance known as the Minimum Revenue Provision. The Minimum Revenue Provision is a proper charge to the Authority but does not appear in the Comprehensive Income and Expenditure Statement. Such amounts shall be transferred from the Capital Adjustment Account and reported in the Movement in Reserves Statement. The amounts of Minimum Revenue Provision to be charged for the year are set out in regulations and guidance.

Depreciation and impairment are therefore replaced by revenue provision in the Movement in Reserves Statement by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

Capital charges have a neutral impact on the amount to be raised by the levy as they are reversed out in the Movement in Reserves Statement and replaced by the Statutory Provision for Debt repayment.

Prior Year Adjustments

No prior year adjustments have been included in the financial statements.

Reserves

The Authority may set aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net cost to the Authority for that year.

Certain reserves are kept to manage the accounting processes for non-current assets, and do not represent usable resources for the Authority.

Group accounts

The Authority has prepared group accounts to provide greater transparency and understanding of the Authority's shareholding in LondonEnergy Ltd. These are presented as supplementary information to the primary financial statements in accordance with the Code. More details are given in the introduction to the group accounts.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Members' allowances

Members of the Authority receive allowances from the borough that they represent. No allowances are paid by the Authority.

Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Financial Instruments

Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for the interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was initially recognised.

All of the Authority's borrowing is with the Public Works Loan Board. The amount presented in the balance sheet is the outstanding principal payable (plus accrued interest). Interest on borrowing for assets that are in use are charged to the Comprehensive Income and Expenditure Statement. Interest on borrowing for assets that were being constructed or being commissioned and therefore not in use at the balance sheet date are capitalised and included in assets under construction on the balance sheet.

Financial Assets

The Authority's financial assets comprises of cash balances held with the London Borough of Camden and interest receivable. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the cash balance (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year.

Financial Instrument Risk

The Authority has reviewed the nature and extent of the risks associated with its financial instruments and has concluded that:

In respect of its long-term borrowings from the Public Works Loans Board it is not exposed to market risk since the interest rates are fixed for the duration of the loans. Liquidity risk in that the Authority may not have the funds to meet its commitments to make future payments is considered to be very low since the Authority has access to borrow from the PWLB. Additionally, the Authority is required to achieve a balanced budget which ensures that sufficient monies are raised to cover annual expenditure. There is no significant risk that the Authority will be unable to raise finance to meet its commitments.

The Authority's cash balances are managed through the treasury management arrangements operated by the London Borough of Camden. Camden's Treasury Management policy requires it to place deposits only with a limited number of high quality institutions whose credit ratings are independently assessed.

Its main sources of income are its constituent boroughs which are required to pay a levy and charges for the management of non-household and some types of household waste. Accordingly, the risk of non-payment is considered to be extremely low and no provision for bad or doubtful debts is required.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Small amounts of income come from other commercial sources. The risk to the Authority of non-payment of this income is considered to be low. Accordingly, the Authority does not make a provision for bad or doubtful debts in respect of this income stream.

Contingent Liabilities

Contingent liabilities are possible obligations that may require a payment or a transfer of economic benefit but for which there is no certainty regarding amount or date of settlement. They are disclosed in the notes to the accounts and accruals are not made for contingent liabilities and no adjustments are included within the accounting statements.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out above, the Authority has to make certain judgements about complex transactions or those involving uncertainty about future events.

Although none of the Authority's expenditure is funded directly by central government, almost all of its income is derived from its constituent boroughs for whom central government funding is a significant element of their income. Although mindful of the uncertainty about future levels of funding to the boroughs from central government, the Authority has determined that this uncertainty is not sufficient to indicate that the Authority's assets might be impaired or facilities closed to reduce levels of service provision. The nature of the Authority's statutory responsibilities for waste disposal and its demand led nature of its services provide very limited scope to reduce service levels.

ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures based on assumptions made by the Authority about the future, or that are otherwise uncertain. Estimates are made by taking into account historical experience, current trends and other relevant factors. The Authority has assessed the risk that items in its Balance Sheet being materially different from the assumptions and estimates as being low but recognises that uncertainty cannot be entirely eliminated. Areas of risk are as follows:

The Authority's makes monthly on account payments to LondonEnergy Ltd for Landfill Tax and Electricity Income Claim liabilities when necessary, based on best available estimates. The Authority makes an assessment at 31 March of the extent to which it has under or overpaid during the year and the balance owed to or by the Authority is reflected in the Balance Sheet. Settlement of these sums is subject to formal agreement with LondonEnergy Ltd. The agreed sum may differ from that included in the Balance Sheet but this difference is likely not to be significant.

All staff currently undertaking work for the Authority are employed by the London Borough of Camden and all related pension assets and liabilities are reflected LB Camden's Balance Sheet. The Authority does however have a liability in respect of pensions for 5 formerly directly employed but now retired staff. Payment of pensions to these individuals is made on the Authority's behalf by the London Pension Fund Authority. An assessment of the assets and liabilities is undertaken annually by Barnett Waddingham who in their calculations must make assumptions about inflation, mortality and returns on pension fund assets.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

NOTES TO THE ACCOUNTS

1. EVENTS AFTER THE BALANCE SHEET DATE

This unaudited Statement of Accounts was authorised by the Financial Adviser in January 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

On 11 July 2024, the Authority borrowed a further £140m from the Public Works Loan Board for the North London Heat and Power Project. This consisted of 1 loan with a length of 42 years and 6 months.

On 16 July 2024, the £10m loan from the Public Works Loan Board became due and was repaid in full.

