

NORTH LONDON WASTE AUTHORITY AUDIT AND GOVERNANCE COMMITTEE

THURSDAY, 13 FEBRUARY 2025 AT 3.30 PM
COUNCIL CHAMBER, TOWN HALL, JUDD STREET, LONDON WC1H 9JE

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SUPPLEMENTARY AGENDA

7. **2023/24 STATEMENT OF ACCOUNTS** (Pages
3 - 10)

Report of the Financial Adviser.

This report is supplemental to the 2023/24 Statement of accounts report at agenda item 7 on the agenda published for the Audit and Governance Committee meeting of 13 February 2025 and contains revised recommendations reflecting that report as updated by this supplemental report.

SUPPLEMENTARY AGENDA ENDS
Issued on: 12 February 2025

AGENDA

NORTH LONDON WASTE AUTHORITY
REPORT TITLE: SUPPLEMENTARY PAPER - 2023/24 STATEMENT OF ACCOUNTS
REPORT OF: THE FINANCIAL ADVISER
FOR SUBMISSION TO: AUDIT AND GOVERNANCE COMMITTEE
DATE: 13 FEBRUARY 2025
SUMMARY OF REPORT: This report is supplemental to the 2023/24 Statement of accounts report at agenda item 7 on the agenda published for the Audit and Governance Committee meeting of 13 February 2025 and contains revised recommendations reflecting that report as updated by this supplemental report.
RECOMMENDATIONS: The Audit and Governance Committee is recommended to agree the recommendations set out below which update those in the 2023/24 Statement of Accounts report at agenda item 7: <ul style="list-style-type: none">A. Note the draft Audit Completion Report;B. Receive any oral update from the Authority's auditors;C. Authorise the Director of Corporate Services to sign the 2023/24 letter of management representation as drafted at the end of Appendix A; andD. Approve the Authority's 2023/24 Statement of Accounts and Annual Governance Statement in Appendix B of the original paper amended with the Comprehensive Income and Expenditure Statements in this supplementary paper, and authorise the Audit and Governance Committee Chair and Clerk to sign these documents once the public inspection period is complete.
SIGNED: Jon Rowney, Financial Adviser DATE: 12 February 2025

1. INTRODUCTION

- 1.1. This paper reports that an error has been identified in the 2023/24 Statement of Accounts paper. The Comprehensive Income and expenditure Statement (CIES) and the Group CIES both contain an error that offsets some income against expenditure. These should have been recorded separately. This report explains the corrections that should be made to the statement of accounts that are recommended for approval. The error does not affect either the total net expenditure or surplus recorded in the CIES but the change is necessary to ensure component sums are accurately recorded.
- 1.2. This report is supplemental to the 2023/24 Statement of Accounts report at agenda item 7. That report presents the statement of accounts and stands save to the extent amended in this supplemental paper.

2. BACKGROUND

- 2.1. Since the paper was published officers have identified an error in the CIES which has led to two items of income being offset against expenditure. This offsetting has caused both income and expenditure to be understated. Although this income and expenditure was offset, the net expenditure was correct and the surplus reported in the CIES is unchanged.
- 2.2. The offsetting arose on two lines of the CIES and are explained in more detail below. These changes also affect the Group CIES, but as the surplus is unchanged there is no effect on any of the other statements.

3. ADJUSTMENTS

- 3.1. The income recorded under the line Transfer Stations and Other Sites relate to the Pass-through of utilities costs and the contribution to rent for the leased transfer station at Wembley. These were incorrectly stated in the draft accounts and have been corrected so that there is gross expenditure of £7.117m and gross income of £1.152m. This offsetting understated both income and expenditure by £2.595m.

	2023/24		
	Gross Expenditure	Gross Income	Net Expenditure
	£'000	£'000	£'000
Transfer Stations and Other Sites			
Draft accounts	4,522	1,443	5,965
Corrected values	7,117	(1,152)	5,965
	<u>2,595</u>	<u>(2,595)</u>	<u>-</u>

- 3.2. Similarly, Income from Reuse and Recycling Centres have been corrected so that there is gross expenditure of £6.379m and gross income from recyclates of £0.555m. Both Income and expenditure were understated by £0.555m.

	Gross Expenditure £'000	2023/24 Gross Income £'000	Net Expenditure £'000
Reuse and Recycling Centres			
Draft accounts	5,824	-	5,824
Corrected values	6,379	(555)	5,824
	<u>555</u>	<u>(555)</u>	<u>-</u>

- 3.3. In total, gross expenditure and gross income are both adjusted by £3.150m. As both have increased by the same amount there is no change to the total net expenditure. The amended CIES is included in Appendix A to this supplemental paper

- 3.4. This increase in gross expenditure and gross income is also adjusted in the Group CIES. This is also included in Appendix A to this supplemental paper.

4. CONCLUSION

- 4.1. The changes in this paper amend the gross income and expenditure figures in the CIES and the Group CIES but do not affect other parts of the 2023/24 statement of accounts.
- 4.2. Members are recommended to approve the Authority's 2023/24 Statement of Accounts and Annual Governance Statement in Appendix B of the original paper amended with the Comprehensive Income and Expenditure Statements in this supplementary paper, and authorise the Audit and Governance Committee Chair and Clerk to sign these documents once the public inspection period is complete.
- 4.3. Recommendations A,B and C are as per the statement of accounts paper.

5. EQUALITIES IMPLICATIONS

- 5.1. There are no equalities implications arising from this report.

6. COMMENTS OF THE LEGAL ADVISER

- 6.1. The Legal Adviser has been consulted in the preparation of this report and comments have been incorporated.

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APPENDIX A AMENDED 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	Main Waste Disposal Contract	43,149	-	43,149
1,658	-	1,658	Composting Services	2,131	-	2,131
10,146	-	10,146	Materials Recovery Facility Services	12,607	-	12,607
2,733	(95)	2,638	Transfer Stations and Other Sites	7,117	(1,152)	5,965
-	-	-	LEL Additional Support	9,000	-	9,000
5,422	(562)	4,860	Re-use and Recycling Centres	6,379	(555)	5,824
3,858	(19)	3,839	Corporate and Other Support Service Costs	5,118	(28)	5,090
262	-	262	Waste Prevention Programme – New Initiatives	1,022	-	1,022
244	-	244	Communications Campaign – Household Recycling	-	-	-
202	-	202	Other Recycling Initiatives	183	-	183
-	-	-	Carbon Capture	1,495	-	1,495
760	(16)	744	North London Heat & Power Project	685	-	685
-	(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)
-	(479)	(479)	Other Income	-	(41)	(41)
63,409	(17,146)	46,263		88,886	(27,049)	61,837

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)

AMENDED 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	Environmental and regulatory services	150,721	(94,116)	56,605
150,853	(78,174)	72,679	Cost of Services	150,721	(94,116)	56,605
		(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	(Surplus)/Deficit on revaluation of Currency			730
		(10,204)				
		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

Ends

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