

North London Waste Authority

Statement of Accounts for the year ended

31 March 2025

Unaudited

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

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STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs as the Chief Finance Officer. For the North London Waste Authority that officer is the Financial Adviser.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

THE FINANCIAL ADVISER'S RESPONSIBILITIES

The Financial Adviser is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code of Practice). In preparing this Statement of Accounts, the Financial Adviser has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice.
- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- assessed the Authority's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- used the going concern basis of accounting on the assumption that the functions of the Authority and the Group will continue in operational existence for the foreseeable future; and
- maintained such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error

CERTIFICATION BY THE FINANCIAL ADVISER

The accounts which follow have been prepared in accordance with the requirements of Regulation 9 of the Accounts and Audit Regulations 2015 issued under the Local Audit and Accountability Act 2014 and, except where specifically stated, in accordance with all recognised statutory requirements and codes of practice applicable to local authorities.

I certify that the statement of accounts gives a true and fair view of the financial position of the Authority and of the Group as at 31 March 2025 and the income and expenditure of the Authority and of the Group for the year then ended.

Jon Rowney

Financial Adviser

North London Waste Authority

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON
WASTE AUTHORITY**

To be inserted on conclusion of the audit

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NARRATIVE REPORT

INTRODUCTION

The purpose of this foreword is to provide an easily understandable guide to the most significant matters reported in the Authority's accounts which have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2024/25* (The Code) and the *Guidance Notes for Practitioners* (both published by the Chartered Institute of Public Finance and Accountancy). The Code requires that five key statements are provided; they comprise:

Movement in Reserves Statement: This shows the movement in the year on the different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement.

Comprehensive Income and Expenditure Statement: This summarises the Authority's income and expenditure for the year in accordance with generally accepted accounting practices. Adjustments required to show the extent to which revenue balances have increased or decreased are shown in the Movement in Reserves Statement.

Balance Sheet: This shows the value at the balance sheet date of the assets and liabilities recognised by the Authority. The net assets of the Authority (assets less liabilities) are matched by the reserves held by the Authority. Reserves are reported in two categories. The first category of reserves is usable reserves, i.e. those reserves that the Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Cash Flow Statement: This summarises the changes in cash and cash equivalents of the Authority during the reporting period. The statement shows how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Authority are funded by the levy on the NLWA constituent boroughs, charges for non-household waste and other miscellaneous income receipts. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Authority.

Expenditure and Funding Analysis: This statement shows how annual expenditure is used and funded from resources (principally the levy) in comparison with those resources consumed in accordance with generally accepted accounting practices. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement and supporting notes.

GROUP ACCOUNTS

The summarised group accounts show in aggregate the income and expenditure and assets, liabilities and reserves of the group comprising the Authority and the Authority's interest in LondonEnergy Ltd.

OPERATING PERFORMANCE

The Authority manages waste in line with the waste hierarchy to protect the environment and preserve resources for future generations. In 2024/25, on behalf of the seven boroughs, we processed 60,000 tonnes

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of food and garden waste and 123,000 tonnes of dry mixed recycling. The recycling rate for 2024/25 was 28.2%.

We continued our commitment to recycling as many materials in the UK as possible. Thanks to the Authority's long-standing commitment to recycle as many materials in the UK as possible, it processed 100% of metals, plastics, and glass in the UK, while mixed paper and cardboard were processed 100% in Europe and the UK (93% and 7% respectively).

In 2024/25 we dealt with 582,000 tonnes of residual waste. This is an increase of 14,000 tonnes on 2023/24.

The reuse and recycling centres saw increased activity in 2024/25. NLWA-managed RRCs captured 48,874 tonnes of material, an increase of 7,326 tonnes compared to 2023/24. 74% of all RRC material was recycled, reused or composted. With specialist recycling services being an important focus, even more difficult-to-recycle materials were captured during the year:

- The number of mattresses collected for recycling across RRCs and waste transfer stations increased by 7% compared to 2023/24, with an average of 8,512 mattresses collected monthly. In total, 102,149 mattresses were collected in 2024/25, up from 95,483 in 2023/24;
- The hard plastics recycling service expanded to four RRCs, capturing almost 170 tonnes for recycling in 2024/25, an increase from 107.54 tonnes in 2023/24;
- The carpet recycling service extended to two more recycling centres and captured 213 tonnes of material in 2024/25, a significant increase from 26.85 tonnes in the previous year;
- The amount of Expanded Polystyrene (EPS) collected for recycling increased by 56% in 24/25 compared to the previous year. Tonnages rose from 6.87 tonnes in 2023/24 to 10.74 tonnes in 2024/25;
- The DIY reuse service also saw an increase in the volume of materials diverted for reuse, from 91.79 tonnes to 104.22 tonnes.
- A dedicated disposable vape recycling service was launched across RRCs capturing 830kg of material in its first year.

In 2024/25, NLWA had a strong focus on education, outreach, and communications. A number of high-profile behaviour change projects and campaigns were delivered as part of the Waste Prevention Plan.

One key initiative was the North London Community Fund, which supports grassroots waste prevention activity. In 2024/25, £122,567 was awarded to 14 small and medium projects. For the first time, a larger strategic fund was launched, awarding £100,000 to organisations for two-year waste prevention projects.

NLWA's dedication to educating north Londoners around the environmental impacts of waste has led to much progress in this area. The Authority rolled out a new outreach programme for primary schools which engaged over 2,600 pupils and staff. Other campaigns which drove positive waste related behaviours included:

- Reduce, Reuse, Your Cycle to encourage reusable period product take-up
- The nappy voucher scheme to support families to switch to reusable nappies
- Bring it – a campaign to tackle the single-use plastic problem and encourage people to switch to reuseable cups, bottles, bags and containers.
- The pan-London food waste prevention campaign Eat Like a Londoner.

Further information about the key developments, activities and trends in the Authority's management of north London's waste are available in the Authority's annual report on the NLWA website.

NORTH LONDON HEAT AND POWER PROJECT

In 2024/25, significant progress on the North London Heat and Power Project (NLHPP) – London's largest investment in waste and recycling facilities - was made. The new Resource Recovery Facility (RRF), which was designed to manage bulky waste and other material and maximise recycling from them, went into full operation in April 2024. The RRF facilitates the bulking of recycling and organic waste for onward transport, extracts recyclables from residual waste, and prepares bulky waste for energy recovery. In its first year of full operation, around 170,000 tonnes were processed through the facility. The RRF is also equipped with

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a large solar panel array on its roof allowing the facility to substitute power from the national grid with a sustainable energy source.

A new public RRC was opened at the Edmonton EcoPark in July 2024. This state-of-the-art facility allows residents to bring their recycling directly to the EcoPark 12 hours a day, seven days a week and accepts more than 25 types of waste for recycling or reuse. Many of the features have been selected to enhance the safety of residents in the building. In its first nine months, the centre welcomed over 16,000 visitors and processed approximately 1,700 tonnes of materials.

EcoPark House, the new education and community centre and home of the Edmonton Sea Cadets, welcomed its first visitors in December. Up to the end of March 2024, around 500 school children and community members visited the building, ahead of the formal opening planned for June 2025.

In 2024/25 progress was made on the Energy Recovery Facility site, with the first phase of the construction programme nearing completion. However, there were challenges and delays. Significant concerns were raised with ACCIONA, the principal contractor responsible for constructing the facility. Actions have been taken with ACCIONA to review the robustness of the programme and plans for appointing sub-contractors, in order to give increased confidence of the programme of future work on the facility.

The Project continues to deliver a range of high-quality social value initiatives such as apprenticeships and local work opportunities. The Authority's contribution in this area was recognised when NLWA won the Municipal Journal (MJ) Achievement Award for Innovation in Delivering Sustainability and Social Value. This award acknowledges the project's commitment to creating opportunities for local communities, including employment, training, and procurement with local businesses.

NLHPP continues to demonstrate a strong health and safety culture, with no reportable injuries over the past 12 months. Efforts were also made in promoting equality, diversity, and inclusion, including supporting the Women's Network and addressing the inclusion of under-represented groups in the construction workforce.

FINANCIAL PERFORMANCE

The Authority agreed its 2024/25 budget to meet the costs of its day-to-day statutory waste obligations and to fund the NLHPP. In doing so, the Authority was aware, as in past years, that if favourable circumstances arose during the year some revenue balances might become available to support future budgets.

The Authority is financing the NLHPP through borrowing from the Public Works Loan Board. As at 31st March 2025 the Authority had borrowed £1,130m for the project.

In February 2025, the Authority was advised that revenue balances at 31 March 2024 were forecast to be £4.440m. Since then, fewer tonnes of waste were delivered to the Authority by boroughs than was forecast and interest earned on the Authority's cash balances was greater than forecast. These have resulted in revenue balances at 31 March 2025 decreasing by £3.247m to £7.456m. This is after a transfer of £7.921m into the maintenance reserve, bringing the total of the reserve to £11,753m.

Compared to the accounts for 2023/24, the net cost of services increased by £22.454m (43.6%). This can largely be attributed a one off contribution of £10m from LondonEnergy Ltd in 2023/24 driven by high energy prices that they had received. In addition the Authority provided LondonEnergy with additional support of £9m in 2024/25. Other contract costs increased in line with inflation.

ANNUAL GOVERNANCE STATEMENT FOR NORTH LONDON WASTE AUTHORITY

1. Scope of Responsibility

North London Waste Authority is responsible for ensuring that its operations are conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. The Authority is also required to secure continuous improvement in the way it exercises its functions, having regard to economy, efficiency and effectiveness.

The Authority is also responsible for putting in place proper governance arrangements, facilitating the effective exercise of its functions, and managing its risks.