2. ADDITIONAL INFORMATION SUPPORTING THE EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how the income and expenditure reported to the Authority at meetings for decision making purposes translates to the Comprehensive Income and Expenditure Statement in the final accounts for generally accepted accounting practices. To achieve this, a number of adjustments are made and these are identified below:

Adjustments between accounting basis and funding basis under regulations	2023	2024
	£'000	£'000
Statutory provision for the financing of capital investment –		
Minimum Revenue Provision	(5,052)	(5,163)
Property, plant and equipment - Depreciation	804	1,443
Pension asset – Actuarial (gain)/loss	37	(3)
Net interest on defined benefit liability	5	10
Employer's pension contributions paid in year	(32)	(28)
Balance at 31 March	<u>(4,238)</u>	<u>(3,741)</u>

3. NON-HOUSEHOLD AND CHARGEABLE HOUSEHOLD WASTE

The Authority operates separate charging arrangements for non-household waste and certain categories of household waste in accordance with s52 (9) of the Environmental Protection Act 1990. As a consequence, only the cost of treating non chargeable household waste is funded from the levy.

Constituent councils make monthly payments on account to the Authority based on estimated levels of non-household and chargeable household waste. Following completion of the audit of accounts an additional amount is charged or overpayment repaid based on actual tonnage levels and the actual cost of treatment.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Non household waste	31 Mar 2023		31 Mar 2024	
	Tonnes	£'000	Tonnes	£'000
Borough				
Barnet	9,928	830	9,949	985
Camden	21,722	1,547	25,876	2,331
Enfield	8,649	741	9,168	918
Hackney	19,652	1,462	19,499	1,798
Haringey	3,167	235	3,414	319
Islington	20,038	1,545	19,139	1,807
Waltham Forest	1,554	124	1,554	150
	<u>84,710</u>	<u>6,484</u>	<u>88,599</u>	<u>8,308</u>

Chargeable household waste	31 Mar 2023		31 Mar 2024	
	Tonnes	£'000	Tonnes	£'000
Borough				
Barnet	1,999	171	1,946	195
Camden	1,173	87	860	78
Enfield	1,430	122	1,430	143
Hackney	6,438	479	6,386	581
Haringey	2,881	211	2,881	269
Islington	2,635	195	3,097	281
Waltham Forest	-	-	-	-
	<u>16,556</u>	<u>1,265</u>	<u>16,600</u>	<u>1,547</u>

4. LEVY

The levy on constituent boroughs of £53.667m was agreed at the Authority Meeting on 9 February 2023 and represents, after allowance for the use of revenue balances, the net cost of meeting the Authority's statutory responsibility for the disposal of household waste and operating Re-use and Recycling Centres that have been transferred to the Authority. This included a rebate of £10.200m reflecting additional income that LondonEnergy would pay to the Authority during the year reflecting the higher receipts from the sale of electricity generated due to high electricity prices.

The levy was apportioned in accordance with the menu price based arrangements agreed by constituent councils in January 2016.

Borough	31 Mar 2023		31 Mar 2024	
	%	£'000	%	£'000
Barnet	20.5	10,718	20.1	10,773
Camden	10.0	5,223	13.7	7,336
Enfield	13.5	7,054	16.4	8,801
Hackney	12.6	6,612	11.2	6,003
Haringey	13.8	7,201	12.9	6,916
Islington	11.9	6,235	10.2	5,498
Waltham Forest	17.7	9,251	15.5	8,340
	<u>100.0</u>	<u>52,294</u>	<u>100.0</u>	<u>53,667</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings £'000	Plant and Machinery £'000	Assets Under Construction £'000	Total £'000
Movement on balances in 2023/24				
Cost or Valuation				
At 1 April 2023	140,772	142	464,351	605,265
Additions,	-	-	310,361	310,361
Disposals	-	-	-	-
Impairment	-	-	-	-
Revaluation	(270)	-	-	(270)
Asset Reclassified	-	-	-	-
At 31 March 2024	140,502	142	774,712	915,357
Depreciation and Impairment				
At 1 April 2023	52	-	-	52
Depreciation charge	1,415	28	-	1,443
Write Back on Revaluation	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2024	1,467	28	-	1,495
Net Book Value at 31 March 2024	139,035	114	774,712	913,862
Net Book Value at 31 March 2023	140,720	142	464,351	605,213
Comparative movement on balances in 2022/23				
Cost or Valuation				
At 1 April 2022	166,500	-	184,169	350,669
Additions,	-	-	280,182	280,182
Disposals	-	-	-	-
Impairment	-	-	-	-
Revaluation	(25,728)	142	-	(25,586)
Asset Reclassified	-	-	-	-
At 31 March 2023	140,772	142	464,351	605,265
Depreciation and Impairment				
At 1 April 2022	3,224	-	-	3,224
Depreciation charge	803	-	-	803
Write Back on Revaluation	(3,975)	-	-	(3,975)
Revaluation	-	-	-	-
At 31 March 2023	52	-	-	52
Net Book Value at 31 March 2023	140,720	142	464,351	605,213
Net Book Value at 31 March 2022	163,276	-	184,169	347,445

Depreciation is provided for on property plant and equipment by the allocation of depreciable amounts over their useful lives. Exceptions to this are land which does not have a determinable useful life and assets under construction which are not yet available for use.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

It is the Authority's policy to revalue assets every five years on the basis of open market value in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

For the years that formal valuations are not undertaken, the Authority conducts a review to determine whether its assets useful lives have changed and that values have been impaired as a result. The review also considers market values where appropriate:

The Authority revalued Hornsey Street Waste Transfer station on 31 March 2023. It was valued at £28.1m, an increase of £12.2m compared to the 2018 valuation. As a result of the re-valuation, plant and machinery valued at £0.2m has been classified separately. The plant and Buildings at Hornsey Street are being depreciated over 20 years (from 1 April 2023). All historic depreciation at 31 March 2023 was removed, matched by a corresponding charge to the Capital Adjustment Account (note 9).

