

Company No 03378046
Charity No 1067460

LONDON WASTE ACTION
TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2006



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**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2006**

The trustees of the charity, who are also the directors of the company, submit their report and financial statements of London Waste Action (LWA) for the year ended 31 March 2006

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees and Directors

D Benjafield	Chairman
M Bland	
M Cartwright	(Appointed 28 September 2006)
S Heath	(Resigned 28 September 2006)
E Morris	(Resigned 14 December 2005)
D Moylan	
P Portwood	(Resigned 1 June 2005)
M Rooney	(Appointed 14 December 2005)
K Schofield	(Resigned 14 December 2005)
C Woolhouse	(Resigned 1 June 2005)

Officers

C Roberts	(Chief Executive)
S Drury	(Company Secretary)

Company Number

3378046

Charity Number

1067460

Principal Address and Registered Office

1 Hobhouse Court
Suffolk Street
London SW1Y 4HH

Auditor

Baker Tilly UK Audit LLP
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2006**

Banker

Barclays Bank plc
7th Floor
United Kingdom House
180 Oxford Street
London W1D 1EA

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status and Organisational Structure

LWA is a company limited by guarantee (number 3378046) and a registered charity (number 1067460) The governing document is the company Memorandum and Articles of Association

LWA was established with the object to promote for the public benefit waste management practices which promote the consideration, protection, improvement and sustainability of the physical and natural environment in and around London

During the year, LWA managed in partnership with the London Councils, the Mayor of London and under contract with the Department of Environment, Food and Rural Affairs (DEFRA), the Waste & Resources Action Programme (WRAP), and the London Development Agency (LDA) the London Recycling Fund (LRF) The LRF distributed, on application from London waste authorities and other bodies, resources to assist them to reach their recycling targets and to develop recycling facilities LWA was funded by DEFRA, WRAP and LDA to invite applications for funds, distribute them, monitor their use and to receive reports from the waste authorities and other receivers of the funds on their progress LWA also received Landfill Tax Credit Funds from The Cleanaway Havering Riverside Trust for a stakeholder consultation on the management of waste in London

LRL Limited, a wholly owned subsidiary company limited by guarantee, acted as the responsible body for Single Regeneration Budget funds received from the LDA for the development of new waste material reprocessing facilities This activity has ended and the company ceased to trade during the year and will be dormant next year

LWA wishes to acknowledge the generous financial support it has received from the DEFRA, WRAP, LDA and The Cleanaway Havering Riverside Trust

A maximum of 9 trustees are permitted three are elected by the Business Members, three by the General Members and three nominated by the London Councils Limited London First is the sole Business Member As there are no General Members, trustees under this category are appointed by agreement between London First and the London Councils Limited Two trustees are the minimum permitted of which at least one shall have been elected by the Business Members and one nominated by the London Councils Limited The charity is governed by the board of trustees which met twice in the year

TRUSTEES' ANNUAL REPORT for the year ended 31 March 2006

Committees

The board was advised in the management of the London Recycling Fund by the LWA Programme Board. The members of the Committee are

J Duffy	Chair	
D Benjafield	Joint Vice-Chair	
S Rodrigues	Joint Vice-Chair	Resigned April 2005
S Benton	Joint Vice-Chair	Appointed December 2005
S Didsbury		
R Georgeson		
L Harding		Resigned June 2005
B Harris		
K Higgins		
M Homer		
B Metz		
K Radford		Appointed June 2005
C Roberts		
D Streeter		
J Woodruff		Appointed November 2005

Method of Recruitment, Appointment, Election, Induction and Training of Trustees

The trustees are appointed by the Members as detailed above. New trustees are briefed by the Chief Executive and by officers of their own organisation on appointment. Trustees are encouraged to undertake training to ensure that they are able to exercise their duties as the charity's trustees.

Risk

The Chief Executive and the staff team provide the board of trustees with information about risk management on a regular basis. Professional advice is taken when appropriate and contracts are entered into to minimise risk. In particular, contractual arrangements around the London Recycling Fund were reviewed by lawyers to ensure adequate safeguards were afforded to the charity. The overall responsibility for the risk management lies with the board of trustees.

Trustees' and Directors' Responsibilities in the Preparation of the Financial Statements

The trustees and directors are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and regulations.