2. LGA Corporate Peer Review

The Authority undertook a Corporate Peer Review in 2023. The Peer Review team described NLWA as a “reflective organisation,” making 10 recommendations and returning to the Authority in January 2024 to assess progress. Following what they described as “open and honest” conversations on their return visit, the team praised NLWA for “embracing” the process. They noted “excellent progress” in NLWA’s plan to implement the 10 recommendations, including by expanding the North London Community Fund, involving residents in developing the next Joint Waste Strategy and working to appoint independent members to the audit committee.

3. The Governance Framework

The key elements of the Authority’s governance framework are as follows:

- The Authority has a mission to focus on the preservation of today’s resources and environment for future generations. The Authority is committed to innovation and careful planning to ensure it manages waste resources effectively and sustainably. It works with residents, schools and businesses to promote waste minimisation and recycling to preserve resources and reduce the amount of waste produced. It promotes a circular economy, keeping materials in use and out of the waste stream for as long as possible.
- The Authority also service delivery objectives, which are delivered through its contract with LondonEnergy Ltd and other key contracts.
- Policy adoption and decision-making are managed within a well-established framework. The Authority’s Standing Orders set out in detail how it operates, how decisions are made and the procedures to be followed to ensure efficiency, transparency and accountability. Political and management control is exercised through Authority Members, Advisers and Officers, whose roles are defined in Standing Orders and who work to defined and established processes.
- Compliance with relevant law and policies is required through written rules and procedures which are regularly reviewed and updated. These include Standing Orders relating to the Authority meetings and its committees, delegations to Officers, and Contract Standing Orders. The Authority also follows the LB Camden Financial Standing Orders.
- Central to the Authority’s achievement of its objectives is an effective risk management regime. In addition to regular reviews of detailed risk registers by the Authority’s management team, the registers are considered annually by the Members’ Finance Working Group. Informed by the annual review, a report is presented to the Authority outlining developments in the Authority’s key corporate risks and includes an up-to-date high level risk register.
- The Authority benefits from employment policies and procedures established by LB Camden, which employs the Authority’s staff.
- A new Joint Waste Strategy is being prepared for consideration by Members and by constituent boroughs (Barnet, Camden, Enfield, Hackney, Haringey, Islington, Waltham Forest) which will focus on activities to move all waste up the waste hierarchy, in support of the Authority’s mission.

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- The financial management of the Authority is organised through a wide range of well-established processes and procedures which deliver strong financial control. The Authority has a detailed strategic budget planning process and members regularly receive and consider detailed financial information, which facilitates political decision making.
- Other features of the financial control environment include the annual production and review of a medium-term financial forecast and the Internal Audit Shared Service of the LBs of Camden and Islington which provides assurances on the adequacy of its control systems and investigates identified or suspected cases of fraud/irregularity.
- Performance management within the Authority is operated through a range of review arrangements including external/internal audit reviews and annual reports.
- All staff are required to complete mandatory training including anti-fraud, cyber security and information security, repeated every 2 years. The Authority maintains a register of related party transactions for all Members and Senior officers and there is a separate register of gifts and hospitality.
- The Audit and Governance Committee, the Programme Committee for the NLHPP and the Members' Finance Working Group enable elected Members to understand, review and challenge the Authority's governance framework, financial controls and risk management.
- The Authority continues to have in place strong and effective working arrangements with its constituent boroughs.

NLWA's framework has been in place for the year ended 31 March 2025 and up to the date of approval of the annual report and statement of accounts.

4. The System of Internal Control

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. It is designed to identify and rank risks to the achievement of the Authority's objectives, to evaluate the likelihood of them being realised, assess the impact should they occur, and to mitigate and manage them effectively.

NLWA conducts, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review is informed by the work of the internal auditors, Authority managers, our external auditors and other review agencies.

This annual governance statement indicates that NLWA benefits from an adequate level of assurance from its governance framework. The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual audit opinion to inform the Authority's governance statement. The Head of Internal Audit is satisfied that the work undertaken by Internal Audit during 2024/25 has enabled them to conclude that NLWA's control framework, specifically with regard to key financial systems, is adequate.

5. Significant Governance Issues

A key element of the annual governance review is the identification of any significant governance issues. The Authority has adopted CIPFA's approach, which advises that the following should be considered significant:

- The issue has seriously prejudiced or prevented achievement of a principal objective;
- The issue has resulted in a need to seek additional funding to allow it to be resolved;
- The issue has resulted in significant diversion of resources from another aspect of the business;
- The issue has led to a material impact on the accounts;
- The Audit Committee, or equivalent, has advised that it should be considered significant for this purpose, or

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- The Head of Internal Audit has reported it as significant in the annual opinion on the internal control environment.

No significant governance issues have been identified during the year. Work has been undertaken however to ensure that the Authority's governance arrangements continue to follow best practice:

- The Members' Finance Working Group reviewed the Authority's risk register, and their conclusions were reported to the Authority in April 2024. A high-level risk register for LondonEnergy Ltd was included so that the risks for the company could be taken into account by the Authority as shareholder.
- Officers reported to Members in April 2024 on the steps that were being taken to ensure that the Authority's computerised systems and the data held within them are fit for purpose, secure, and will support upcoming change to ways of working and decision making.
- Changes to Standing Orders were approved at the Authority meeting in June 2024 and December 2024 to:
 - Establish an Audit and Governance Committee with defined terms of reference,
 - Change the terms of reference for the Finance Working Group to include the Independent Member of the Audit and Governance Committee,
 - Allow the electronic sealing of legal documents
 - Amend standing order to allow the Chair to alter the date or time or place of any meeting or cancel it, after consultation with Members.
- The Authority allows residents to make deputations to any of its public meetings, and on 13 February 2025 deputations were made concerning the use of funds from HM Government for Extended Producer Responsibility and the commissioning of a project review for the Energy Recovery Facility. Responses to the deputation were provided at the meeting.

6. Matters for Future Action

There is a continuing need to keep the Authority's governance arrangements under review and to take action where appropriate. This will include:

- Keeping under review the governance arrangements for LondonEnergy Ltd, including the preparation of a new operating contract.
- Training for Members and officers, and an ongoing review of risk registers so that the Authority can track and accurately manage the risks associated with all aspects of its operations.
- Implementation of any recommendations proposed by internal audit reviews and the development and completion of a further work programme in 2025/26.

7. Signed Agreement

We have been advised of the arrangements that are in place to ensure that an effective system of governance exists in the Authority and of the plan to further review and enhance our governance arrangements in the coming year. We are satisfied with these steps and will monitor their implementation and operation as part of our next review.

Chair of the Audit Committee

Clerk to the NLWA

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MOVEMENT IN RESERVES STATEMENT

	General Balance £000	Maintenance Reserve £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
2024/25						
Balance at 31 March 2024 brought forward	10,704	3,833	1,439	15,976	210,601	226,577
Movement in reserves during 2024/25						
Total Comprehensive Income and Expenditure	(8,971)	7,920	-	(1,051)	791	(260)
Adjustments between accounting basis & funding basis under regulations	5,724	-	-	5,724	(5,724)	-
Increase/(Decrease) in 2024/25	(3,247)	7,920	-	4,673	(4,936)	(263)
Balance at 31 March 2025 carried forward	7,457	11,753	1,439	20,649	205,666	226,315

	General Balance £000	Maintenance Reserve £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
2023/24						
Balance at 31 March 2023 brought forward	16,075	-	1,439	17,514	207,859	225,373
Movement in reserves during 2023/24						
Total Comprehensive Income and Expenditure	(1,630)	3,833	-	2,203	(1,000)	1,203
Adjustments between accounting basis & funding basis under regulations	(3,741)	-	-	(3,741)	3,741	-
Increase/(Decrease) in 2023/24	(5,371)	3,833	-	(1,538)	2,741	1,203
Balance at 31 March 2024 carried forward	10,704	3,833	1,439	15,976	210,601	226,577

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COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24				2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
43,149	-	43,149	Main Waste Disposal Contract	47,095	-	47,095
2,131	-	2,131	Composting Services	1,648	-	1,648
12,607	-	12,607	Materials Recovery Facility Services	13,211	-	13,211
7,117	(1,152)	5,965	Transfer Stations and Other Sites	20,768	(408)	20,360
9,000	-	9,000	LEL Additional Support	1,750	-	1,750
6,379	(555)	5,824	Re-use and Recycling Centres	7,044	(629)	6,415
5,118	(28)	5,090	Corporate & Other Support Services Costs	5,195	(27)	5,168
1,022	-	1,022	Waste Prevention Programme – New Initiatives	773	-	773
183	-	183	Other Recycling Initiatives	161	-	161
1,495	-	1,495	Carbon Capture	605	-	605
685	-	685	North London Heat & Power Project	285	-	285
-	(8,308)	(8,308)	Non-Household Waste	-	(12,465)	(12,465)
-	(1,547)	(1,547)	Household Waste	-	(1,731)	(1,731)
-	(5,268)	(5,268)	Sale of Recyclable Material	-	(5,484)	(5,484)
-	(10,000)	(10,000)	Electricity Income	-	-	-
-	(150)	(150)	Rent Receivable	-	(157)	(157)
-	(41)	(41)	Other Income	-	(296)	(296)
88,886	(27,049)	61,837		98,535	(21,197)	77,338

