

Company No 03378046  
Charity No 1067460

**LONDON WASTE ACTION**  
**TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 MARCH 2007**

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**TRUSTEES' ANNUAL REPORT**  
**for the year ended 31 March 2007**

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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 2007

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Trustees and Directors**

D Benjafield	<b>Chairman</b>
M Bland	
M Cartwright	(appointed 28 September 2006)
D Moylan	
M Rooney	
E Shard	(appointed 5 June 2007)
S Heath	(resigned 28 September 2006)

**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

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**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

Historically, 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 The LRF ended at 31 March 2006, and activity in the year was concerned with residual activities The year also saw activities around a stakeholder consultation on the management of waste in London which had been separately funded in the previous year by Landfill Tax Credits Funds from The Cleanaway Havering Riverside Trust

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

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

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**Sub-Committees**

The board was advised in the management of the London Recycling Fund by the LRF Sub-Committee. The members of the LRF Sub-Committee are

J Duffy	Chair
D Benjafield	Deputy Chair
S Rodrigues	Deputy Chair
S Didsbury	
R Georgeson	
L Harding	
B Harris	
K Higgins	
M Homer	
B Metz	
C Roberts	

**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

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- 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 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 Companies Act 1989, s26(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.

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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 Sub-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 was managing residual activities around the administration of the London Recycling Fund which ended on 31 March 2006. 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 136 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%.

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**FINANCIAL REVIEW**

**Financial Results of Activities and Events**

The charity recorded a deficit of incoming resources over resources expended for the year ended 31 March 2007 of £537,070 (2006 £524,076 surplus) and the total funds carried forward at 31 March 2007 were £688,952 (2006 £1,226,022). 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 £61,516 (2006 £10,312,314) and expenditure at £598,586 (2006 £9,788,238) were in line with expectations and represented a considerable decrease on the previous year reflecting the reduced level of the charity's involvement in the London Recycling Fund which came to an end.

**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 six years has been the London Recycling Fund. Now that the 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 2008 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 25 January 2008, and was signed for and on behalf of the board by

  
S. Orury, Company Secretary

25 January 2008

## **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 2007, 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

*Baker Tilly UK Audit LLP*

Baker Tilly UK Audit LLP  
Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

29 JANUARY 2008

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**for the year ended 31 March 2007**

	Notes	Unrestricted funds	Restricted funds	Total 2007	Total 2006
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds</b>					
Investment income	1	-	61,516	61,516	259,605
<b>Incoming resources from charitable activities</b>					
Income for undertaking projects	2	-	-	-	10,052,709
<b>TOTAL INCOMING RESOURCES</b>		-	61,516	61,516	10,312,314
<b>RESOURCES EXPENDED</b>					
<b>Charitable activities</b>					
Cost of undertaking projects	3	-	584,998	584,998	9,773,354
Governance costs	5	-	13,588	13,588	14,884
<b>TOTAL RESOURCES EXPENDED</b>		-	598,586	598,586	9,788,238
<b>NET INCOMING RESOURCES, NET INCOME FOR THE YEAR &amp; NET MOVEMENT IN FUNDS</b>		-	(537,070)	(537,070)	524,076
<b>RECONCILIATION OF FUNDS</b>					
Fund balances brought forward at 1 April 2006		1	1,226,021	1,226,022	701,946
<b>FUNDS BALANCES CARRIED FORWARD AT 31 MARCH 2007</b>	9	1	688,951	£ 688,952	£ 1,226,022

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 2007**

	Notes	2007	2006
<b>CURRENT ASSETS</b>			
Debtors	7	5,184	34,244
Cash at bank and in hand		712,687	5,660,612
		<u>717,871</u>	<u>5,694,856</u>
<b>LIABILITIES</b>			
Creditors Amounts falling due within one year	8	28,919	4,468,834
		<u>688,952</u>	<u>1,226,022</u>
<b>NET CURRENT ASSETS</b>			
		<u>£ 688,952</u>	<u>£ 1,226,022</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES &amp; NET ASSETS</b>			
		<u>£ 688,952</u>	<u>£ 1,226,022</u>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Restricted income funds</b>			
London Recycling Fund	9	686,808	1,190,879
Waste Reduction Fund	9	1,043	1,043
Stakeholder Dialogue Fund	9	1,100	34,099
<b>Unrestricted income funds</b>			
General Fund	9	1	1
<b>TOTAL CHARITY FUNDS</b>	10	<u>£ 688,952</u>	<u>£ 1,226,022</u>

The financial statement on pages 9 to 18 were approved by the trustees and authorised for issue on 25 January 2008, and are signed on their behalf by

  
**M Rooney**

25 January 2008

**CASH FLOW STATEMENT**  
**for the year ended 31 March 2007**

	2007	2006
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>		
Net movement in funds	(537,070)	524,076
Investment income receivable	(61,516)	(259,605)
(Increase)/decrease in debtors	29,060	158,646
(Decrease)/increase in creditors within one year	(4,439,915)	(9,964,057)
	<u>(5,009,441)</u>	<u>(9,540,940)</u>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	61,516	259,605
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>	<u><u>£ (4,947,925)</u></u>	<u><u>£ (9,281,335)</u></u>

**ANALYSIS OF NET FUNDS**

	1 April 2006	Cash flow	31 March 2007
Cash at bank and in hand	5,660,612	(4,947,925)	712,687
Net funds	<u><u>£ 5,660,612</u></u>	<u><u>(4,947,925)</u></u>	<u><u>712,687</u></u>

**RECONCILIATION OF NET CASH FLOW TO NET MOVEMENT IN FUNDS**

	2007	2006
(Decrease)/Increase in cash in the year	(4,947,925)	(9,281,335)
Movement in net funds in the year	<u>(4,947,925)</u>	<u>(9,281,335)</u>
Opening net funds	5,660,612	14,941,947
Closing net funds	<u><u>£ 712,687</u></u>	<u><u>£ 5,660,612</u></u>

**Financial statements for the year ended 31 March 2007****ACCOUNTING POLICIES**

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**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.