In December 2020, the Authority agreed a 999-year lease for 73% of the area of the EcoPark from LondonEnergy Ltd for £17.3m (including stamp duty). The Authority commissioned chartered surveyors Savills to value the lease as at 31 March 2024 and concluded that the fair value was £96.2m (£96.2m as at 31 March 2023). The Authority has an agreement in place with LondonEnergy Ltd to lease the remaining 27% of the land when the existing Energy from Waste facility at Edmonton EcoPark is taken out of service

The Authority also owns land at Pinkham Way and this was valued on 31 March 2023 at £13.1m, a decrease of £1.0m on the previous valuation from 2018. In the intervening years, the Authority reviews the value of Pinkham way for impairment or a change in value, based on based on market evidence from land valuations at the EcoPark. As land value at the EcoPark are similar to those at March 2023, the fair value of the land at Pinkham way has not been amended.

Interest on borrowing for assets that were being constructed or being commissioned and therefore not in use at the balance sheet date are capitalised and included in assets under construction on the balance sheet. The value of interest capitalised in assets under construction during 2023/24 was £23.125m (2022/23: £16.193m).

6. CAPITAL COMMITMENTS

At 31 March 2024, the Authority has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years. Commitments amounting to £1m or more are as follows:

Contract description	£'000
EcoPark South	7,523
Gas-Main Connection	1,881
Energy Recovery Facility	599,599
	<u>609,004</u>

7. INVESTMENTS – LONDONENERGY LTD

	31 Mar 2023 £'000	31 Mar 2024 £'000
Balance at 31 March	<u>119,392</u>	<u>119,392</u>

Until 22 December 2009 LondonEnergy Ltd (formerly LondonWaste Ltd) operated as a joint venture company with Sita UK Ltd and the Authority each holding 50% of the share capital. On 22 December 2009, the Authority purchased the shares held by Sita UK Ltd at a gross cost of £97.686m (including stamp duty) under a deferred payment arrangement. Payment took place on 12 April 2010.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Details of the net assets and results of the company are given in Note 3 to the group accounts.

8. BORROWING

Details of borrowings at 31 March 2024 are set out below:

Short Term and Long Term Creditors

Repayment Date	Sum Borrowed
Public Works Loan Board:	
16-Jul-24	£10,000,000
12-Apr-26	£10,000,000
12-Apr-28	£10,000,000
24-Jun-36	£54,000,000
24-Aug-36	£41,000,000
24-Jun-46	£64,000,000
24-Aug-46	£54,000,000
18-Sep-52	£140,000,000
24-Jun-56	£75,000,000
24-Aug-56	£69,000,000
26-Feb-60	£100,000,000
24-Jun-66	£87,000,000
19-Jul-66	£200,000,000
24-Aug-66	£86,000,000

The fair value of each loan is determined by calculating the Net Present Value of future cash flows, which provides an estimate of the value of payments in the future in today's terms. The discount rate used was the new borrowing rate at 31 March 2024. Since the carrying value included in the balance sheet includes accrued interest, this is also included in the fair value calculations, which are as follows:

	31 Mar 23		31 Mar 24	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Sum Borrowed - £1,000,000,000 (2022/23: £1,000,000,000)	1,003,965	663,278	1,004,013	606,084

All loans are at fixed rates of interest. The total fair value is lower than the carrying amount as the overall interest rate payable is lower than rates available for similar loans at the balance sheet date.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

9. CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account shows the resources used to finance capital expenditure and the historic cost of acquiring and enhancing non-current assets.

	2023	2024
	£'000	£'000
Balance brought forward	68,562	76,786
Minimum Revenue Provision (MRP)	5,052	5,163
Depreciation	(804)	(1,443)
Write-back depreciation on revaluation	3,975	-
Balance at 31 March	<u>76,786</u>	<u>80,508</u>

10. REVALUATION ACCOUNT

The Revaluation Account records gains and losses arising from the revaluation of non-current assets.

	2023	2024
	£'000	£'000
Balance brought forward	124,968	109,586
Revaluation of Property, Plant and Equipment Assets	(25,586)	(270)
Revaluation on Currency Euro account	10,204	(730)
Balance at 31 March	<u>109,586</u>	<u>108,585</u>

11. CAPITAL REVALUATION ACCOUNT

This balance represents the original cost on vesting date (15 December 1994) of the Authority's investment in LondonEnergy Ltd.

	2023	2024
	£'000	£'000
Balance at 31 March	<u>21,706</u>	<u>21,706</u>

12. USABLE CAPITAL RECEIPTS

Usable Capital Receipts Reserve

This reserve represents unspent receipts from disposals of capital assets and can be used only to fund capital expenditure or repay debt.

	2023	2024
	£'000	£'000
Balance at 31 March	<u>1,439</u>	<u>1,439</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Maintenance Reserve

The maintenance reserve has been created to allow the Authority to respond to future asset maintenance in a more planned, coordinated and proactive manner once the new facilities open at the EcoPark and also to manage any medium-term issues relating to the Authority's subsidiary company, London Energy Ltd. The Creation of the reserve was approved by the Authority at its meeting in February 2024.

	2023	2024
	£'000	£'000
Balance at 31 March	-	3,833

13. RELATED PARTIES

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely.

Central Government

Central government has effective control over the general operations of the Authority in that it is responsible for providing the statutory framework within which the Authority operates.

Members

Each of the seven constituent boroughs of the Authority appoints two of their Members to the Authority. Transactions between the Authority and its constituent boroughs, principally the Levy and charges for the treatment of non-household waste, are detailed elsewhere in the accounts. Apart from this dual role, no Member of the Authority has reported that he/she or members of their families and households exercised any control or influence on any of the companies or other bodies with which the Authority transacted in 2023/24.