The provisions of charity and company law require the trustees and directors to prepare financial statements for each financial year. Under that law, the trustees and directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charity as at the balance sheet date, and of the incoming resources and application of resources, including income and expenditure, for that period. In preparing those financial statements, the trustees and directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent, and

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2006**

- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis

The trustees and directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity, and to enable them to ensure that the financial statements comply with the requirements of the Charities Act 1993 and the Companies Act 1985. They are also responsible for safeguarding the assets of the charity, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees and directors are responsible for the maintenance and integrity of the corporate and financial information on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The trustees and directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Charities Act 1993, Section 43 and the provisions of the Companies Act 1989, Section 26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

A resolution to reappoint Baker Tilly UK Audit LLP as auditor will be put to the members at the Annual General Meeting.

Statement as to Disclosure of Information to the Auditor

The trustees and directors at the date of approval of this trustees' annual report confirm that so far as each of them is aware, there is no relevant audit information of which the charity's auditor is unaware, and the trustees and directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

OBJECTIVES AND ACTIVITIES

Charitable Objective

London Waste Action was established with the object to promote for the public benefit waste management practices which promote the conservation, protection, improvement and sustainability of the physical and natural environment in and around London.

Charitable Activities

The principal activity of the charity was associated with the management of projects for the London Recycling Fund. In addition, the charity was involved to a much lesser extent with a small number of other projects, some of which were funded by the landfill tax credit scheme.

Indicators, Milestones and Benchmarks

The London Recycling Fund operates in accordance with a Business Plan approved by the board after consultation with partners. The Business Plan set the objectives of the LRF and the Sub-Committee and the board regularly monitored performance against the Business Plan.

**TRUSTEES' ANNUAL REPORT
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Grant-Making Policy

The main activity of the charity was concerned with the distribution of grants from the London Recycling Fund

The period under review was the final year of the London Recycling Fund and saw the distribution of remaining grants. A board considered applications from principally London Boroughs and consortia which sought grants to assist them to reach their recycling targets and to develop recycling facilities. The applications were considered with advice from the Committee, and approved as appropriate. Approved projects were monitored with the grantee on a continual basis by a project manager engaged by the charity. Reports were compiled to ensure compliance with the terms of the grant.

Related Parties

The two equal Members of London Waste Action are London First and London Councils Limited. London First provided the charity with office facilities, financial and company secretarial services, and other administrative support. London Councils Limited, as in previous years, did not provide any services during the period.

LRL Limited, a company limited by guarantee, incorporated in Great Britain and registered in England and Wales, is a wholly owned subsidiary of London Waste Action. There were no transactions between the charity and its subsidiary.

ACHIEVEMENTS AND PERFORMANCE

The key activity of the charity during the year continued to be the administration of the London Recycling Fund. The LRF - a £50 million recycling improvement fund - was set up in late 2001 by the Mayor of London, the Association of London Government (ALG) and LWA, with the funding being provided by DEFRA, WRAP and LDA. The LRF's vision was to enable London's waste authorities to significantly improve their recycling and waste reduction performance through five key aims. The LRF also supported the Government's national priorities through additional project criteria.

The main aim of the LRF was to lever additional funding from those applying for grants and running approved projects. This was achieved - the £50 million of core funding from DEFRA, WRAP and LDA enabled 134 projects, which over their overall project implementation life of 7 years has levered £143 million, including £43 million from the private sector.

To receive funding support, all project applicants had to demonstrate how their proposals were designed to achieve the overall aims and objectives of the LRF.

The LRF has made a significant impact in respect of two Government priorities.

Waste reduction

Over the period from the start of the LRF, London has reduced the amount of municipal waste produced by over 5% and has reduced the amount of household waste produced by 2.4%. In England as a whole, over that same period municipal and household waste has increased by 2.5% and 1.5% respectively.

Improving the performance of boroughs with recycling rates at or below 10%

For the 22 London waste authorities that were recycling at below 10% in 2001/2002, by the year 2005/2006 eleven were recycling at rates of between 10% and 20% and 10 were recycling at rates above 20%.

**TRUSTEES' ANNUAL REPORT
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FINANCIAL REVIEW

Financial Results of Activities and Events

The charity recorded a surplus of incoming resources over resources expended for the year ended 31 March 2006 of £524,076 (2005 £233,146) and the total funds carried forward at 31 March 2006 were £1,226,022 (2005 £701,946). The majority of the funds available have restricted usage and will be utilised in future accounting periods on projects in accordance with the terms of the contributions. Both income at £10,312,314 (2005 £15,648,889) and expenditure at £9,788,238 (2005 £15,415,743) were a considerable decrease on the previous year and reflecting the reducing level of the charity's involvement in the London Recycling Fund.