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Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
-	(53,667)	(53,667)	Levy	-	(72,867)	(72,867)
-	(53,667)	(53,667)	Other Operating Income	-	(72,867)	(72,867)
-	(11,388)	(11,388)	Interest Receivable	-	(9,049)	(9,049)
10	-	10	Pension Interest Cost	9	-	9
1,008	-	1,008	Revenue Funding of Capital – Interest	5,629	-	5,629
1,018	(11,388)	(10,370)	Financing and Investment (Income) and Expenditure	5,638	(9,049)	(3,411)
		(2,200)	(Surplus)/Deficit on Provision of Services			1,060
		270	(Surplus)/Deficit on revaluation of Property, Plant and Equipment Assets			14
		730	(Surplus)/Deficit on revaluation of Currency Euro account			(805)
		(3)	Actuarial Loss/(Gain) on Pension Assets			(9)
		997	Other Comprehensive (Income) and Expenditure			(800)
		(1,203)	Total Comprehensive (Income) and Expenditure			260

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BALANCE SHEET

	Note	31 Mar 2024 £'000	31 Mar 2025 £'000
Property, Plant and Equipment	5	913,862	1,070,114
Long Term Investments	8	119,392	119,392
LONG TERM ASSETS		1,033,254	1,189,506
<u>Short Term Assets</u>		-	-
Cash and Cash Equivalents	16	258,455	198,119
LondonEnergy Ltd		477	131
Other Local Authorities		657	3,107
HM Revenue and Customs		23,430	10,844
Other Entities and Individuals		3,443	2,589
CURRENT ASSETS		286,462	214,789
<u>Short Term Creditors</u>			
Short Term Borrowings	9	(14,013)	(5,544)
LondonEnergy Ltd		(17,741)	(6,028)
Other Local Authorities		(8,134)	(2,309)
Short Term Lease Liabilities	6	-	(62)
Other Entities and Individuals		(63,053)	(29,797)
CURRENT LIABILITIES		(102,941)	(43,740)
		-	-
Long Term Borrowings	9	(990,000)	(1,130,000)
Long Term Lease Liabilities	6	-	(4,059)
Other Long Term Liabilities	18	(198)	(181)
LONG TERM LIABILITIES		(990,198)	(1,134,240)
NET ASSETS		226,577	226,315
<u>Usable Reserves</u>			
General Fund Balance		10,704	7,456
Maintenance Reserve	13	3,833	11,753
Capital Receipts Reserve	13	1,439	1,439
		-	-
<u>Unusable Reserves</u>		-	-
Capital Adjustment Account	10	80,508	74,766
Revaluation Account	11	108,585	109,376
Capital Revaluation Account	12	21,706	21,706
Pension Reserve	18	(198)	(181)
TOTAL RESERVES		226,577	226,315

Jon Rowney

Financial Adviser 27 June 2025

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CASH FLOW STATEMENT

	Note	31 Mar 2024 £'000	31 Mar 2025 £'000
Net surplus on the provision of services		(2,200)	1,060
Adjustments to net surplus on the provision of services for non-cash movements	15	(33,624)	27,028
		-	
Net cash (inflow) / outflow from operating activities		(35,824)	28,088
		-	
Investing activities		311,093	162,248
Financing activities		-	(130,000)
		-	
Net decrease / (increase) in cash and cash equivalents	16	275,269	60,336
		-	
Cash and cash equivalents at the beginning of the reporting period		(533,724)	(258,455)
Cash and cash equivalents at the end of the reporting period		(258,455)	(198,119)

The Authority's cash balances are held and managed on its behalf by the London Borough of Camden.

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EXPENDITURE AND FUNDING ANALYSIS

2023/24			2024/25		
Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
43,149	-	43,149	47,095	-	47,095
2,131	-	2,131	1,648	-	1,648
12,607	-	12,607	13,211	-	13,211
4,522	1,443	5,965	8,316	12,044	20,360
9,000	-	9,000	1,750	-	1,750
5,824	-	5,824	6,415	-	6,415
5,118	(28)	5,090	5,185	(17)	5,168
1,022	-	1,022	773	-	773
183	-	183	161	-	161
1,495	-	1,495	605	-	605
685	-	685	285	-	285
6,171	(5,163)	1,008	11,932	(6,303)	5,629

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Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£000	£000	£000	£000	£000	£000
(8,308)	-	(8,308) Non-Household Waste	(12,465)	-	(12,465)
(1,547)	-	(1,547) Household Waste	(1,731)	-	(1,731)
(5,268)	-	(5,268) Sale of Recyclable Material	(5,484)	-	(5,484)
(10,000)	-	(10,000) Electricity Income	-	-	-
(150)	-	(150) Rent Receivable	(157)	-	(157)
(11,388)	-	(11,388) Interest Received	(9,049)	-	(9,049)
(41)	-	(41) Other Income	(296)	-	(296)
-	10	10 Pension Interest	-	9	9
-	(3)	(3) Pension Asset – Actuarial (Gain)/Loss	-	(9)	(9)
55,205	(3,741)	51,464	68,194	5,724	73,918
		Net Cost of Services			
(53,667)	-	(53,667) Levy	(72,867)	-	(72,867)
(53,667)	-	(53,667)	(72,867)	-	(72,867)
		Other Income and Expenditure			
1,538	(3,741)	(2,203)	(4,673)	5,724	1,051
		(Surplus) or Deficit			
16,075		Opening Balance	14,537		
(1,538)		Add Surplus/(Deficit) in Year	4,673		
14,537		Closing Balance at 31 March	19,210		

In 24/25, £7.920m has been transferred in the Movement in Reserves statement to the Maintenance reserve. The Closing balance for 24/25 is split between the general fund £7.456m and the Maintenance reserve £11.753m

North London Waste Authority

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ACCOUNTING POLICIES

The accounts have been prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which has been developed under the oversight of the Financial Reporting Advisory Board.

Accruals

In general, the accounts have been prepared on a basis that accrues and accounts for income and expenditure in the period to which they relate. At year-end, allowance is made in the accounts for expenditure and income not paid or received by 31 March, either on the basis of invoices received or a best estimate of the income or expenditure which should be accrued in that year's accounts.

Cash and cash equivalents

The Authority's cash and treasury management requirements are undertaken on its behalf by the London Borough of Camden; it therefore has no cash or cash equivalents on its own account. Instead, the Authority maintains an inter-authority account with Camden. The Authority receives interest on its Sterling balances equivalent to the average return achieved on Camden's own investment activity for the year. Foreign currency balances are held separately and the Authority receives interest on the balance at the prevailing rate.

Capital receipts

Capital receipts are credited to the Usable Capital Receipts Reserve when received. They are only available to fund future capital expenditure or to repay debt.

Leases

The Authority has adopted IFRS 16 Leases for the first time. All material leases that have over 1 year to run are included in the statements. The capitalised value of the lease reflects the discounted future cashflows that the authority will pay and these are analysed on the balance sheet between short term and long term creditors. The Authority has not included Reuse and Recycling Centres where no lease exists and the future costs and benefits of the site are held by constituent boroughs.

Employee Benefits

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. IFRS requires the Authority to consider accruing for the cost of the leave entitlement earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The Authority has assessed the value of carried forward leave and has concluded that it is not significant and therefore no accrual has been made. However, non-consolidated performance related pay paid to staff in 2024/25 in respect of their work in 2023/24 has been accrued.

Post-employment benefits

In December 1994, all operational staff of the Authority transferred to LondonEnergy Ltd. However, the Authority continues to be responsible for the payment of employer borne pension costs (annual compensation) of former retired employees. The Authority has previously decided that this should continue to be paid on a pay-as-you-go basis. However, in accordance with International Accounting Standard 19 – Employee Benefits (IAS 19), the liability has been reflected in the Authority's Balance Sheet.

Employer-borne pension costs attributable to staff employed by the London Borough of Camden for work performed on behalf of the Authority are included in the support service recharges to the Authority.

Non-Current Assets

Land and buildings shown in the balance sheet represent the residual non-operational assets held by the Authority. Depreciation is not charged on non-operational assets. Fixed assets are valued at five-yearly

North London Waste Authority

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intervals in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors, although material changes to asset valuations are adjusted in the interim period, as and when they occur.

Investments and Property

The Authority's investment in LondonEnergy Ltd is held at cost. The land at Pinkham Way was valued at 31 March 2023, in line with the five year valuation cycle. The Hornsey Street property was also valued at 31 March 2023. The land at EcoPark included in the 999-year lease was valued at 31 March 2024.

Charges to Revenue in respect of Capital Assets

The comprehensive Income and Expenditure Statement is charged with a capital charge for capital assets used in the provision of services. The charge consists of the annual provision for:

- Depreciation attributable to the assets used
- Impairment

The Authority is not required to include depreciation or impairment when setting its levy for the year but is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined in accordance with statutory guidance known as the Minimum Revenue Provision. The Minimum Revenue Provision is a proper charge to the Authority but does not appear in the Comprehensive Income and Expenditure Statement. Such amounts shall be transferred from the Capital Adjustment Account and reported in the Movement in Reserves Statement. The amounts of Minimum Revenue Provision to be charged for the year are set out in regulations and guidance.

Depreciation and impairment are therefore replaced by revenue provision in the Movement in Reserves Statement by way of an adjusting transaction with the Capital Adjustment Account for the difference between the two.

Capital charges have a neutral impact on the amount to be raised by the levy as they are reversed out in the Movement in Reserves Statement and replaced by the Statutory Provision for Debt repayment.

Prior Year Adjustments

No prior year adjustments have been included in the financial statements.

Reserves

The Authority may set aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net cost to the Authority for that year.

Certain reserves are kept to manage the accounting processes for non-current assets, and do not represent usable resources for the Authority.

Group accounts

The Authority has prepared group accounts to provide greater transparency and understanding of the Authority's shareholding in LondonEnergy Ltd. These are presented as supplementary information to the primary financial statements in accordance with the Code. More details are given in the introduction to the group accounts.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

Members' allowances

Members of the Authority receive allowances from the borough that they represent. No allowances are paid by the Authority.

