

Company Number: 03378046
Charity Number: 1067460

LONDON WASTE ACTION
TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS
31 MARCH 2008

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COMPANIES HOUSE

Baker Tilly Tax and Accounting Limited
2 Bloomsbury Street
London WC1B 3ST

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2008**

The trustees present their report and the financial statements of London Waste Action ("LWA") for the year ended 31 March 2008.

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees of the charity, who are also the directors of the company, have held office since the 1 April 2007 as follows:

D W Benjafield	Chairman
M J Bland	
K M Cartwright	
D Moylan	
M J A Rooney	
E M Shard	(appointed 5 June 2007)

The principal address of the charity and the registered office of the company is 3 Whitcomb Street, London WC2H 7HA. The correspondence address for the charity is 3 Whitcomb Street, London WC2H 7HA.

The charity is registered under charity number 1067460, and the company is incorporated with the company registration number 03378046.

The trustees have made the following professional appointments:

Solicitor:	K&L Gates LLP, 110 Cannon Street, London EC4N 6AR
Accountant:	Baker Tilly Tax and Accounting Limited, 2 Bloomsbury Street, London WC1B 3ST
Auditor:	Baker Tilly UK Audit LLP, 2 Bloomsbury Street, London WC1B 3ST
Banker:	Barclays Bank plc, United Kingdom House, 180 Oxford Street, London W1D 1EA

The following individuals assist the trustees in dealing with the day-to-day management and administration of the charity:

J C Roberts	Chief Executive
S Drury	Company Secretary

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

LWA is a registered charity, and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the charity in the event of the charity being wound-up during the period of membership, or within one year thereafter.

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.

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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 the charity's activity since that date has been concerned with residual administrative matters, including a stakeholder consultation on the management of waste in London which was separately funded by Landfill Tax Credits Funds from The Cleanaway Havering Riverside Trust.

London Waste Action was incorporated on 23 May 1997 and became a registered charity on 14 January 1998. LWA is governed by the rules and regulations set down in its company Memorandum and Articles of Association, originally dated 23 May 1997 and last amended on 15 May 1998.

Organisational Structure

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 meets as frequently as necessary to deal with the affairs of the charity.

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 has ceased to trade. The directors will be seeking to appoint a liquidator in the current year to wind up the company.

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

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Method of Recruitment, Appointment, Election, Induction & 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 properly 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' & 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
- 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.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2008**

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 & Benchmarks

The London Recycling Fund operated 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 LRF Sub-Committee and the board regularly monitored performance against the Business Plan.

Other smaller projects have similarly structure terms of reference against which performance is monitored by the board.

Grant Making Policy

In relation to its main activity of undertaking projects, a lot of management and administrative time is spent ensuring the appropriate distribution of project funds by way of grants to third parties.

During the final period of operation of the London Recycling Fund, the charity distributed the remaining funds by way of grants. Applications were received by the charity 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 LRF 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 grants involved.

Similar procedures were utilised in respect of grant funding for smaller projects.

Related Parties

The two equal Members of London Waste Action are London First and the London Councils Limited. London First provides the charity with office facilities, financial and company secretarial services, and other administrative support. The London Councils Limited does not provide any such services.

**TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2008**

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%.

Since the end of the LRF, the charity has been involved in the completion of a stakeholder consultation on the management of waste in London which was separately funded by Landfill Tax Credits Funds from The Cleanaway Havering Riverside Trust.

FINANCIAL REVIEW

The charity recorded a deficit of incoming resources over resources expended for the year ended 31 March 2008 of £57,574 (2007: £537,070 deficit) and the total funds carried forward at 31 March 2008 were £631,378 (2007: £688,952). 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 £32,062 (2006: £61,516) and expenditure at £89,636 (2006: £598,586) were in line with expectations and represented a considerable decrease on the previous year reflecting the ending of the charity's involvement in the London Recycling Fund and reduced activities.

Income related solely to cash investments. Expenditure related to residual activity related to the LRF, transfer of funds to the London Waste and Recycling Board under direction of DEFRA, residual work on a landfill tax project and administrative expenses incurred in running the charity.