Officers

No officer or member of their family or household, whether working wholly for the Authority or in an advisory role has indicated that they or members of their families and households exercised any control or influence on any of the companies or other bodies with which the Authority transacted in 2023/24.

Other Public Bodies

A number of transactions with related parties are disclosed elsewhere in the accounts. Details of each constituent borough's levy and charges for the treatment of non-household and chargeable household waste are shown in notes 3 and 4.

The Authority operates through a lead borough arrangement with its constituent boroughs. Charges are made by the constituent boroughs in providing the following services.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Camden

Managing Director
Clerk and committee services
External relations
Financial Adviser and financial services
Internal Audit
Legal Adviser and legal and governance services
Operations (waste strategy, contracts management)
Personnel services
Planning and technical solutions

Haringey

Operational support services

Enfield

Environmental adviser

In 2023/24 the Authority paid Camden £4.283m (2022/23: £3.388m) for the provision of lead borough services. On 31 March 2024 Camden held cash and cash equivalents of £332.261m (31 March 2023: £533.724m) on behalf of the Authority.

The London Borough of Haringey provides Operational support services to the Authority. In 2023/24 the Authority paid Haringey £0.321m for these services (2022/23: £0.212m).

To the extent that monies paid to boroughs for services are paid on by those boroughs to their senior officers, these sums are reflected in Note 19.

Entities Controlled by the Authority

At 31 March 2024, the Authority owned 100% (31 March 2023: 100%) of the shares in LondonEnergy Ltd. In 2023/24 the Authority paid LondonEnergy Ltd £61.594m (2023/24: £34.566m) for waste disposal and transport services. The Company paid no dividend to the Authority in 2023/24 (2022/23: £nil). The Authority's accounts include a creditor of £17.741m (2022/23 £7.622m) in respect of the services provided to the Authority by the Company and a debtor of £0.477m (2022/23 £0.608m) in respect of income due to the Authority from the Company.

During 2023/24 Cllr Loakes, Cllr Zinkin, Cllr Coban, Cllr Champion and the Authority's Managing Director served as non-executive directors on LondonEnergy Ltd.'s board.

Amounts Written Off

No related party debts were written off in 2023/24 (2022/23: £nil) and no provisions for doubtful debts were raised (2022/23: £nil).

14. ADJUSTMENT TO NET SURPLUS FOR NON-CASH MOVEMENTS

The surplus or deficit on the provision of services in the cash flow statement has been adjusted for the following non-cash movements

	2023	2024
	£'000	£'000
Cash flows from operation activities include:		
Depreciation	(804)	(1,443)
Movement in pension liability	27	18
(Increase)/decrease in creditors	(14,335)	(48,285)
Increase / (decrease) in debtors	5,322	16,086
Balance at 31 March	<u>(9,791)</u>	<u>(33,624)</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

15 ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS

	At 31 March 2023 £'000	Cash flows £'000	At 31 March 2024 £'000
Cash	-	-	-
Short Term Investments	246,934	(147,898)	99,036
Money Market Funds	286,790	(127,371)	159,419
Cash and cash equivalents held	<u>533,724</u>	<u>(275,269)</u>	<u>258,455</u>

During the year to 31 March 2024, the Authority did not secure any new borrowing (2022/23 £200m) from HM Treasury, via the Public Works Loan Board to fund the works of the capital NLHPP project.

16. FINANCIAL INSTRUMENTS

Cash on Deposit with London Borough of Camden

The cash and cash equivalents carried on the balance sheet are held by London Borough of Camden on behalf of the Authority. This can be further subdivided into the following categories of financial instruments. The Authority's funds are held in interest bearing accounts and are therefore shown as being held in short term investments and money market funds.

Market Risk

The Authority is exposed to market risk in terms of the value that an instrument will fluctuate due to changes in market factors. These factors will have an impact on the overall performance of these instruments, the risk of which can be reduced by diversification into assets that are not correlated with the market.

The Authority holds part of the Money Market Funds in Euro which will be used to pay for the construction of the process equipment within the Energy Recovery Facility being built as part of the North London Heat and Power Project. As the Euro are held exclusively for this use and the work is capital expenditure, any unrealised gain or loss at the balance sheet date has been captured as part of the unusable reserves.

	2023 £'000	2024 £'000
Short Term Investments	246,934	99,036
Money Market Fund	286,790	159,419
Balance at 31 March	<u>533,724</u>	<u>258,455</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

Financial Liabilities	2023		2024	
	Carrying amount £'000	Fair Value £'000	Carrying amount £'000	Fair Value £'000
Public Works Loan Board (PWLB) Loans	1,003,965	663,278	1,004,013	606,084
LondonEnergy Ltd Loan	-	-	-	-
Short term creditors	40,691	40,691	(88,928)	(88,928)
	<u>1,044,656</u>	<u>703,969</u>	<u>915,085</u>	<u>517,156</u>

17. DEFINED BENEFIT PENSION SCHEME

The Authority does not have any directly employed staff. The payroll and pension arrangements for staff wholly employed on authority business are administered by the London Borough of Camden and all transactions, assets and liabilities relating to these staff are included in the accounts of Camden's pension scheme. Similarly, the pension arrangements of the advisers to the Authority are managed by the respective adviser's own authority.

The Authority does however have obligations and liabilities in respect of the added years' element of pensions paid to retired former employees who were directly employed by the Authority prior to the transfer of staff to LondonEnergy Ltd (formerly LondonWaste Ltd) in December 1994. In 2023/24 the Authority paid £30,428 to the London Pension Fund Authority (£31,967 in 2022/23) in respect of these employees. The Authority's future liability as at 31 March 2024 has been calculated by Barnett Waddingham, the actuaries for the LPFA as being £0.198m (£0.219m at 31 March 2023).