Value Added Tax

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Financial Instruments

Financial Liabilities

Financial Liabilities are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for the interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was initially recognised.

All of the Authority's borrowing is with the Public Works Loan Board. The amount presented in the balance sheet is the outstanding principal payable (plus accrued interest). Interest on borrowing for assets that are in use are charged to the Comprehensive Income and Expenditure Statement. Interest on borrowing for assets that were being constructed or being commissioned and therefore not in use at the balance sheet date are capitalised and included in assets under construction on the balance sheet.

Financial Assets

The Authority's financial assets comprise of cash balances held with the London Borough of Camden and interest receivable. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means that the amount presented in the Balance Sheet is the cash balance (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year.

Financial Instrument Risk

The Authority has reviewed the nature and extent of the risks associated with its financial instruments and has concluded that:

In respect of its long-term borrowings from the Public Works Loans Board it is not exposed to market risk since the interest rates are fixed for the duration of the loans. Liquidity risk in that the Authority may not have the funds to meet its commitments to make future payments is considered to be very low since the Authority has access to borrow from the PWLB. Additionally, the Authority is required to achieve a balanced budget which ensures that sufficient monies are raised to cover annual expenditure. There is no significant risk that the Authority will be unable to raise finance to meet its commitments.

The Authority's cash balances are managed through the treasury management arrangements operated by the London Borough of Camden. Camden's Treasury Management policy requires it to place deposits only with a limited number of high quality institutions whose credit ratings are independently assessed.

Its main sources of income are its constituent boroughs which are required to pay a levy and charges for the management of non-household and some types of household waste. Accordingly, the risk of non-payment is considered to be extremely low and no provision for bad or doubtful debts is required.

North London Waste Authority

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Small amounts of income come from other commercial sources. The risk to the Authority of non-payment of this income is considered to be low. Accordingly, the Authority does not make a provision for bad or doubtful debts in respect of this income stream.

Contingent Liabilities

Contingent liabilities are possible obligations that may require a payment or a transfer of economic benefit but for which there is no certainty regarding amount or date of settlement. They are disclosed in the notes to the accounts and accruals are not made for contingent liabilities and no adjustments are included within the accounting statements.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out above, the Authority has to make certain judgements about complex transactions or those involving uncertainty about future events.

Although none of the Authority's expenditure is funded directly by central government, almost all of its income is derived from its constituent boroughs for whom central government funding is a significant element of their income. Although mindful of the uncertainty about future levels of funding to the boroughs from central government, the Authority has determined that this uncertainty is not sufficient to indicate that the Authority's assets might be impaired or facilities closed to reduce levels of service provision. The nature of the Authority's statutory responsibilities for waste disposal and its demand led nature of its services provide very limited scope to reduce service levels.

ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures based on assumptions made by the Authority about the future, or that are otherwise uncertain. Estimates are made by taking into account historical experience, current trends and other relevant factors. The Authority has assessed the risk that items in its Balance Sheet being materially different from the assumptions and estimates as being low but recognises that uncertainty cannot be entirely eliminated. Areas of risk are as follows:

The Authority's makes monthly on account payments to LondonEnergy Ltd for Landfill Tax and Electricity Income Claim liabilities when necessary, based on best available estimates. The Authority makes an assessment at 31 March of the extent to which it has under or overpaid during the year and the balance owed to or by the Authority is reflected in the Balance Sheet. Settlement of these sums is subject to formal agreement with LondonEnergy Ltd. The agreed sum may differ from that included in the Balance Sheet but this difference is likely not to be significant.

All staff currently undertaking work for the Authority are employed by the London Borough of Camden and all related pension assets and liabilities are reflected LB Camden's Balance Sheet. The Authority does however have a liability in respect of pensions for 5 formerly directly employed but now retired staff. Payment of pensions to these individuals is made on the Authority's behalf by the London Pension Fund Authority. An assessment of the assets and liabilities is undertaken annually by Barnett Waddingham who in their calculations must make assumptions about inflation, mortality and returns on pension fund assets.

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NOTES TO THE ACCOUNTS

1. EVENTS AFTER THE BALANCE SHEET DATE

This unaudited Statement of Accounts was authorised by the Financial Adviser on 27 June 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

2. ADDITIONAL INFORMATION SUPPORTING THE EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis shows how the income and expenditure reported to the Authority at meetings for decision making purposes translates to the Comprehensive Income and Expenditure Statement in the final accounts for generally accepted accounting practices. To achieve this, a number of adjustments are made and these are identified below:

Adjustments between accounting basis and funding basis under regulations	2024	2025
	£'000	£'000
Statutory provision for the financing of capital investment – Minimum Revenue Provision	(5,163)	(6,303)
Property, plant and equipment - Depreciation	1,443	12,044
Pension asset – Actuarial (gain)/loss	(3)	(9)
Net interest on defined benefit liability	10	9
Employer's pension contributions paid in year	(28)	(17)
Balance at 31 March	<u>(3,741)</u>	<u>5,724</u>

3. NON-HOUSEHOLD AND CHARGEABLE HOUSEHOLD WASTE

The Authority operates separate charging arrangements for non-household waste and certain categories of household waste in accordance with s52 (9) of the Environmental Protection Act 1990. As a consequence, only the cost of treating non chargeable household waste is funded from the levy.

Constituent councils make monthly payments on account to the Authority based on estimated levels of non-household and chargeable household waste. Following completion of the audit of accounts an additional amount is charged or overpayment repaid based on actual tonnage levels and the actual cost of treatment.

North London Waste Authority

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Non household waste	31 Mar 2024		31 Mar 2025	
Borough	Tonnes	£'000	Tonnes	£'000
Barnet	9,949	985	10,674	1,272
Camden	25,876	2,331	26,886	2,855
Enfield	9,168	918	9,036	1,091
Hackney	19,499	1,798	39,235	4,549
Haringey	3,414	319	3,521	398
Islington	19,139	1,807	19,933	2,122
Waltham Forest	1,554	150	1,523	178
	<u>88,599</u>	<u>8,308</u>	<u>110,808</u>	<u>12,465</u>

Chargeable household waste	31 Mar 2024		31 Mar 2025	
Borough	Tonnes	£'000	Tonnes	£'000
Barnet	1,946	195	2,175	256
Camden	860	78	963	100
Enfield	1,430	143	1,430	173
Hackney	6,386	581	5,952	641
Haringey	2,881	269	2,819	314
Islington	3,097	281	2,913	247
Waltham Forest	-	-	-	-
	<u>16,600</u>	<u>1,547</u>	<u>16,252</u>	<u>1,731</u>

4. LEVY

The levy on constituent boroughs of £72.867m was agreed at the Authority Meeting on 8 February 2024 and represents, after allowance for the use of revenue balances, the net cost of meeting the Authority's statutory responsibility for the disposal of household waste and operating Re-use and Recycling Centres that have been transferred to the Authority. The levy for 2023/24 included a rebate of £10.200m reflecting additional income that LondonEnergy would pay to the Authority during the year reflecting the higher receipts from the sale of electricity generated due to high electricity prices.

The levy was apportioned in accordance with the menu price based arrangements agreed by constituent councils in January 2016.

	31 Mar 2024		31 Mar 2025	
Borough	%	£'000	%	£'000
Barnet	20.1	10,773	20.6	15,018
Camden	13.7	7,336	9.3	6,761
Enfield	16.4	8,801	16.7	12,157
Hackney	11.2	6,003	13.3	9,712
Haringey	12.9	6,916	13.9	10,098
Islington	10.2	5,498	11.4	8,288
Waltham Forest	15.5	8,340	14.9	10,833
	<u>100.0</u>	<u>53,667</u>	<u>100.0</u>	<u>72,867</u>

North London Waste Authority

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5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings £'000	Plant and Machinery £'000	Assets Under Construction £'000	Leases	Total £'000
Movement on balances in 2024/25					
Cost or Valuation					
At 1 April 2024	140,502	142	774,712	-	915,357
Additions,	-	-	163,055	5,257	168,311
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Revaluation	(14)	-	-	-	(14)
Asset Reclassified	232,354	27,603	(259,957)	-	-
At 31 March 2025	372,842	27,745	677,810	5,257	1,083,654
Depreciation and Impairment					
At 1 April 2024	1,467	28	-	-	1,495
Depreciation charge	9,160	1,665	-	1,220	12,044
Write Back on Revaluation	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2025	10,627	1,693	-	1,220	13,539
Net Book Value at 31 March 2025	362,216	26,052	677,810	4,037	1,070,115
Net Book Value at 31 March 2024	139,035	114	774,712	-	913,862
Comparative movement on balances in 2023/24					
Cost or Valuation					
At 1 April 2023	140,772	142	464,351	-	605,265
Additions,	-	-	310,361	-	310,361
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Revaluation	(270)	-	-	-	(270)
Asset Reclassified	-	-	-	-	-
At 31 March 2024	140,502	142	774,712	-	915,357
Depreciation and Impairment					
At 1 April 2023	52	-	-	-	52
Depreciation charge	1,415	28	-	-	1,443
Write Back on Revaluation	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2024	1,467	28	-	-	1,495
Net Book Value at 31 March 2024	139,035	114	774,712	-	913,862
Net Book Value at 31 March 2023	163,276	-	184,169	-	347,445

Depreciation is provided for on property plant and equipment by the allocation of depreciable amounts over their useful lives. Exceptions to this are land which does not have a determinable useful life and assets under construction which are not yet available for use.