Reserves Policy

Funds in restricted reserves represent a moment in time for continuing projects. They will be spent in following accounting periods in accordance with the restrictions imposed under the terms for the contributions. Funds in unrestricted reserves are available for the future development of the organisation.

Investment Policy

The board takes a cautious view and only invests surplus funds as cash in high interest bank accounts with its bankers which provide security and instant access.

PLANS FOR FUTURE PERIODS

The principal activity over the past four years has been the London Recycling Fund. Now that the main LRF project work has been completed, the trustees are reviewing the future of the charity and whether it has a role going forward. The trustees are consulting Members and other stakeholders and will decide in 2007 whether to continue and in what form, or whether to cease operations.

FUNDS HELD AS CUSTODIAN

Although the charity maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, the charity does not currently hold, and the trustees do not anticipate that it will in future hold, any funds as custodian for any third party.

This report was approved by the trustees on 5 June 2007, and was signed for and on behalf of the board by



S Drury, Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON WASTE ACTION

We have audited the financial statements on pages 9 to 18, which have been prepared on the basis of the accounting policies set out on pages 12 and 13

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of trustees' and directors' responsibilities within the trustees' annual report on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the trustees' annual report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the trustees' annual report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON WASTE ACTION
(Continued)

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

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company as at 31 March 2006, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the trustees' annual report is consistent with the financial statements

BLT UK Audit LLP

BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST

6 June

2007

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 March 2006

	Notes	Unrestricted funds	Restricted funds	Total 2006	Total 2005 <i>As restated</i>
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	1	-	259,605	259,605	130,036
Incoming resources from charitable activities					
Income for undertaking projects	2	-	10,052,709	10,052,709	15,518,853
TOTAL INCOMING RESOURCES		-	10,312,314	10,312,314	15,648,889
RESOURCES EXPENDED					
Charitable activities					
Cost of undertaking projects	3	-	9,773,354	9,773,354	15,405,018
Governance costs	5	-	14,884	14,884	10,725
TOTAL RESOURCES EXPENDED		-	9,788,238	9,788,238	15,415,743
NET INCOMING RESOURCES, NET INCOME FOR THE YEAR & NET MOVEMENT IN FUNDS		-	524,076	524,076	233,146
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 April 2005		1	701,945	701,946	468,800
FUNDS BALANCES CARRIED FORWARD AT 31 MARCH 2006	9	1	1,226,021	£ 1,226,022	£ 701,946

The net movement in funds for the year arises from the charitable company's continuing operations

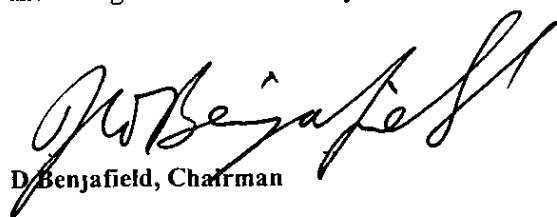
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Statement of Financial Activities

BALANCE SHEET

31 March 2006

	Notes	2006	2005
CURRENT ASSETS			
Debtors	7	34,244	192,890
Cash at bank and in hand		5,660,612	14,941,947
		<u>5,694,856</u>	<u>15,134,837</u>
LIABILITIES			
Creditors Amounts falling due within one year	8	4,468,834	14,432,891
		<u>1,226,022</u>	<u>701,946</u>
NET CURRENT ASSETS			
		<u>£ 1,226,022</u>	<u>£ 701,946</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS			
		<u>£ 1,226,022</u>	<u>£ 701,946</u>
THE FUNDS OF THE CHARITY			
Restricted income funds			
London Recycling Fund	9	1,190,879	691,408
Waste Best Practice Tour Fund	9	-	8,000
Future of London Waste Action Fund	9	-	1,494
Waste Reduction Fund	9	1,043	1,043
Stakeholder Dialogue Fund	9	34,099	-
Unrestricted income funds			
General Fund	9	1	1
TOTAL CHARITY FUNDS	10	<u>£ 1,226,022</u>	<u>£ 701,946</u>

The financial statement on pages 9 to 18 were approved by the trustees and authorised for issue on 5 June 2007, and are signed on their behalf by


D. Benjafield, Chairman

CASH FLOW STATEMENT
 for the year ended 31 March 2006

	2006	2005
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		
Net movement in funds	524,076	233,146
Investment income receivable	(259,605)	(130,036)
(Increase)/decrease in debtors	158,646	(47,125)
(Decrease)/increase in creditors within one year	(9,964,057)	14,358,136
	<u>(9,540,940)</u>	<u>14,414,121</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	259,605	130,036
(DECREASE)/INCREASE IN CASH IN THE YEAR	<u>£ (9,281,335)</u>	<u>£ 14,544,157</u>

