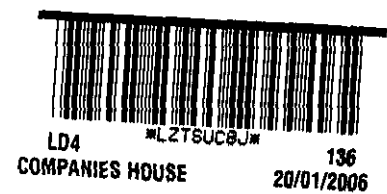


Company No: 3378046
Charity No: 1067460

LONDON WASTE ACTION
(A Company Limited by Guarantee)
FINANCIAL STATEMENTS
31 MARCH 2005



DIRECTORS AND OFFICERS

DIRECTORS

D Benjafield	(Chair)
M Bland	
D Moylan	
S Heath	
E Morris	
K Schofield	

OFFICERS

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

COMPANY NUMBER

3378046

CHARITY NUMBER

1067460

REGISTERED OFFICE

1 Hobhouse Court
Suffolk Street
London
SW1Y 4HH

AUDITORS

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

BANKERS

Barclays Bank plc
Media Banking Centre
27 Soho Square
London, W1D 3QR

DIRECTORS' REPORT

The directors, who are the trustees, submit their report and financial statements of London Waste Action for the year ended 31 March 2005.

The accounts have been prepared in accordance with policies set out in note 1 to the accounts and comply with applicable law and the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

LEGAL AND ADMINISTRATIVE INFORMATION

London Waste Action (LWA) is a company limited by guarantee and a registered charity. The governing document is the Memorandum and Articles of Association.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

London Waste Action 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 London Waste Action managed in partnership with the Association of London Government, 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 Fund 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 & 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.

LRL Ltd, a wholly controlled subsidiary company limited by guarantee, acted as the responsible body for Single Regeneration Budget funds received from the London Development Agency for the development of new waste material reprocessing facilities. This has now ended and the company ceased to trade during the year and will be dormant next year

The Company wishes to acknowledge the generous financial support it has received from the DEFRA, WRAP and the LDA.

RESULTS

The company recorded a surplus for the year ended 31 March 2005 of £233,146 (2004: £146,934) and the total funds carried forward at 31 March 2005 were £701,946 (2004: £468,800). 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 contribution. Both income at £15,648,889 (2004: £25,679,310) and expenditure at £15,415,744, (2004: £25,532,376) were a considerable decrease on the previous year and reflect the company's involvement in the London Recycling Fund.

DIRECTORS

D Benjafield	
C Woolhouse	(Resigned 1 June 2005)
R S O'Brien	(Resigned 5 October 2004)
B Herridge	(Resigned 10 February 2005)
M Bland	
D Moylan	
S Heath	
E Morris	(Appointed 5 October 2004)
P Portwood	(Resigned 1 June 2005)
K Schofield	(Appointed 1 June 2005)

DIRECTORS' REPORT

A maximum of 9 directors are permitted: three are elected by the Business Members; three by the General Members and three nominated by the Association of London Government Limited. London First is the sole business member. As there are no general members, directors under this category are appointed by agreement between London First and the Association of London Government Limited.

Two directors are the minimum permitted of which at least one shall have been elected by the Business Members and one nominated by the Association of London Government Limited.

In May 2001 the Articles of Association were amended to increase the maximum number of directors permitted in each category from 2 to 3.

The company is governed by the Board of Directors who meet at least 4 times a year.

The board was advised in the management of the London Recycling Fund by a sub committee. The members of this sub committee are:-

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

The Board would like to express it's appreciation to members of the sub Committee for their work. In addition it would like to thank Michael Ojo, David Streeter and, in particular, Shirley Rodrigues, Vice Chair, who served on the sub committee but resigned during the year.

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 contribution. Funds in unrestricted reserves are available for the development of the organisation.

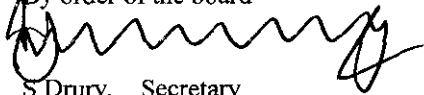
RISK REVIEW

The executive provides the Board with information about risk management on a regular basis. Professional advice is taken when appropriate and contracts are entered into to minimise risk. The overall responsibility for the risk management lies with the Board.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants will be put to the members at the annual general meeting.

By order of the board


S Drury, Secretary
14 December 2005

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION
OF FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONDON WASTE ACION

We have audited the financial statements on pages 6 to 13.