It is the Authority's policy to revalue assets every five years on the basis of open market value in accordance with the Statements of Asset Valuation Practice and Guidance Notes issued by the Royal Institution of Chartered Surveyors.

For the years that formal valuations are not undertaken, the Authority conducts a review to determine whether its assets useful lives have changed and that values have been impaired as a result. The review also considers market values where appropriate:

Statement of Accounts for the year ended 31 March 2025

The Authority revalued Hornsey Street Waste Transfer station on 31 March 2023. It was valued at £28.1m, an increase of £12.2m compared to the 2018 valuation. As a result of the re-valuation, plant and machinery valued at £0.2m has been classified separately. The plant and Buildings at Hornsey Street are being depreciated over 20 years (from 1 April 2023). All historic depreciation at 31 March 2023 was removed, matched by a corresponding charge to the Capital Adjustment Account (note 10).

In December 2020, the Authority agreed a 999-year lease for 73% of the area of the EcoPark from LondonEnergy Ltd for £17.3m (including stamp duty). The Authority commissioned chartered surveyors Savills to value the lease as at 31 March 2024 and concluded that the fair value was £96.2m (£96.2m as at 31 March 2023). The Authority has an agreement in place with LondonEnergy Ltd to lease the remaining 27% of the land when the existing Energy from Waste facility at Edmonton EcoPark is taken out of service

The Authority also owns land at Pinkham Way and this was valued on 31 March 2023 at £13.1m, a decrease of £1.0m on the previous valuation from 2018. In the intervening years, the Authority reviews the value of Pinkham way for impairment or a change in value, based on based on market evidence from land valuations at the EcoPark. As land value at the EcoPark are similar to those at March 2024, the fair value of the land at Pinkham way has been reduced by £24,000.

The Authority brought buildings that had been constructed as part of the North London Heat & Power Project in to use in 2024/25 and have been reclassified from assets under construction. These buildings cost £232.4m in total and separately identifiable plant and machinery, integral to the operation of the facilities cost a further £27.6m. The cost of buildings are currently held at the construction cost (which includes costs associated with the building including diverting sewers and the cost of borrowing during the construction period) and the value is being reviewed with our valuers. The buildings will be depreciated over 30 years and individual classes of plant and machinery have separate depreciation periods, reflecting their predicted useful lives.

Interest on borrowing for assets that were being constructed or being commissioned and therefore not in use at the balance sheet date are capitalised and included in assets under construction on the balance sheet. The value of interest capitalised in assets under construction during 2024/25 was £22.594m (2022/23: £23.125m).

6. LEASES

The standard for leases, IFRS 16, has been adopted for the first time in 2024/25. The lease requires that leases are capitalised and recorded as Property, Plant and Equipment and are captured as part of note 5 as additions. As part of the transitional arrangements, the prior year is not required to be restated.

The Authority's lease contracts comprise leases of operational buildings, plant and equipment and a motor vehicle. Items of plant and equipment are individually immaterial; however the material leases are as follows:

The lease of offices at Berol House, Tottenham commenced in May 2014 for a term of 20 years. Rent reviews are due every 5 years. The value of the asset as at 31 March 2025 was £1.228m.

The lease of a waste transfer station at Hannah Close, Wembley commenced in November 2020 for a term of 7 years. The value of the asset as at 31 March 2025 was £4.029m.

The Authority leases a vehicle which has less than a year to expiry as at 31 March 2025 and this has not been included in the tables below as a long term asset.

The Authority operates 5 Reuse and Recycling Centres on behalf of constituent boroughs. At March 2025, no leases were in place and the Authority is providing a service to the borough and has no right-in use. These assets are held by the borough and are not included below.

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Right of Use assets	Hannah Close £'000	Berol House £'000	Leases £'000
Valuation			
At 1 April 2024	-	-	-
Additions	-	-	-
Reclassifications/ transfers	-	-	-
Disposals	-	-	-
IFRS 16 Transition adjustment	4,029	1,228	5,257
At 31 March 2025	4,029	1,228	5,257
Depreciation & Impairment			
At 1 April 2024	-	52	52
Depreciation charge	1,099	121	1,220
Reclassifications/ transfers	-	-	-
As at 31 March 2025	1,099	121	1,220
 Net Book Value at 31 March 2025	 2,930	 1,106	 4,037

There are no comparative figures as the Authority treated these as operating leases in previous years.

Right of use assets - Lease Liability	Hannah Close £'000	Berol House £'000	Leases £'000
At 1 April 2024	-	-	-
Additions purchased	-	-	-
Interest expense relating to asset liability	-	-	-
Repayment of lease including interest	1,057	52	1,109
Other	-	-	-
At 31 March 2025	1,057	52	1,109

7. CAPITAL COMMITMENTS

At 31 March 2025, the Authority has entered into contracts for the construction or enhancement of Property, Plant and Equipment in 2025/26 and future years. Commitments amounting to £1m or more are as follows:

Contract description	£'000
Energy Recovery Facility	467,042
	<u>467,042</u>

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8. INVESTMENTS – LONDONENERGY LTD

	31 Mar 2024 £'000	31 Mar 2025 £'000
Balance at 31 March	119,392	119,392

Until 22 December 2009 LondonEnergy Ltd (formerly LondonWaste Ltd) operated as a joint venture company with Sita UK Ltd and the Authority each holding 50% of the share capital. On 22 December 2009, the Authority purchased the shares held by Sita UK Ltd at a gross cost of £97.686m (including stamp duty) under a deferred payment arrangement. Payment took place on 12 April 2010.

Details of the net assets and results of the company are given in Note 3 to the group accounts.

9. BORROWING

Details of borrowings at 31 March 2025 are set out below:

Repayment Date	Sum Borrowed
Public Works Loan Board:	
12-Apr-26	£10,000,000
12-Apr-28	£10,000,000
24-Jun-36	£54,000,000
24-Aug-36	£41,000,000
24-Jun-46	£64,000,000
24-Aug-46	£54,000,000
18-Sep-52	£140,000,000
24-Jun-56	£75,000,000
24-Aug-56	£69,000,000
26-Feb-60	£100,000,000
24-Jun-66	£87,000,000
19-Jul-66	£200,000,000
24-Aug-66	£86,000,000
11-Jan-67	£140,000,000

The fair value of each loan is determined by calculating the Net Present Value of future cash flows, which provides an estimate of the value of payments in the future in today's terms. The discount rate used was the new borrowing rate at 31 March 2025. Since the carrying value included in the balance sheet includes accrued interest, this is also included in the fair value calculations, which are as follows:

	31 Mar 24		31 Mar 25	
	Carrying Amount £'000	Fair Value £'000	Carrying Amount £'000	Fair Value £'000
Sum Borrowed - £1,130,000,000 (2023/24: £1,000,000,000)	1,004,013	606,084	1,135,544	663,635

All loans are at fixed rates of interest. The total fair value is lower than the carrying amount as the overall interest rate payable is lower than rates available for similar loans at the balance sheet date.

North London Waste Authority

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10. CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account shows the resources used to finance capital expenditure and the historic cost of acquiring and enhancing non-current assets.

	2024 £'000	2025 £'000
Balance brought forward	76,786	80,508
Minimum Revenue Provision (MRP)	5,163	6,303
Depreciation	(1,443)	(12,044)
Revaluation Adjustments		-
Write-back depreciation on revaluation	-	-
Balance at 31 March	80,508	74,766

11. REVALUATION ACCOUNT

The Revaluation Account records gains and losses arising from the revaluation of non-current assets.

	2024 £'000	2025 £'000
Balance brought forward	109,586	108,585
Revaluation of Property, Plant and Equipment Assets	(270)	(14)
Revaluation on Currency Euro account	(730)	805
Balance at 31 March	108,585	109,376

12. CAPITAL REVALUATION ACCOUNT

This balance represents the original cost on vesting date (15 December 1994) of the Authority's investment in LondonEnergy Ltd.

	2024 £'000	2025 £'000
Balance at 31 March	21,706	21,706

13. USABLE CAPITAL RECEIPTS

Usable Capital Receipts Reserve

This reserve represents unspent receipts from disposals of capital assets and can be used only to fund capital expenditure or repay debt.

	2024 £'000	2025 £'000
Balance at 31 March	1,439	1,439

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Maintenance Reserve

The maintenance reserve has been created to allow the Authority to respond to future asset maintenance in a more planned, coordinated and proactive manner once the new facilities open at the EcoPark and also to manage any medium-term issues relating to the Authority's subsidiary company, London Energy Ltd. The Creation of the reserve was approved by the Authority at its meeting in February 2024.

	2024 £'000	2025 £'000
Balance at 31 March	3,833	11,753

14. RELATED PARTIES

The Authority is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely.

Central Government

Central government has effective control over the general operations of the Authority in that it is responsible for providing the statutory framework within which the Authority operates.

Members

Each of the seven constituent boroughs of the Authority appoints two of their Members to the Authority. Transactions between the Authority and its constituent boroughs, principally the Levy and charges for the treatment of non-household waste, are detailed elsewhere in the accounts. Apart from this dual role, no Member of the Authority has reported that he/she or members of their families and households exercised any control or influence on any of the companies or other bodies with which the Authority transacted in 2024/25.

Officers

No officer or member of their family or household, whether working wholly for the Authority or in an advisory role has indicated that they or members of their families and households exercised any control or influence on any of the companies or other bodies with which the Authority transacted in 2024/25.

Other Public Bodies

A number of transactions with related parties are disclosed elsewhere in the accounts. Details of each constituent borough's levy and charges for the treatment of non-household and chargeable household waste are shown in notes 3 and 4.