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 2007**

**ACCOUNTING POLICIES**

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**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 2007

	Unrestricted funds	Restricted funds	Total 2007	Total 2006
<b>1 INVESTMENT INCOME</b>				
Bank interest receivable on short term cash deposits	-	61,516	£ 61,516	£ 259,605
<b>2 INCOME FROM UNDERTAKING PROJECTS</b>				
Department of Environment, Food and Rural Affairs (DEFRA)	-	-	-	7,100,221
Waste & Resources Action Programme (WRAP)	-	-	-	1,814,215
London Development Agency (LDA)	-	-	-	1,033,000
Landfill tax credits	-	-	-	100,000
Other income	-	-	-	5,273
	-	-	-	£ 10,052,709
<b>3 COSTS OF UNDERTAKING PROJECTS</b>				
Staff costs (see note 6)	-	64,113	64,113	87,957
Employer's NI contributions	-	6,813	6,813	9,047
Conferences	-	1,299	1,299	1,379
IT support	-	161	161	9
Consultancy fees	-	104,431	104,431	249,349
London Recycling Fund distributions	-	325,247	325,247	9,287,820
Support costs (see note 4)	-	82,934	82,934	137,793
	-	584,998	£ 584,998	£ 9,773,354

Included within consultancy fees are recharges from the Environment Agency and DEFRA for staff costs amounting to £22,000 (2006 £49,400)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

	Unrestricted funds	Restricted funds	Total 2007	Total 2006
<b>4 SUPPORT COSTS</b>				
Stationery	-	823	823	2,113
Telephone	-	913	913	1,243
Travelling and subsistence	-	2,448	2,448	15,350
Website costs	-	-	-	367
Accommodation	-	9,667	9,667	23,200
Legal & professional fees	-	16,604	16,604	18,384
Consultants costs	-	11,529	11,529	8,500
Advertising	-	-	-	2,810
Subscriptions	-	-	-	234
Bank charges	-	95	95	302
Irrecoverable VAT	-	27,393	27,393	54,343
Sundry expenses	-	13,462	13,462	10,947
	-	82,934	£ 82,934	£ 137,793

**5 GOVERNANCE COSTS**

Professional indemnity insurance cover for trustees	-	4,988	4,988	5,250
Auditor's remuneration	-	8,600	8,600	9,634
Audit fees	-	8,600	8,600	9,634
	-	13,588	£ 13,588	£ 14,884

Auditor's remuneration is due to Baker Tilly UK Audit LLP (2006 Baker Tilly, Chartered Accountants)

**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 2007, the charity had one part time employee (2006 1 full time employee)

	2007	2006
Staff costs		
Wages and salaries	64,113	87,957
Social security costs	6,813	9,047
	£ 70,926	£ 97,004



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2007**

	2007	2006
<b>7 DEBTORS</b>		
Amounts falling due within one year		
Trade debtors	525	3,274
Prepayments and accrued income	4,659	30,970
	<u>£ 5,184</u>	<u>£34,244</u>
<b>8 CREDITORS</b>		
Amounts falling due within one year		
Trade creditors	2,454	3,786,670
Taxes and social security costs	1,674	1,985
Income in advance from the LDA for the Closed Loop project	-	617,000
Accruals	24,791	63,179
	<u>£ 28,919</u>	<u>£ 4,468,834</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2007

**9 THE FUNDS OF THE CHARITY**

	<b>1 April 2006</b>	<b>Incoming resources</b>	<b>Outgoing resources</b>	<b>31 March 2007</b>
<b>Restricted income funds:</b>				
London Recycling Fund	1,190,879	61,516	(565,587)	686,808
Waste Reduction Fund	1,043	-	-	1,043
Stakeholder Dialogue Fund	34,099	-	(32,999)	1,100
	<u>1,226,021</u>	<u>61,516</u>	<u>(598,586)</u>	<u>688,951</u>
<b>Unrestricted income funds:</b>				
General Fund	1	-	-	1
	<u>£ 1,226,022</u>	<u>61,516</u>	<u>(598,586)</u>	<u>£ 688,952</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 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 2007**10 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Net current assets
<b>Restricted income funds:</b>	
London Recycling Fund	686,808
Waste Reduction Fund	1,043
Stakeholder Dialogue Fund	1,100
<b>Unrestricted income funds:</b>	
General Fund	1
	<u>£ 688,952</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 2007 were £2,983 (2006 £3,243). The deficit for the year was £260 (2006 £2,254).

**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 £18,341 (2006 £43,981). At the balance sheet date, London Waste Action owed London First £nil (2006 £12,995) which is included in trade creditors.