ANALYSIS OF NET FUNDS

	1 April 2005	Cash flow	31 March 2006
Cash at bank and in hand	14,941,947	(9,281,335)	5,660,612
Net funds	<u>£ 14,941,947</u>	<u>(9,281,335)</u>	<u>£ 5,660,612</u>

RECONCILIATION OF NET CASH FLOW TO NET MOVEMENT IN FUNDS

	2006	2005
(Decrease)/Increase in cash in the year	(9,281,335)	14,544,157
Movement in net funds in the year	<u>(9,281,335)</u>	<u>14,544,157</u>
Opening net funds	14,941,947	397,790
Closing net funds	<u>£ 5,660,612</u>	<u>£ 14,941,947</u>

Financial statements for the year ended 31 March 2006**ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The financial statements have been prepared to comply with current statutory requirements, under the historical cost convention, except as modified for the annual revaluation of fixed asset investments, and in accordance with United Kingdom Generally Accepted Accounting Practice. The recommendations in *Accounting and Reporting by Charities: Statements of Recommended Practice (revised 2005)* issued by the Charity Commission in March 2005 have been followed.

For the year ended 31 March 2006, the comparative figures have been restated to reflect the updated basis of accounting resulting from the adoption of *Accounting and Reporting by Charities: Statements of Recommended Practice (revised 2005)*.

LRL Limited, a company limited by guarantee, incorporated in Great Britain and registered in England and Wales, is a wholly owned subsidiary of London Waste Action. Consolidated financial statements have not been prepared as advantage has been taken of the provisions under section 248 of the Companies Act 1985 not to prepare group accounts. These financial statements therefore present information about London Waste Action as an individual undertaking and not about its group.

INCOMING RESOURCES

Grants, donations and other similar types of voluntary income are brought into account when received, except that donated income is included gross of any attributable tax recoverable, where relevant. Donations given for specific purposes are treated as restricted income.

Investment income is accounted on a receivable basis once the dividend has been declared, or the interest earned.

Credit is taken in the accounts for the proportion of grant income, which is receivable in the financial period. All other types of income are also accounted for on an accruals basis.

RESOURCES EXPENDED

Resources expended are allocated to the charity's principal activity where the costs can be identified as being directly related to that activity. All costs that cannot be identified as relating directly to the charity's principal activity are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Financial statements for the year ended 31 March 2006

ACCOUNTING POLICIES

FUND ACCOUNTING

The general fund comprises the accumulated surpluses of unrestricted incoming resources over resources expended, which are available for use in furtherance of the general objective of the charity

Designated funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the trustees. The use of designated funds remains at the discretion of the trustees

Restricted funds are funds subject to specific conditions imposed by donors. The purpose and use of the restricted funds are set out in the notes to the accounts. Amounts unspent at the year end are carried forward in the balance sheet

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Unrestricted funds	Restricted funds	Total 2006	Total 2005 <i>As restated</i>
1 INVESTMENT INCOME				
Bank interest receivable on short term cash deposits	-	259,605	£ 259,605	£ 130,036
2 INCOME FROM UNDERTAKING PROJECTS				
Department of Environment, Food and Rural Affairs (DEFRA)	-	7,100,221	7,100,221	13,733,968
Waste & Resources Action Programme (WRAP)	-	1,814,215	1,814,215	928,785
London Development Agency (LDA)	-	1,033,000	1,033,000	845,000
Landfill tax credits	-	100,000	100,000	-
Other income	-	5,273	5,273	11,100
	-	10,052,709	£ 10,052,709	£ 15,518,853
3 COSTS OF UNDERTAKING PROJECTS				
Staff costs (see note 6)	-	87,957	87,957	91,356
Employer's N I contributions	-	9,047	9,047	10,112
Conferences	-	1,379	1,379	5,240
IT support	-	9	9	3,220
Consultancy fees	-	249,349	249,349	683,340
London Recycling Fund distributions	-	9,287,820	9,287,820	14,291,428
Support costs (see note 4)	-	137,793	137,793	320,322
	-	9,773,354	£ 9,773,354	£ 15,405,018

Included within consultancy fees are recharges from the Environment Agency and DEFRA for staff costs amounting to £49,400 (2005 £66,707)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006