The Authority operates through a lead borough arrangement with its constituent boroughs. Charges are made by the constituent boroughs in providing the following services.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

Camden

Managing Director
Clerk and committee services
External relations
Financial Adviser and financial services
Internal Audit
Legal Adviser and legal and governance services
Operations (waste strategy, contracts management)
Personnel services
Planning and technical solutions

Haringey

Operational support services

Enfield

Environment Adviser

Barnet

Environment Adviser

In 2024/25 the Authority paid Camden £5.309m (2023/24: £4.283m) for the provision of lead borough services. On 31 March 2025 Camden held cash and cash equivalents of £198.119m (31 March 2024: £332.261m) on behalf of the Authority.

The London Borough of Haringey provides Operational support services to the Authority. In 2024/25 the Authority paid Haringey £0.366m for these services (2023/24: £0.321m).

The London Borough of Enfield provided the Services of the Environment Adviser. £0.044m was paid for current and prior year services (2023/24 £nil).

To the extent that monies paid to boroughs for services are paid on by those boroughs to their senior officers, these sums are reflected in Note 20.

Entities Controlled by the Authority

At 31 March 2025, the Authority owned 100% (31 March 2024: 100%) of the shares in LondonEnergy Ltd. In 2024/25 the Authority paid LondonEnergy Ltd £76.768m (2023/24: £61.594m) for waste disposal and transport services. The Company paid no dividend to the Authority in 2024/25 (2023/24: £nil). The Authority's accounts include a creditor of £6.028m (2023/24 £17.741m) in respect of the services provided to the Authority by the Company and a debtor of £0.131m (2023/24 £0.477m) in respect of income due to the Authority from the Company.

During 2024/25 Cllr Loakes, Cllr Hakata, Cllr Champion and the Authority's Managing Director served as non-executive directors on LondonEnergy Ltd.'s board.

Amounts Written Off

No related party debts were written off in 2024/25 (2023/24: £nil) and no provisions for doubtful debts were raised (2023/24: £nil).

15. ADJUSTMENT TO NET SURPLUS FOR NON-CASH MOVEMENTS

The surplus or deficit on the provision of services in the cash flow statement has been adjusted for the following non-cash movements

	2024	2025
	£'000	£'000
Cash flows from operation activities include:		
Depreciation	(1,443)	(10,844)
Movement in pension liability	18	8
(Increase)/decrease in creditors	(48,285)	49,201
Increase / (decrease) in debtors	16,086	(11,336)
Balance at 31 March	<u>(33,625)</u>	<u>27,028</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

16 ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS

	At 31 March 2024	Cash flows	At 31 March 2025
	£'000	£'000	£'000
Cash	-	-	-
Short Term Investments	99,036	(4,718)	94,318
Money Market Funds	159,419	(55,618)	103,801
Cash and cash equivalents held	258,455	(60,336)	198,119

During the year to 31 March 2025, the Authority secured £140m of new borrowing (2023/24 £nil) and repaid £10m of borrowing when it fell due (2023/24 £nil), both from HM Treasury, via the Public Works Loan Board to fund the works of the capital NLHPP project.

17. FINANCIAL INSTRUMENTS

Cash on Deposit with London Borough of Camden

The cash and cash equivalents carried on the balance sheet are held by London Borough of Camden on behalf of the Authority. This can be further subdivided into the following categories of financial instruments. The Authority's funds are held in interest bearing accounts and are therefore shown as being held in short term investments and money market funds.

Market Risk

The Authority is exposed to market risk in terms of the value that an instrument will fluctuate due to changes in market factors. These factors will have an impact on the overall performance of these instruments, the risk of which can be reduced by diversification into assets that are not correlated with the market.

The Authority holds part of the Money Market Funds in Euro which will be used to pay for the construction of the process equipment within the Energy Recovery Facility being built as part of the North London Heat and Power Project. As the Euro are held exclusively for this use and the work is capital expenditure, any unrealised gain or loss at the balance sheet date has been captured as part of the unusable reserves.

	2024 £'000	2025 £'000
Short Term Investments	99,036	94,318
Money Market Fund	159,419	103,801
Balance at 31 March	258,455	198,119

Financial Liabilities

	2024		2025	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Public Works Loan Board (PWLb) Loans	1,004,013	606,084	1,135,544	663,635
LondonEnergy Ltd Loan	-	-	-	-
Short term creditors	88,928	88,928	38,196	38,196
	1,092,941	695,012	1,173,740	701,831

Statement of Accounts for the year ended 31 March 2025

18. DEFINED BENEFIT PENSION SCHEME

The Authority does not have any directly employed staff. The payroll and pension arrangements for staff wholly employed on authority business are administered by the London Borough of Camden and all transactions, assets and liabilities relating to these staff are included in the accounts of Camden's pension scheme. Similarly, the pension arrangements of the advisers to the Authority are managed by the respective adviser's own authority.

The Authority does however have obligations and liabilities in respect of the added years' element of pensions paid to retired former employees who were directly employed by the Authority prior to the transfer of staff to LondonEnergy Ltd (formerly LondonWaste Ltd) in December 1994. In 2024/25 the Authority paid £18,196 to the London Pension Fund Authority (£30,428 in 2023/24) in respect of these employees. The Authority's future liability as at 31 March 2025 has been calculated by Barnett Waddingham, the actuaries for the LPFA as being £0.181m (£0.198m at 31 March 2024).

The figure is based on the following assumptions:

	2023/24	2024/25
Return on assets discount rate	4.75%	5.45%
Pension increases	2.95%	2.95%
Inflation (CPI)	3.55%	3.50%

For 2024/25 the actuary adopted a set of demographic assumptions consistent with those used for the formal funding valuation of the LPFA as at 31 March 2019 (2023/24: valuation as at 31 March 2019). The Authority has recognised this liability in the balance sheet and established a pension reserve of an equal amount which is defrayed by the value of the payments made to the LPFA during the year, i.e. by means of a transfer to the pension reserve.

19. NON-MONETARY CAPITAL RECEIPTS

In October 2003, the Authority signed a relocation agreement with Ashburton Properties Ltd (the company set up by the Arsenal Football Club for the purpose of this relocation) and also the corresponding relocation agreement with LondonEnergy Ltd for relocation of the Authority's waste transfer station from Ashburton Grove to Hornsey Street. Subsequently, in July 2004, following the issue of an independent Engineer's Certificate of Practical Completion, the Authority entered into two 999-year leases for the new facility at Hornsey Street.

Ashburton Properties Ltd therefore provided the new waste facility at Hornsey Street in exchange for the Authority's land at Ashburton Grove. There has been no capital outlay for the Authority in this respect, however, for the purpose of recognising the new asset in the Authority's accounts, the asset, which was originally valued at £12.440m at completion, is deemed to have been funded by a non-monetary capital receipt. As at 31 March 2025 following a revaluation at 31 March 2023, the property, plant and machinery are carried on the balance sheet at £25.400m (£26.834m at 31 March 2024).

20. OFFICERS' REMUNERATION

The Authority does not have any directly employed staff. Instead, its staff are employed by the London Borough of Camden. The Statement of Arrangements between the Authority and the London Borough of Camden sets out the services that will be provided to the Authority including the provision of the Clerk and other key Adviser roles. The cost of these services is recovered from the Authority by Camden. Details of staff employed wholly on NLWA business receiving annual remuneration in excess of £50,000 are shown below.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

Senior Officers with Remuneration over £150,000

		Salary	Variable Pay (Note 1)	Employers Pension Contribution	Total
		£	£	£	£
Managing Director	2023/24	168,592	-	59,513	228,105
(Martin Capstick)	2024/25	176,133	-	53,333	229,466

Senior Officers with remuneration between £50,000 and £150,000 per year

		Salary	Variable Pay (Note 1)	Employers Pension Contribution	Total
		£	£	£	£
Programme Director	2023/24	38,093	-	13,447	51,540
(Note 2)	2024/25	-	-	-	-
Director of Corporate	2023/24	115,348	-	40,718	156,066
Services	2024/25	120,824	-	36,586	157,409

Note 1 – Variable pay is a non-consolidated payment based on performance.

Note 2 – The Programme Director retired on 14 July 2023

The Authority's other employees receiving more than £50,000 remuneration for the year (excluding employers pension contribution) were paid in the following bands:

Salary range	2023/24	2024/25
£50,000 to £54,999	3	6
£55,000 to £59,999	5	8
£60,000 to £64,999	1	4
£65,000 to £69,999	1	-
£70,000 to £74,999	1	2
£75,000 to £79,999	1	1
£80,000 to £84,999	1	1
£85,000 to £89,999	1	1
£90,000 to £94,999	3	1
£95,000 to £99,999	1	3
£100,000 to £104,999	-	1
Total	18	28

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

Advisers

The Statement of Arrangements also provides for various Adviser roles. These roles are undertaken by specific posts within each Lead Borough. Advisers receive an honorarium the cost of which is recharged to the Authority as follows:

		Variable Pay (Note 1) £	Employers Pension Contribution £	Total £
Clerk – Chief Executive (Camden)	2023/24	9,875	3,486	13,361
	2024/25	10,258	3,106	13,364
Financial Adviser – Executive Director of Corporate Services (Camden)	2023/24	9,497	3,352	12,849
	2024/25	9,865	2,987	12,853
Legal Adviser – Borough Solicitor (Camden)	2023/24	8,156	2,879	11,035
	2024/25	8,472	2,706	11,178
Technical Adviser – Borough Director of Environment (Enfield) Note 3	2023/24 restated	7,200	1,375	8,575
	2024/25	4,500	860	5,360
Technical Adviser – Borough Executive Director, Environment (Barnet) Note 4	2023/24	-	-	-
	2024/25	2,716	549	3,264

Note 3 – The Technical Adviser (Enfield) resigned on 11 October 2024. The 2023/24 comparator has been restated now that a request for reimbursement has been received from the London Borough of Enfield.