The figure is based on the following assumptions:

	2022/23	2023/24
Return on assets discount rate	4.80%	4.75%
Pension increases	2.85%	2.95%
Inflation (CPI)	3.50%	3.55%

For 2023/24 the actuary adopted a set of demographic assumptions consistent with those used for the formal funding valuation of the LPFA as at 31 March 2019 (2022/23: valuation as at 31 March 2019). The Authority has recognised this liability in the balance sheet and established a pension reserve of an equal amount which is defrayed by the value of the payments made to the LPFA during the year, i.e. by means of a transfer to the pension reserve.

18. NON-MONETARY CAPITAL RECEIPTS

In October 2003, the Authority signed a relocation agreement with Ashburton Properties Ltd (the company set up by the Arsenal Football Club for the purpose of this relocation) and also the corresponding relocation agreement with LondonEnergy Ltd for relocation of the Authority's waste transfer station from Ashburton Grove to Hornsey Street. Subsequently, in July 2004, following the issue of an independent Engineer's Certificate of Practical Completion, the Authority entered into two 999-year leases for the new facility at Hornsey Street.

Ashburton Properties Ltd therefore provided the new waste facility at Hornsey Street in exchange for the Authority's land at Ashburton Grove. There has been no capital outlay for the Authority in this respect, however, for the purpose of recognising the new asset in the Authority's accounts, the asset,

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

which was originally valued at £12.440m at completion, is deemed to have been funded by a non-monetary capital receipt. As at 31 March 2023 following a revaluation at 31 March 2023, the property, plant and machinery are carried on the balance sheet at £26.834m (£28.268m at 31 March 2023).

19. OFFICERS' REMUNERATION

The Authority does not have any directly employed staff. Instead, its staff are employed by the London Borough of Camden. The Statement of Arrangements between the Authority and the London Borough of Camden sets out the services that will be provided to the Authority including the provision of the Clerk and other key Adviser roles. The cost of these services is recovered from the Authority by Camden. Details of staff employed wholly on NLWA business receiving annual remuneration in excess of £50,000 are shown below.

Senior Officers with Remuneration over £150,000

		Salary	Variable Pay (Note 1)	Employers Pension Contribution	Total
		£	£	£	£
Managing Director	2022/23	151,907	7,595	54,398	213,900
(Martin Capstick)					
	2023/24	168,592	-	59,513	228,105

Senior Officers with remuneration between £50,000 and £150,000 per year

		Salary	Variable Pay (Note 1)	Employers Pension Contribution	Total
		£	£	£	£
Programme Director	2022/23	127,652	6,383	45,712	179,747
(Note 2)	2023/24	38,093	-	13,447	51,540
Director of Corporate	2022/23	61,215	3,060	21,921	86,196
Services (Note 3)	2022/23	115,348	-	40,718	156,066

Note 1 – Variable pay is a non-consolidated payment based on performance.

Note 2 – The Programme Director retired on 14 July 2023

Note 3 – The Director of Corporate Services commenced duties on 6 September 2022.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employers pension contribution) were paid in the following bands:

Salary range	2022/23	2023/24
£50,000 to £54,999	7	3
£55,000 to £59,999	1	5
£60,000 to £64,999	-	1
£65,000 to £69,999	1	1
£70,000 to £74,999	1	1
£75,000 to £79,999	-	1
£80,000 to £84,999	-	1
£85,000 to £89,999	2	1
£90,000 to £94,999	2	3
£95,000 to £99,999	1	1
Total	15	18

Advisers

The Statement of Arrangements also provides for various Adviser roles. These roles are undertaken by specific posts within each Lead Borough. Advisers receive an honorarium the cost of which is recharged to the Authority as follows:

		Variable Pay (Note 1) £	Employers Pension Contribution £	Total £
Clerk – Chief Executive (Camden)	2022/23	9,491	3,303	12,794
	2023/24	9,875	3,486	13,361
Financial Adviser – Executive Director of Corporate Services (Camden)	2022/23	9,128	3,177	12,305
	2023/24	9,497	3,352	12,849
Legal Adviser – Borough Solicitor (Camden)	2022/23	7,839	2,728	10,567
	2023/24	8,156	2,879	11,035

The Authority also receives the support of an Environment adviser from the London Borough of Enfield. No request for reimbursement has been received but an estimate has been included in the accounts that the total due is £10,711 (2022/23 £10,357).

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

20. EXTERNAL AUDIT COSTS

Mazars LLP were appointed auditors to the Authority from 2018/19. The Authority has incurred the following costs in relation to the audit of the statutory accounts. Mazars LLP have not provided any additional services to the authority in either 2022/23 or 2023/24. No other audit fees were incurred in 2022/23 or 2023/24.

	2022/23	2023/24
	£	£
Audit of the Statutory Accounts	<u>27,757</u>	<u>89,712</u>

The table above discloses the scale fees agreed with the Authority, their external auditor and Public Sector Audit Appointments Ltd for 2022/23 and 2023/24. Additional work on specific issues may be required up until the audit opinion has been issued, meaning that the total for additional fees cannot be confirmed until the audit is completed. Given the recent completion of the 2022/23 audit, this figure had not been confirmed at the point that these unaudited statements were published.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

INTRODUCTION TO THE GROUP ACCOUNTS

Until 22 December 2009 the Authority held a 50% interest in the shares of LondonEnergy Ltd (formerly LondonWaste Ltd). The interest arose as a result of the Acquisition and Collaboration Agreement between the Authority and Sita UK Ltd. The company was established as a means of complying with the requirements of the Environmental Protection Act 1990. However, on 22 December 2009 the Authority purchased the shares held by its joint venture partner and LondonEnergy Ltd became wholly owned by the Authority but continues to operate at arm-length with its own board of directors and management team.