	Unrestricted funds	Restricted funds	Total 2006	Total 2005 <i>As restated</i>
4 SUPPORT COSTS				
Stationery	-	2,113	2,113	2,101
Telephone	-	1,243	1,243	1,340
Travelling and subsistence	-	15,350	15,350	8,631
Website costs	-	367	367	4,220
Accommodation	-	23,200	23,200	26,240
Legal & professional fees	-	18,384	18,384	166,106
Consultants costs	-	8,500	8,500	12,750
Advertising	-	2,810	2,810	4,226
Subscriptions	-	234	234	(24)
Bank charges	-	302	302	504
Irrecoverable VAT	-	54,343	54,343	93,947
Sundry expenses	-	10,947	10,947	281
	-	137,793	£ 137,793	£ 320,322

5 GOVERNANCE COSTS

Professional indemnity insurance cover for trustees	-	5,250	5,250	3,969
Auditor's remuneration	-	9,634	9,634	6,756
Audit fees	-	9,634	9,634	6,756
	-	14,884	£ 14,884	£ 10,725

6 EMPLOYEES

The trustees received no remuneration for their services provided to the charity and were not reimbursed for any expenses incurred on behalf of the charity during the current or previous period

During the year to 31 March 2006, the charity had one full time employee (2005 1)

	2006	2005
Staff costs		
Wages and salaries	87,957	91,356
Social security costs	9,047	10,112
	£ 97,004	£ 101,468

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006

	2006	2005
7 DEBTORS		
Amounts falling due within one year		
Trade debtors	3,274	147,889
Prepayments and accrued income	30,970	45,001
	<u>£ 34,244</u>	<u>£ 192,890</u>
8 CREDITORS		
Amounts falling due within one year		
Trade creditors	3,786,670	14,049,112
Taxes and social security costs	1,985	3,332
Income in advance from the LDA for the Closed Loop project	617,000	-
Accruals	63,179	380,447
	<u>£ 4,468,834</u>	<u>£ 14,432,891</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006

9 THE FUNDS OF THE CHARITY

	1 April 2005	Incoming resources	Outgoing resources	31 March 2006
Restricted income funds				
London Recycling Fund	691,408	10,200,812	(9,701,341)	1,190,879
Waste Best Practice Tour Fund	8,000	5,175	(13,175)	-
Future Of London Waste Action Fund	1,494	6,327	(7,821)	-
Waste Reduction Fund	1,043	-	-	1,043
Stakeholder Dialogue Fund	-	100,000	(65,901)	34,099
	<u>701,945</u>	<u>10,312,314</u>	<u>(9,788,238)</u>	<u>1,226,021</u>
Unrestricted income funds:				
General Fund	1	-	-	1
	<u>£ 701,946</u>	<u>10,312,314</u>	<u>(9,788,238)</u>	<u>£ 1,226,022</u>

The London Recycling Fund (LRF) was set up in 2001 by the Mayor of London, the Association of London Government and LWA with core funding received from DEFRA, WRAP and LDA which was used to enable London's waste authorities to significantly improve their recycling and waste reduction performance

The Waste Best Practice Tour Fund was set up in 2004 with funding received from the Environment Agency which was used to run an Italian study tour

The Future of London Waste Action Fund was set up in 2004 and received funds from the Greater London Authority which was used to fund work to consider the future of LWA following the end of the London Recycling Fund

The Waste Reduction Fund was set up in 1997 with £50,000 of landfill tax credits, to enable an Entrust approved project that aimed to research waste production in the business and public sectors in London and develop a waste awareness and reduction plan for London

The Stakeholder Dialogue Fund was set up in 2006 with landfill tax credits received from Cleanaway to look at ways of improving the management of London's waste

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2006

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Net current assets
Restricted income funds.	
London Recycling Fund	1,190,879
Waste Reduction Fund	1,043
Stakeholder Dialogue Fund	34,099
Unrestricted income funds	
General Fund	1
	<u>£ 1,226,022</u>

11 SUBSIDIARY COMPANY

LRL Limited, a company limited by guarantee, incorporated in Great Britain and registered in England and Wales, is a wholly owned subsidiary of London Waste Action. The reserves of LRL Limited at 31 March 2006 were £3,243 (2005 £5,497). The deficit for the year was £2,254 (2005 £1,500).

12 RELATED PARTY TRANSACTIONS

During the year, London First, a 50% member of London Waste Action, provided the charity with office facilities, financial and company secretarial services, and other administrative support, at a cost (net of VAT) of £43,981 (2005 £47,532). At the balance sheet date, London Waste Action owed London First £12,995 (2005 £801) which is included in trade creditors.