Note 4 – The Technical Adviser (Barnet) was appointed on 4 December 2024. This figure is estimated as a request for reimbursement has not yet been received from the London Borough of Barnet.

21. EXTERNAL AUDIT COSTS

Mazars LLP were appointed auditors to the Authority from 2018/19. The Authority has incurred the following costs in relation to the audit of the statutory accounts. Mazars LLP have not provided any additional services to the authority in either 2023/24 or 2024/25. No other audit fees were incurred in 2023/24 or 2024/25.

	2023/24 £	2024/25 £
Audit of the Statutory Accounts	89,712	100,869

The table above discloses the scale fees agreed with the Authority, their external auditor and Public Sector Audit Appointments Ltd for 2023/24 and 2024/25. Additional work on specific issues may be required up until the audit opinion has been issued, meaning that the total for additional fees cannot be confirmed until the audit is completed. Given the recent completion of the 2023/24 audit, this figure had not been confirmed at the point that these unaudited statements were published.

INTRODUCTION TO THE GROUP ACCOUNTS

Until 22 December 2009 the Authority held a 50% interest in the shares of LondonEnergy Ltd (formerly LondonWaste Ltd). The interest arose as a result of the Acquisition and Collaboration Agreement between the Authority and Sita UK Ltd. The company was established as a means of complying with the requirements of the Environmental Protection Act 1990. However, on 22 December 2009 the Authority purchased the shares held by its joint venture partner and LondonEnergy Ltd became wholly owned by the Authority but continues to operate at arm-length with its own board of directors and management team.

ABOUT LONDONENERGY LTD

LondonEnergy Ltd is a company limited by shares incorporated in England and Wales. The company's origins date back to the late 1960's when the Greater London Council (GLC) built the Edmonton Energy from Waste plant. The plant was operated by the GLC until 1986, when the body was abolished. Between 1986 and 1994 the Edmonton plant was owned and operated by the Authority. In 1994 the plant was transferred to a unique public/private partnership between the Authority and SITA, resulting in the formation of the company. Today LondonEnergy Ltd has returned to NLWA ownership and as well as handling the Authority's waste, also holds a contract to treat some waste from Hertfordshire County Council. The company employs approximately 390 staff offering a wide range of services. The company is committed to providing economic, efficient, and environmentally responsible solutions for disposal and treatment of waste, and ultimately, to help preserve and protect the environment.

ABOUT THE GROUP ACCOUNTS

The CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom requires the primary statements of the Authority to be prepared on a stand-alone basis to enable the reader to understand how the Authority has accounted for its stewardship of the funds supplied by local taxpayers through the charges made to and levies raised from the constituent boroughs.

Where an Authority has a significant interest in the operation of a company the Code of Practice recognises that a full understanding of the overall picture of the Authority's operations and resources can only be gained from summarised group accounts. Accordingly, the accounts of the Authority contain summarised group accounts which present the consolidated financial position of the Authority and its interest in LondonEnergy Ltd.

The Authority's accounting year ends on 31 March and LondonEnergy Ltd has an accounting year end of 31 December. The Code permits the consolidation of accounting statements of different dates so long as the two dates are not more than three months apart and that accounting statements of a date that isn't 31 March are adjusted for the effects of significant transactions and events that occurred between the two dates. No adjustments were found to be necessary to the financial statements of LondonEnergy Ltd at 31 December 2024.

In accordance with IFRS 3 *Business Combinations* and the Code of Practice, LondonEnergy has been included on a line by line basis. Accordingly, these group accounts consist of:

- this introduction, explaining the basis on which the group accounts have been prepared;
- a group expenditure and funding analysis;
- a group movement in reserves statement;
- a group comprehensive income and expenditure statement;
- a group balance sheet;
- a group cash flow statement.

Statement of Accounts for the year ended 31 March 2025

GROUP MOVEMENT IN RESERVES STATEMENT

	General Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
2024/25						
Balance at 31 March 2024 brought forward	1,936	3,833	1,439	7,208	207,111	214,319
Movement in reserves during 2024/25						
Total Comprehensive Income and Expenditure	(3,136)	7,920	-	4,784	(674)	4,110
Adjustments between accounting basis & funding basis under regulations	5,724	-	-	5,724	(5,724)	-
Increase/(Decrease) in 2024/25	2,588	7,920	-	10,508	(6,398)	4,110
Balance at 31 March 2025 carried forward	4,524	11,753	1,439	17,716	200,713	218,429
	General Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
2023/24 Restated						
Balance at 31 March 2023 brought forward	15,777	-	1,439	15,916	207,994	223,910
Movement in reserves during 2023/24						
Total Comprehensive Income and Expenditure	(10,100)	3,833	-	(6,267)	(4,624)	(10,891)
Adjustments between accounting basis & funding basis under regulations	(3,741)	-	-	(3,741)	3,741	-
Increase/(Decrease) in 2023/24	(13,841)	3,833	-	(10,008)	(883)	(10,891)
Balance at 31 March 2024 carried forward	1,936	3,833	1,439	7,208	207,111	214,319

The Movement In Reserves has been restated for a prior period adjustment relating to LondonEnergy Ltd's pension scheme deed (note 2). The General Balance at 31 March 2023 has been increased by £1,300k and total Comprehensive Income and Expenditure by £150k, increasing the General Balance at 31 March 2024 by £1,450k. The Movement In Reserves as previously reported is shown on the following page.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

	General Balance	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
2023/24	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2023 brought forward	14,477	-	1,439	15,916	207,994	223,910
Movement in reserves during 2023/24						
Total Comprehensive Income and Expenditure	(10,250)	3,833	-	(6,417)	(4,624)	(11,041)
Adjustments between accounting basis & funding basis under regulations	(3,741)	-	-	(3,741)	3,741	-
Increase/(Decrease) in 2023/24	(13,991)	3,833	-	(10,158)	(883)	(11,041)
Balance at 31 March 2024 carried forward	486	3,833	1,439	5,758	207,111	212,869

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24 Restated				2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
150,721	(94,116)	56,605	Environmental and regulatory services	149,739	(83,396)	66,343
150,721	(94,116)	56,605	Cost of Services	149,739	(83,396)	66,343
	(53,667)		Other Operating (Income) and Expenditure			(72,867)
	(10,442)		Financing and Investment (Income) and Expenditure			(3,486)
	13,136		Taxation and Non-Specific Grant Income			4,769
	5,632		(Surplus)/Deficit on Provision of Services			(5,241)
	(1,200)		(Surplus)/Deficit on revaluation of Property, Plant and Equipment Assets			1,479
	5,094		(Surplus)/Deficit on revaluation of Long Term Investments			-
	730		(Surplus)/Deficit on revaluation of Currency			(805)
	-					
	635		Actuarial (Gain)/Loss on Pension Assets			457
	5,259		Other Comprehensive Income and Expenditure			1,131
	10,891		Total Comprehensive Income and Expenditure			(4,110)

The prior year restatement relating to the LondonEnergy pension scheme deed (note 2) reduces the loss on pension assets by £150k (previously reported as £785k)

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

GROUP BALANCE SHEET

	Note	31 Mar 2024 Reported £'000	31 Mar 2024 Restated £'000	31 Mar 2025 £'000
Property, Plant and Equipment	4.7, 4.9	956,022	956,022	1,110,809
Investments	4.8	7,000	7,000	7,000
Long Term Investments	4.9, 4.10	31,865	31,865	31,865
LONG TERM ASSETS		994,887	994,887	1,149,674
CURRENT ASSETS	4.11	333,741	335,191	268,329
CURRENT LIABILITIES	4.12	(125,561)	(125,561)	(63,737)
Long Term Borrowings		(990,000)	(990,000)	(1,134,059)
Long Term Liabilities - Pension		(198)	(198)	(181)
Deferred Taxation		-	-	-
Other Long Term Liabilities	4.13	-	-	(1,600)
LONG TERM LIABILITIES		(990,198)	(990,198)	(1,135,840)
NET ASSETS		212,868	214,318	218,426
<u>Usable Reserves</u>				
General Fund Balances		486	1,936	4,523
Earmarked Reserves		3,833	3,833	11,753
Capital Receipts Reserve		1,439	1,439	1,439
<u>Unusable Reserves</u>				
Capital Adjustment Account		80,508	80,508	74,766
Revaluation Account		73,363	73,363	74,153
Capital Revaluation Account		21,706	21,706	21,706
Acquisition Revaluation Reserve		31,732	31,732	30,267
Pension Reserve		(198)	(198)	(181)
TOTAL RESERVES		212,868	214,318	218,426

Jon Rowney

Financial Adviser 27 June 2025

Restatement note

The Balance Sheet has been restated for a prior period adjustment relating to LondonEnergy Ltd.'s pension scheme deed (note 2). The General Balance at 31 March 2023 has been increased by £1,300k and current assets by £150k, increasing the General Balance at 31 March 2024 by £1,450k.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

GROUP CASH FLOW STATEMENT

	2023/24 £'000	2024/25 £'000
Net surplus on the provision of services	5,632	(5,241)
Adjustments to net surplus on the provision of services for non-cash movements	(44,372)	34,347
Net cash inflow from operating activities	(38,740)	29,106
Investing activities	311,093	162,830
Financing activities	-	(130,000)
Net (increase)/decrease in cash and cash equivalents	272,353	61,936
Cash and cash equivalents at the beginning of the reporting period	(552,818)	(280,465)
Cash and cash equivalents at the end of the reporting period	(280,465)	(218,529)

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

GROUP EXPENDITURE AND FUNDING ANALYSIS

2023/24 Restated				2024/25		
Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
60,346	(3,741)	56,605	Environmental and Regulatory Services	60,619	5,724	66,343
60,346	(3,741)	56,605	Net Cost of Services	60,619	5,724	66,343
(50,338)	-	(50,338)	Other Income and Expenditure	(71,127)	-	(71,127)
10,008	(3,741)	6,267	(Surplus) or Deficit	(10,508)	5,724	(4,784)
14,477			Opening Balance	5,769		
1,300			Restated Balance at 1/4/23			
(10,008)			Add Surplus/(Deficit) in Year	10,508		
5,769			Closing Balance at 31 March	16,277		

The Expenditure & Funding Analysis has been restated for a prior period adjustment relating to LondonEnergy Ltd.'s pension scheme deed (note 2). The General Balance at 1 April 2023 has been increased by £1,300k and other income has been increased by £150k, increasing the General Balance at 31 March 2024 by £1,450k.