ABOUT LONDONENERGY LTD

LondonEnergy Ltd is a company limited by shares incorporated in England and Wales. The company's origins date back to the late 1960's when the Greater London Council (GLC) built the Edmonton Energy from Waste plant. The plant was operated by the GLC until 1986, when the body was abolished. Between 1986 and 1994 the Edmonton plant was owned and operated by the Authority. In 1994 the plant was transferred to a unique public/private partnership between the Authority and SITA, resulting in the formation of the company. Today LondonEnergy Ltd has returned to NLWA ownership and as well as handling the Authority's waste, also holds a contract to treat some waste from Hertfordshire County Council. The company employs approximately 360 staff offering a wide range of services. The company is committed to providing economic, efficient, and environmentally responsible solutions for disposal and treatment of waste, and ultimately, to help preserve and protect the environment.

ABOUT THE GROUP ACCOUNTS

The CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom requires the primary statements of the Authority to be prepared on a stand-alone basis to enable the reader to understand how the Authority has accounted for its stewardship of the funds supplied by local taxpayers through the charges made to and levies raised from the constituent boroughs.

Where an Authority has a significant interest in the operation of a company the Code of Practice recognises that a full understanding of the overall picture of the Authority's operations and resources can only be gained from summarised group accounts. Accordingly, the accounts of the Authority contain summarised group accounts which present the consolidated financial position of the Authority and its interest in LondonEnergy Ltd.

The Authority's accounting year ends on 31 March and LondonEnergy Ltd has an accounting year end of 31 December. The Code permits the consolidation of accounting statements of different dates so long as the two dates are not more than three months apart and that accounting statements of a date that isn't 31 March are adjusted for the effects of significant transactions and events that occurred between the two dates. No adjustments were found to be necessary to the financial statements of LondonEnergy Ltd at 31 December 2023.

In accordance with IFRS 3 *Business Combinations* and the Code of Practice, LondonEnergy has been included on a line by line basis. Accordingly, these group accounts consist of:

- this introduction, explaining the basis on which the group accounts have been prepared;
- a group expenditure and funding analysis;
- a group movement in reserves statement;
- a group comprehensive income and expenditure statement;
- a group balance sheet;
- a group cash flow statement.

GROUP MOVEMENT IN RESERVES STATEMENT

	General Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
2023/24						
Balance at 31 March 2023 brought forward	14,477	-	1,439	15,916	207,994	223,910
Movement in reserves during 2023/24						
Total Comprehensive Income and Expenditure	(10,250)	3,833	-	(6,417)	(4,624)	(11,041)
Adjustments between accounting basis & funding basis under regulations	(3,741)	-	-	(3,741)	3,741	-
Increase/(Decrease) in 2023/24	(13,991)	3,833	-	(10,158)	(883)	(11,041)
Balance at 31 March 2024 carried forward	486	3,833	1,439	5,758	207,111	212,869
2022/23						
Balance at 31 March 2022 brought forward	34,114	-	1,439	35,553	238,068	273,621
Movement in reserves during 2022/23						
Total Comprehensive Income and Expenditure	(27,063)	-	-	(27,063)	(22,648)	(49,711)
Adjustments between accounting basis & funding basis under regulations	7,426	-	-	7,426	(7,426)	-
Increase/(Decrease) in 2022/23	(19,637)	-	-	(19,637)	(30,074)	(49,711)
Balance at 31 March 2023 carried forward	14,477	-	1,439	15,916	207,994	223,910

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2022/23			2023/24		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	£'000	£'000	£'000
150,853	(78,174)	72,679	147,571	(90,966)	56,605
150,853	(78,174)	72,679	147,571	(90,966)	56,605
		Environmental and regulatory services			
		Cost of Services			
		(52,294) Other Operating (Income) and Expenditure			(53,667)
		832 Financing and Investment (Income) and Expenditure			(10,442)
		(6,631) Taxation and Non-Specific Grant Income			13,136
		14,586 (Surplus)/Deficit on Provision of Services			5,632
		(Surplus)/Deficit on revaluation of Property, Plant and Equipment Assets			(1,200)
		31,262			
		(Surplus)/Deficit on revaluation of Long Term Investments			5,094
		13,254			
		(10,204) (Surplus)/Deficit on revaluation of Currency			730
		813 Actuarial (Gain)/Loss on Pension Assets			785
		35,125 Other Comprehensive Income and Expenditure			5,409
		49,711 Total Comprehensive Income and Expenditure			11,041

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

GROUP BALANCE SHEET

	Note	31 Mar 2023 £'000	31 Mar 2024 £'000
Property, Plant and Equipment	4.7, 4.9	645,902	956,022
Investments	4.8	7,000	7,000
Long Term Investments	4.9, 4.10	36,959	31,865
LONG TERM ASSETS		689,861	994,887
CURRENT ASSETS	4.11	592,898	333,741
CURRENT LIABILITIES	4.12	(58,631)	(125,561)
Long Term Borrowings		(1,000,000)	(990,000)
Long Term Liabilities - Pension		(219)	(198)
Deferred Taxation		-	-
Other Long Term Liabilities		-	-
LONG TERM LIABILITIES		(1,000,219)	(990,198)
NET ASSETS		223,909	212,868
<u>Usable Reserves</u>			
General Fund Balance		14,477	486
Earmarked Reserves		-	3,833
Capital Receipts Reserve		1,439	1,439
<u>Unusable Reserves</u>			
Capital Adjustment Account		76,787	80,508
Revaluation Account		109,586	108,585
Capital Revaluation Account		21,706	21,706
Acquisition Revaluation Reserve		133	(3,491)
Pension Reserve		(219)	(198)
TOTAL RESERVES		223,909	212,868