This report is made solely to the 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if the 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 directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the 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 of the state of the charitable company's affairs as at 31 March 2005 and of its incoming resources and application of resources for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

14 DECEMBER 2005

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2005

	Notes	Unrestricted funds	Restricted funds	Total 2005	Total 2004
INCOMING RESOURCES					
<i>Activities to further the charity's objectives</i>					
Donations and project income	1	18,436	15,500,417	15,518,853	25,396,072
Investment income	4	7,732	122,304	130,036	283,238
TOTAL INCOMING RESOURCES		26,168	15,622,721	15,648,889	25,679,310
RESOURCES EXPENDED					
<i>Cost of generating funds</i>					
Direct costs	2	12,750	15,084,696	15,097,446	25,396,260
Management and administration	3	13,417	304,880	318,297	136,116
TOTAL RESOURCES EXPENDED		26,167	15,389,576	15,415,743	25,532,376
NET INCOMING/(OUTGOING) RESOURCES		1	233,145	233,146	146,934
Total funds at 1 April 2004		-	468,800	468,800	321,866
TOTAL FUNDS AT 31 MARCH 2005	11	1	701,945	£ 701,946	£ 468,800

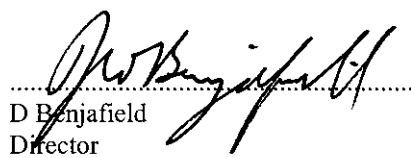
The net incoming resources for the year arise from the charitable company's continuing operations.

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 2005

	Notes	2005	2004
CURRENT ASSETS			
Debtors	7	192,890	145,765
Cash at bank and in hand		14,941,947	397,790
		<u>15,134,837</u>	<u>543,555</u>
CREDITORS			
Amounts falling due within one year	8	14,432,891	74,755
NET CURRENT ASSETS		<u>701,946</u>	<u>468,800</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>£ 701,946</u>	<u>£ 468,800</u>
FUNDS			
Unrestricted funds	10	1	-
Restricted funds	10	701,945	468,800
TOTAL FUNDS	11	<u>£ 701,946</u>	<u>£ 468,800</u>

Approved by the board on *14 December* 2005.



 D Benjafield
 Director

CASH FLOW STATEMENT
for the year ended 31 March 2005

	Notes	2005	2004
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	12	14,414,121	(7,740,302)
		<u>14,414,121</u>	<u>(7,740,302)</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		130,036	283,238
Net cash inflow for returns on investments and servicing of finance		<u>130,036</u>	<u>283,238</u>
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>£ 14,544,157</u>	<u>£ (7,457,064)</u>

Financial statements for the year ended 31 March 2005

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued in October 2000.

INCOMING RESOURCES

Amounts receivable are accounted for on a receivable basis. The use of these funds is restricted to the terms of the specific projects registered with the donor. Other donations are accounted for on a receivable basis.

Donations in kind are included in the accounts at the estimated amount the charity would have had to pay had these services been brought directly.

RESOURCES EXPENDED

Expenditure as a direct result of the projects is charged to the project. Management and administration costs represent costs incurred by the charity in respect of management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements. When appropriate a charge is made to specific projects.

Expenditure is classified under the charity's principal categories of activity.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

1. DONATIONS AND PROJECT INCOME

	Unrestricted funds	Restricted funds	Total 2005	Total 2004
Project income	18,436	15,500,417	£ 15,518,853	£ 25,396,072
	=====	=====	=====	=====

2. DIRECT COSTS

	Unrestricted funds	Restricted funds	Total 2005	Total 2004
Staff costs	-	91,356	91,356	83,580
Employer's N.I. contributions	-	10,112	10,112	10,050
Entrust fees	-	-	-	2,000
Conferences	-	5,240	5,240	21,835
IT Support	-	3,220	3,220	4,411
Consultant fees	12,750	683,340	696,090	272,113
London Recycling Fund	-	14,291,428	14,291,428	25,002,271
	12,750	15,084,696	£ 15,097,446	£ 25,396,260
	=====	=====	=====	=====

3. MANAGEMENT AND ADMINISTRATION

	Unrestricted funds	Restricted funds	Total 2005	Total 2004
Insurance	3,969	-	3,969	2,674
Stationery	-	2,101	2,101	4,276
Telephone	-	1,340	1,340	1,535
Travelling and subsistence	147	8,484	8,631	9,119
Website Costs	-	4,220	4,220	930
Accommodation	-	26,240	26,240	27,750
Legal & Professional fees	25	166,081	166,106	38,676
Advertising	-	4,226	4,226	6,200
Audit fees	6,756	-	6,756	15,007
Bank charges	-	504	504	92
Subscriptions	-	(24)	(24)	199
Entertaining	-	-	-	270
Irrecoverable VAT	2,267	91,680	93,947	29,258
Sundry expenses	253	28	281	130
	13,417	304,880	£ 318,297	£ 136,116
	=====	=====	=====	=====