TRUSTEES' ANNUAL REPORT
for the year ended 31 March 2008

Reserves Policy

The charity has not historically received any funding that the trustees would consider to be unrestricted in nature, and therefore does not have any accumulated "free reserves" at the balance sheet date.

Funds carried forward in restricted reserves represent a moment in time position for continuing projects. They will either be spent in following accounting periods in accordance with the restrictions imposed under the terms governing the contributions, or will be returned to the funding bodies concerned.

Investment Policy

The board takes a cautious view and only invests surplus funds as cash in high interest bank accounts with its bankers which are thought to provide an appropriate level of security, a reasonable level of return and the level of access anticipated to be required to cover the costs of on-going projects.

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

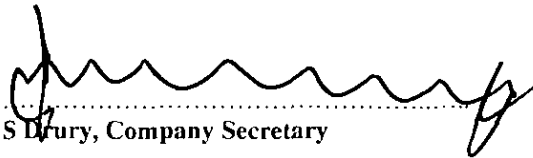
The remaining funds held by the charity have been largely generated from investing LRF money, which originally came from Department of the Environment, Food and Rural Affairs (DEFRA). Part of this has been used under the direction of DEFRA to establish the new London Waste and Recycling Board (LWaRB) and any residual funds will be passed to LWaRB.

The charity is in the process of appointing a liquidator and seeking a final meeting of the trustees to resolve to wind itself up. In doing so the trustees will be advised of the costs of liquidation and will be asked to hold back around £100,000 to cover any unexpected costs, leaving the remainder to be passed to LWaRB.

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 30 January 2009, and was signed for and on behalf of the board by


S Drury, Company Secretary

30 January 2009

STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
for the year ended 31 March 2008

	Notes	Unrestricted funds	Restricted funds	Total 2008	Total 2007
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	1	-	32,062	32,062	61,516
Incoming resources from charitable activities					
Income for undertaking projects	2	-	-	-	-
TOTAL INCOMING RESOURCES		-	32,062	32,062	61,516
RESOURCES EXPENDED					
Charitable activities					
Cost of undertaking projects	3	-	85,436	85,436	584,998
Governance costs	5	-	4,200	4,200	13,588
TOTAL RESOURCES EXPENDED		-	89,636	89,636	598,586
NET OUTGOING RESOURCES & NET EXPENDITURE FOR THE YEAR & NET MOVEMENT IN FUNDS					
		-	(57,574)	(57,574)	(537,070)
RECONCILIATION OF FUNDS					
Fund balances brought forward at 1 April 2007		1	688,951	688,952	1,226,022
FUNDS BALANCES CARRIED FORWARD AT 31 MARCH 2008	9	1	631,377	£ 631,378	£ 688,952
			=====		=====

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 2008

	Notes	2008	2007
CURRENT ASSETS			
Debtors	7	2,494	5,184
Cash at bank and in hand		635,415	712,687
		<u>637,909</u>	<u>717,871</u>
LIABILITIES			
Creditors: Amounts falling due within one year	8	6,531	28,919
NET CURRENT ASSETS		<u>631,378</u>	<u>688,952</u>
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS		<u>£ 631,378</u> =====	<u>£ 688,952</u> =====
THE FUNDS OF THE CHARITY			
Restricted income funds			
London Recycling Fund	9	631,377	686,808
Waste Reduction Fund	9	-	1,043
Stakeholder Dialogue Fund	9	-	1,100
Unrestricted income funds			
General Fund	9	1	1
TOTAL CHARITY FUNDS	10	<u>£ 631,378</u> =====	<u>£ 688,952</u> =====

For the year ended 31 March 2008, the charitable company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985. No members have required the charitable company to obtain an audit of its financial statements for the year in question in accordance with section 249B(2) of the Companies Act 1985.

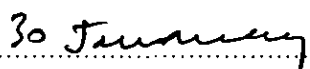
The trustees and directors acknowledge their responsibility for:

- (i) Ensuring the charitable company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (ii) Preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of its financial year, and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the charitable company.