Jon Rowney

Financial Adviser January 2025

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

GROUP CASH FLOW STATEMENT

	2022/23	2023/24
	£'000	£'000
Net surplus on the provision of services	14,780	5,632
Adjustments to net surplus on the provision of services for non-cash movements	<u>(47,479)</u>	<u>(44,372)</u>
Net cash inflow from operating activities	(32,699)	(38,740)
Investing activities	269,977	311,093
Financing activities	<u>(181,373)</u>	-
Net (increase)/decrease in cash and cash equivalents	55,905	272,353
Cash and cash equivalents at the beginning of the reporting period	<u>(608,723)</u>	<u>(552,818)</u>
Cash and cash equivalents at the end of the reporting period	<u>(552,818)</u>	<u>(280,465)</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

GROUP EXPENDITURE AND FUNDING ANALYSIS

2022/23			2023/24		
Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000	£'000	£'000	£'000
76,917	(4,238)	72,679	60,346	(3,741)	56,605
76,917	(4,238)	72,679	60,346	(3,741)	56,605
(57,280)	-	(57,280)	(50,188)	-	(50,188)
19,637	(4,238)	15,399	10,158	(3,741)	6,417
34,114		Opening Balance	14,477		
(19,637)		Add Surplus/(Deficit) in Year	(10,158)		
14,477		Closing Balance at 31 March	4,319		

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

NOTES TO THE GROUP ACCOUNTS

1. ACCOUNTS OF LONDONENERGY LTD

The 2023 accounts were approved by the Board of LondonEnergy Ltd on 24 July 2024 and received an unqualified audit opinion by BDO LLP (the Company's statutory auditor) on 25 July 2024. LondonEnergy Ltd is not required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 but with effect from 2015 it is required to prepare financial statements in accordance with Financial Reporting Standard 102.

The accounts of LondonEnergy Ltd can be obtained from the Company Secretary, LondonEnergy Ltd, Energy from Waste Plant EcoPark, Advent Way, Edmonton, London N18 3AG.

2. INVESTMENT IN LONDONENERGY LTD

Summarised balance sheet of LondonEnergy Ltd

		31-Dec-22	31-Dec-23
		£'000	£'000
	Note		
LONG TERM ASSETS			
Tangible assets	4.7	3,178	3,178
Investments	4.8	7,000	7,000
		<u>10,178</u>	<u>10,178</u>
CURRENT ASSETS			
Stocks		1,594	1,680
Debtors		33,579	40,852
Cash at bank and in hand		19,094	22,010
		<u>54,267</u>	<u>64,542</u>
CREDITORS: amounts falling due within one year		<u>(20,989)</u>	<u>(39,884)</u>
NET CURRENT ASSETS		<u>33,278</u>	<u>24,658</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		43,456	34,836
PROVISIONS FOR LIABILITIES -			
Deferred tax		-	-
Provision		-	-
TOTAL PROVISIONS		<u>-</u>	<u>-</u>
NET ASSETS		<u>43,456</u>	<u>34,836</u>
CAPITAL AND RESERVES			
Called up share capital		31,196	31,196
Share premium		1,648	1,648
Profit and loss account		10,612	1,992
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>43,456</u>	<u>34,836</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

LondonEnergy's accounts for the year ended December 2022 noted that as a result of the Authority signing a contract to build a new Energy Recovery Facility at the Edmonton EcoPark, the life of the current facilities owned by LondonEnergy Ltd are limited. In light of this, the company's Directors conducted an impairment review for the value of their assets and the likelihood that these would be recovered through future cashflows. The company's Directors determined that an impairment charge of £31.3m should be recognised as of January 2022. In addition, stocks of spares held for the current plant of £2.4m should also be impaired.

3. SHARE PREMIUM RESERVE

The share premium reserve represented the Authority's 50% share of LondonEnergy Limited's share premium account.

4. NOTES TO THE GROUP ACCOUNTS

In addition to the notes and accounting policies to the Authority single-entity accounts, the following disclosures are made in respect of LondonEnergy Ltd.

Accounting Policies

4.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2024. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the comprehensive income and expenditure statement from the date of acquisition or up to the date of disposal.

4.2 Valuation of Investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Income and Expenditure Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

4.3 Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions has been capitalised.

4.4 Inventories

Inventories are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

4.5 Deferred Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as likely that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

4.6 Pensions

LondonEnergy Ltd operates a defined benefits pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The pension charge is based on the latest actuarial valuation.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

For the defined benefit scheme, the company recognises the net assets or liabilities of the scheme in the balance sheet, net of any related deferred tax liability or asset. The changes in scheme assets and liabilities, based on actuarial advice are as follows:

- a. The current service cost based on the most recent actuarial valuation is deducted in arriving at operating profit.
- b. The interest cost, based on the present value of the scheme liabilities and the discount rate at the beginning of the year and amended for changes in scheme liabilities during the year, is included as interest.
- c. The expected return on scheme assets, based on the fair value of scheme assets and expected rates of return at the beginning of the year and amended for changes in the scheme assets during the year, is included as interest.
- d. Actuarial gains and losses, representing differences between the expected return and actual return on scheme assets, differences between the actuarial assumptions underlying the scheme liabilities and actual experience during the year, and changes in actuarial assumptions, are recognised in the movement in reserves statement.
- e. Past service costs are spread evenly over the period in which the increases in benefit vest and are deducted in arriving at operating profit. If an increase in benefits vests immediately, the cost is recognised immediately.
- f. Gains and losses arising from settlements or curtailments not covered by actuarial assumptions, are included in operating profit.