Included within insurance are amounts totalling £3,544 paid in respect of professional indemnity insurance for the trustees.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

	2005	2004
4. INVESTMENT INCOME		
Bank interest	£ 130,036	£ 283,238
	=====	=====

5. **EMPLOYEES**

The directors received no remuneration. In the year to 31 March 2005 there was one full time employee (2004: 1)

	2005	2004
Staff costs full time and temporary employees:		
Wages and salaries	91,356	83,580
Social security costs	10,112	10,050
	£ 101,468	£ 93,630
	=====	=====

The employee's salary for the year was between £70,000 – 80,000 (2004: £70,000 - 80,000).
Included within consultancy fees are recharges from DEFRA for salaries £66,707 (2004: £63,394).

6. **TAXATION**

The company is a registered charity under the Charities Act 1993 and has no trading activities. There is therefore no charge to corporation tax.

	2005	2004
7. DEBTORS		
Amounts falling due within one year:		
Trade debtors	147,889	21,013
Other debtors	-	12,126
Prepayments and accrued income	45,001	112,626
	£ 192,890	£ 145,765
	=====	=====

8. **CREDITORS**

Amounts falling due within one year:		
Trade creditors	14,049,112	45,539
Taxes and social security costs	3,332	3,909
Accruals	380,447	25,307
	£ 14,432,891	£ 74,755
	=====	=====

9. **DISSOLUTION**

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up during the time that he is a member, or within one year afterwards, an amount not exceeding £1.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted funds	Total 2005	Total 2004
Fund balances at 31 March 2005 are represented by:				
Debtors	2,494	190,396	192,890	145,765
Cash at bank and in hand	6,345	14,935,602	14,941,947	3,685,155
Creditors	(8,838)	(14,424,053)	(14,432,891)	(3,362,120)
	<u>1</u>	<u>701,945</u>	<u>£ 701,946</u>	<u>£ 468,800</u>

Restricted funds

London Waste Action manages in partnership with the Association of London Government, the Mayor of London and under contract with the Department of Environment, Food and Rural Affairs (DEFRA), the London Recycling Fund (LRF). The Fund distributed, on application from London waste authorities, resources to assist them to reach their recycling targets. LWA was funded by DEFRA, WRAP & LDA to invite applications for funds, distribute them, monitor their use and to receive reports from the waste authorities on their progress.

	2005	2004
11. RECONCILIATION OF MOVEMENTS IN FUNDS		
Surplus for the financial year	233,146	146,934
Opening funds	468,800	321,866
Closing funds	<u>£ 701,946</u>	<u>£ 468,800</u>

	2005	2004
12. CASH FLOWS		
a. Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities		
Operating profit/(loss)	103,110	(136,304)
Increase in debtors	(47,125)	(7,423)
Increase/(decrease) in creditors within one year	14,358,136	(7,596,575)
Net cash inflow/(outflow) from operating activities	<u>£ 14,414,121</u>	<u>£ (7,740,302)</u>

	1 April 2004	Cash flow	Total 2005
b. Analysis of net funds			
Net cash:			
Cash at bank and in hand	397,790	14,544,157	14,941,947
Bank deposits	<u>-</u>	<u>-</u>	<u>-</u>
Net funds	<u>£ 397,790</u>	<u>14,544,157</u>	<u>£ 14,941,947</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

12. CASH FLOWS (Continued)

	2005	2004
c. Reconciliation of net cash flow to movement in net debt		
Increase/(decrease) in cash in the year	14,544,157	(7,457,064)
Movement in net funds in the year	14,544,157	(7,457,064)
Opening net funds	397,790	7,854,854
Closing net funds	£ 14,941,947	£ 397,790

13. 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. Consolidated accounts 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 London Waste Action's accounts as an individual undertaking and not about its group.

The capital and reserves of LRL Limited at 31 March 2005 were £5,497 (2004: £6,997). The deficit for the year was £1,500 (2004: £178).

14. RELATED PARTY TRANSACTIONS

During the year London First, a 50% member of London Waste Action, provided the company with office facilities, and financial and company secretarial services and administrative support, at a cost (net of VAT) of £47,532 (2004: £43,558). At the Balance Sheet date London Waste Action owed London First £801 (2004: £2,220) which is included in Trade creditors.

15. SUBSEQUENT EVENTS

LRL Limited, a wholly owned subsidiary of London Waste Action, ceased to trade during the year and will be dormant next year.