The financial statements on pages 7 to 13 were approved by the trustees and authorised for issue on 30 January 2009, and are signed on their behalf by



 D W Benjafield, Chairman


 2009

Financial statements for the year ended 31 March 2008**ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The financial statements have been prepared to comply with current statutory requirements, under the historical cost convention, 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

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 financial statements 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.

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 2008

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
1. INVESTMENT INCOME				
Bank interest receivable on short term cash deposits	-	32,062	£ 32,062	£ 61,516
	=====	=====	=====	=====
2. INCOME FROM UNDERTAKING PROJECTS				
Project grant funding	-	-	£ -	£ -
	=====	=====	=====	=====
3. COSTS OF UNDERTAKING PROJECTS				
Direct costs:				
Staff costs (see note 6)	-	23,187	23,187	70,926
Conferences	-	-	-	1,299
IT support	-	-	-	161
Consultancy fees	-	27,782	27,782	104,431
London Recycling Fund distributions	-	-	-	325,247
Literature and library services	-	12,618	12,618	-
	-----	-----	-----	-----
	-	63,587	63,587	502,064
Support costs (see note 4)	-	21,849	21,849	82,934
	-----	-----	-----	-----
	-	85,436	£ 85,436	£ 584,998
	=====	=====	=====	=====

Included within consultancy fees in the previous year were recharges from the Environment Agency and DEFRA for staff costs amounting to £22,000.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

	Unrestricted funds	Restricted funds	Total 2008	Total 2007
4. SUPPORT COSTS				
Communications costs	-	36	36	1,736
Travelling and subsistence	-	1,081	1,081	2,448
Accommodation expenses	-	-	-	9,667
Legal & professional fees	-	1,216	1,216	16,604
Accountancy costs	-	4,313	4,313	-
Consultancy costs	-	3,150	3,150	11,529
Irrecoverable VAT	-	9,133	9,133	27,393
Sundry expenses	-	2,920	2,920	13,557
	-	21,849	£ 21,849	£ 82,934
	=====	=====	=====	=====

Accountancy costs in the current period are payable to Baker Tilly Tax and Accounting Limited.

5. GOVERNANCE COSTS

Professional indemnity insurance cover for trustees	-	4,200	4,200	4,988
Auditor's remuneration: Audit fees	-	-	-	8,600
	-	4,200	£ 4,200	£ 13,588
	=====	=====	=====	=====

Auditor's remuneration in the previous period was payable to Baker Tilly UK Audit LLP.

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 current and previous year, the charity had one part time employee.

	2008	2007
Staff costs:		
Wages and salaries	20,754	64,113
Social security costs	2,433	6,813
	£ 23,187	£ 70,926
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

	2008	2007		
7. DEBTORS				
Amounts falling due within one year:				
Trade debtors	525	525		
Prepayments and accrued income	1,969	4,659		
	<u>£ 2,494</u>	<u>£ 5,184</u>		
	=====	=====		
8. CREDITORS				
Amounts falling due within one year:				
Trade creditors	-	2,454		
Taxes and social security costs	2,111	1,674		
Other creditors	107	-		
Accruals	4,313	24,791		
	<u>£ 6,531</u>	<u>£ 28,919</u>		
	=====	=====		
9. THE FUNDS OF THE CHARITY				
	1 April 2007	Incoming resources	Outgoing resources	31 March 2008
Restricted income funds:				
London Recycling Fund	686,808	32,062	(87,493)	631,377
Waste Reduction Fund	1,043	-	(1,043)	-
Stakeholder Dialogue Fund	1,100	-	(1,100)	-
	<u>688,951</u>	<u>32,062</u>	<u>(89,636)</u>	<u>631,377</u>
Unrestricted income funds:				
General Fund	1	-	-	1
	<u>£ 688,952</u>	<u>32,062</u>	<u>(89,636)</u>	<u>£ 631,378</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 2008

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Net current assets
Restricted income funds:	
London Recycling Fund	631,377
Unrestricted income funds:	
General Fund	1
	<hr/>
	£ 631,378
	=====

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 2008 were £3,945 (2007: £2,983). The surplus for the year was £962 (2007: deficit of £260).

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 £78 (2007: £18,341). At the balance sheet date, London Waste Action owed London First £78 (2007: £Nil) which is included in other creditors.