4.7 Non-Current Assets and Depreciation

The non-current assets of LondonEnergy Ltd are included in its financial statements at depreciated historical cost. This is not in accordance with The Code which permits this method of depreciation only for small value assets with short lives and where no other approach is practicable. Moreover, the Company values its freehold land at historic cost. Accordingly, the Authority commissioned Savills chartered surveyors to value the Company's land, buildings, plant and machinery at 31 March on an existing use value basis. The conclusions from Savills' investigations are reflected in the Group financial statements and in the table below. Vehicles and office equipment were outside the scope of Savills' work and are included at depreciated historical cost. The depreciation rates used for these assets are within the range 12.5% and 25%.

The non-current assets of the North London Waste Authority are as set out in Authority's statements and notes. The Authority has two depreciable assets – a waste transfer station and yard at Hornsey Street in the London Borough of Islington and a water pumping station in Edmonton in the London Borough of Enfield. For these assets, depreciation is calculated on a straight-line basis over 20 years and 9 years, respectively. This is in accordance with advice sought from the valuer. The Authority also has a land holding at Pinkham Way in the London Borough of Haringey. Land is not depreciated. All assets are valued on a five-year cycle and impairment reviews are undertaken in the interim years.

Following an impairment review (see note 1), the value of London Energy Ltd.'s property plant and equipment were impaired by £31.3m in 2022.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2024

PROPERTY, PLANT & EQUIPMENT

Movement on balances in 2023/24

	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
At 1 April 2023	106,284	142	464,351	570,777
Additions,	-	-	310,361	310,361
Disposals	-	-	-	-
Transfer between classes	-	-	-	-
Revaluation	1,200	-	-	1,200
At 31 March 2024	107,484	142	774,712	882,339
Depreciation and Impairment				
At 1 April 2023	(75,126)	-	-	(75,126)
Depreciation Charge	1,415	28	-	1,443
Disposals	-	-	-	-
At 31 March 2024	(73,711)	28	-	(73,683)
Net Book Value at 31 March 2024	181,195	114	774,712	956,022
Net Book Value at 31 March 2023	181,410	142	464,351	645,903

Movement on balances in 2022/23

	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
At 1 April 2022	252,427	8,621	199,763	460,811
Additions,	-	-	280,182	280,182
Disposals	(110,763)	(8,621)	(15,594)	(134,978)
Transfer between classes	-	-	-	-
Revaluation	(35,380)	142	-	(35,238)
At 31 March 2023	106,284	142	464,351	570,777
Depreciation and Impairment				
At 1 April 2022	19,481	5,226	-	24,707
Depreciation Charge	803	-	-	803
Disposals	(95,410)	(5,226)	-	(100,636)
At 31 March 2023	(75,126)	-	-	(75,126)
Net Book Value at 31 March 2023	181,410	142	464,351	645,903
Net Book Value at 31 March 2022	232,946	3,395	199,763	436,104

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4.8 Long Term Investments

On 31 December 2021, LondonEnergy Ltd invested in Lime Street Insurance Guernsey PCC Ltd, a protected cell company. It acquired 7,000,000 non-voting cell shares of £1 each.

4.9 Acquisition Note

On 22 December 2009, the Authority acquired the remaining 50% of its joint venture, LondonEnergy Limited. LondonEnergy Limited is fully consolidated in these financial statements. The acquisition has been accounted for using acquisition accounting. The goodwill arising at acquisition of £50.213m was capitalised.

The 2009 accounts for LondonEnergy Ltd showed that the Company's net assets (EcoPark) were valued at £46.327m at 31 December 2009. The Code of Practice requires the Authority to take into account the estimated fair value of LondonEnergy Ltd at the balance sheet date and therefore in preparing its 2009/10 accounts the Authority determined this to be £94.577m after a positive adjustment of £48.250m to the Company's non-current assets.

In December 2020, NLWA entered into a 999-year lease with LondonEnergy Ltd for 73% of the area of the EcoPark for £17.3m (including stamp duty).

For the purposes of ensuring that the 2023/24 group accounts were prepared in accordance with International Financial Reporting Standards (IFRS), the Authority commissioned chartered surveyors Savills to value the EcoPark land, at 31 March 2024. Savills concluded that the fair value of the remaining 23% of the EcoPark land belonging to LondonEnergy Ltd. was £42.160m (2022/23: £40.690m for the land and buildings combined), an increase of £1.470m. This adjustment has been reflected in the group balance sheet.

The increase in the net assets on acquisition of LondonEnergy Ltd gave rise to an increase in value which is recorded in an Acquisition Revaluation Reserve in the sum of £24.125m and included in the 2009/10 group accounts. Annual valuations undertaken since then to March 2022 has decreased this reserve to nil (2022/23 £0.133mm).

4.10 Long Term Investments

Goodwill is reviewed annually to consider whether the recoverable amount is higher than the carrying amount. At the End of March 2023, the amount of goodwill has been impaired to reflect the impairment made to LondonEnergy Ltd.'s assets. A review of the value of the asset in use showed that the carrying amount should be £31.865m, an impairment of £5.094m. The impairment has been set against the remaining Acquisition Revaluation reserve to bring its value to £nil.

4.11 Analysis of Current Assets

	31 March 2023 £'000	31 March 2024 £'000
HM Revenue and Customs	13,267	27,188
Other debtors	25,219	24,408
Inventories	1,594	1,680
Cash and cash equivalents	552,818	280,465
	<u>592,898</u>	<u>333,741</u>

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4.12 Analysis of Current Liabilities

	31 March 2023 £'000	31 March 2024 £'000
Short Term Borrowings	(3,965)	(14,013)
Other Creditors	(51,352)	(106,617)
Central Government	(3,314)	(4,932)
	<u>(58,631)</u>	<u>(125,562)</u>