NOTES TO THE GROUP ACCOUNTS

1. ACCOUNTS OF LONDONENERGY LTD

The 2024 accounts are currently undergoing audit and are subject to change. LondonEnergy Ltd is not required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 but with effect from 2015 it is required to prepare financial statements in accordance with Financial Reporting Standard 102.

The accounts of LondonEnergy Ltd will be obtainable once approved from the Company Secretary, LondonEnergy Ltd, Energy from Waste Plant EcoPark, Advent Way, Edmonton, London N18 3AG.

2. INVESTMENT IN LONDONENERGY LTD

Summarised balance sheet of LondonEnergy Ltd

		31-Dec-23	31-Dec-23	31-Dec-24
		£'000	Restated £'000	£'000
	Note			
LONG TERM ASSETS				
Tangible assets	4.7	3,178	3,178	3,178
Investments	4.8	7,000	7,000	7,000
		10,178	10,178	10,178
CURRENT ASSETS				
Defined benefit pension assets: amounts falling due after more than one year			1,450	2,032
Stocks		1,680	1,680	1,693
Debtors		40,852	40,852	35,302
Cash at bank and in hand		22,010	22,010	20,410
		64,542	65,992	59,437
CREDITORS: amounts falling due within one year		(39,884)	(39,884)	(25,894)
NET CURRENT ASSETS		24,658	26,108	33,543
TOTAL ASSETS LESS CURRENT LIABILITIES		34,836	36,286	43,721
PROVISIONS FOR LIABILITIES -				
Deferred tax		-	-	-
Provision	4.13	-	-	(1,600)
TOTAL PROVISIONS		-	-	(1,600)
NET ASSETS		34,836	36,286	42,121
CAPITAL AND RESERVES				
Called up share capital		31,196	31,196	31,196
Share premium		1,648	1,648	1,648
Profit and loss account		1,992	3,442	9,277
TOTAL EQUITY SHAREHOLDERS' FUNDS		34,836	36,286	42,121

Prior period adjustment

Following a review of LondonEnergy's pension scheme deed, it was determined that the company has an unconditional right to any surplus on a winding up event. The accounting surplus that historically been unrecognised has now been recognised. The opening reserves of the earliest period presented in these financial statements have been restated. The impact is to increase previously reported equity as at 1 January 2023 by £1,300k and increase previously reported net assets and total equity at 31 December 2023 by £1,450k. The adjustment has no impact on the company's reported profits or cashflows.

Statement of Accounts for the year ended 31 March 2025

3. SHARE PREMIUM RESERVE

The share premium reserve represented the Authority's 50% share of LondonEnergy Limited's share premium account.

4. NOTES TO THE GROUP ACCOUNTS

In addition to the notes and accounting policies to the Authority single-entity accounts, the following disclosures are made in respect of LondonEnergy Ltd.

Accounting Policies

4.1 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2024. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the comprehensive income and expenditure statement from the date of acquisition or up to the date of disposal.

4.2 Valuation of Investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Income and Expenditure Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

4.3 Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions has been capitalised.

4.4 Inventories

Inventories are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

4.5 Deferred Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as likely that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

4.6 Pensions

LondonEnergy Ltd operates a defined benefits pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

The pension charge is based on the latest actuarial valuation.

For the defined benefit scheme, the company recognises the net assets or liabilities of the scheme in the balance sheet, net of any related deferred tax liability or asset. The changes in scheme assets and liabilities, based on actuarial advice are as follows:

- a. The current service cost based on the most recent actuarial valuation is deducted in arriving at operating profit.

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- b. The interest cost, based on the present value of the scheme liabilities and the discount rate at the beginning of the year and amended for changes in scheme liabilities during the year, is included as interest.
- c. The expected return on scheme assets, based on the fair value of scheme assets and expected rates of return at the beginning of the year and amended for changes in the scheme assets during the year, is included as interest.
- d. Actuarial gains and losses, representing differences between the expected return and actual return on scheme assets, differences between the actuarial assumptions underlying the scheme liabilities and actual experience during the year, and changes in actuarial assumptions, are recognised in the movement in reserves statement.
- e. Past service costs are spread evenly over the period in which the increases in benefit vest and are deducted in arriving at operating profit. If an increase in benefits vests immediately, the cost is recognised immediately.
- f. Gains and losses arising from settlements or curtailments not covered by actuarial assumptions, are included in operating profit.

4.7 Non-Current Assets and Depreciation

The non-current assets of LondonEnergy Ltd are included in its financial statements at depreciated historical cost. This is not in accordance with The Code which permits this method of depreciation only for small value assets with short lives and where no other approach is practicable. Moreover, the Company values its freehold land at historic cost. Accordingly, the Authority commissioned Savills chartered surveyors to value the Company's land, buildings, plant and machinery at 31 March on an existing use value basis. The conclusions from Savills' investigations are reflected in the Group financial statements and in the table below. Vehicles and office equipment were outside the scope of Savills' work and are included at depreciated historical cost. The depreciation rates used for these assets are within the range 12.5% and 25%.

The non-current assets of the North London Waste Authority are as set out in Authority's statements and notes. The Authority has two depreciable assets – a waste transfer station and yard at Hornsey Street in the London Borough of Islington and a water pumping station in Edmonton in the London Borough of Enfield. For these assets, depreciation is calculated on a straight-line basis over 20 years and 9 years, respectively. This is in accordance with advice sought from the valuer. The Authority also has a land holding at Pinkham Way in the London Borough of Haringey. Land is not depreciated. All assets are valued on a five-year cycle and impairment reviews are undertaken in the interim years.

Prior Period Adjustment

Following an impairment review, the value of London Energy Ltd.'s property plant and equipment (PPE) were impaired by £31.3m in 2022. In previous accounts, the accounting adjustments made to Property Plant & Equipment the group accounts relating to accumulated depreciation were incorrect. The Accounts have been restated by increasing the opening balance for depreciation and the valuation of PPE by £75,178k. This corrects the depreciation while keeping the reported netbook value the same. The tables below contain both the 2023/24 value previously reported and the restated figures

North London Waste Authority

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PROPERTY, PLANT & EQUIPMENT

Movement on balances in 2024/25

	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Leases	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2024	182,662	142	774,712	-	957,517
Additions,	-	-	163,055	5,257	168,311
Disposals	-	-	-	-	-
Transfer between classes	232,354	27,603	(259,957)	-	-
Revaluation	(1,479)	-	-	-	(1,479)
At 31 March 2025	413,537	27,745	677,810	5,257	1,124,349
Depreciation and Impairment					
At 1 April 2024	1,467	28	-	-	1,495
Depreciation Charge	9,160	1,665	-	1,220	12,044
Disposals	-	-	-	-	-
At 31 March 2025	10,627	1,693	-	1,220	13,539
Net Book Value at 31 March 2025	402,911	26,052	677,810	4,037	1,110,810
Net Book Value at 31 March 2024	181,195	114	774,712	-	956,022

Comparative movement on balances in 2023/24 (Restated)

	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Leases	Total
	£'000	£'000	£'000	£'000	£'000
Cost or Valuation					
At 1 April 2023	181,462	142	464,351	-	645,955
Additions,	-	-	310,361	-	310,361
Disposals	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Revaluation	1,200	-	-	-	1,200
At 31 March 2024	182,662	142	774,712	-	957,517
Depreciation and Impairment					
At 1 April 2023	52	-	-	-	52
Depreciation Charge	1,415	28	-	-	1,443
Disposals	-	-	-	-	-
At 31 March 2024	1,467	28	-	-	1,495
Net Book Value at 31 March 2024	181,195	114	774,712	-	956,022
Net Book Value at 31 March 2023	181,410	142	464,351	-	645,903

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As reported in 2023/24

Movement on balances in 2023/24

	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000
Cost or Valuation				
At 1 April 2023	106,284	142	464,351	570,777
Additions,	-	-	310,361	310,361
Disposals	-	-	-	-
Transfer between classes	-	-	-	-
Revaluation	1,200	-	-	1,200
At 31 March 2024	107,484	142	774,712	882,339
Depreciation and Impairment				
At 1 April 2023	(75,126)	-	-	(75,126)
Depreciation Charge	1,415	28	-	1,443
Disposals	-	-	-	-
At 31 March 2024	(73,711)	28	-	(73,683)
Net Book Value at 31 March 2024	181,195	114	774,712	956,022
Net Book Value at 31 March 2023	181,410	142	464,351	645,903

4.8 Long Term Investments

On 31 December 2021, LondonEnergy Ltd invested in Lime Street Insurance Guernsey PCC Ltd, a protected cell company. It acquired 7,000,000 non-voting cell shares of £1 each.

4.9 Acquisition Note

On 22 December 2009, the Authority acquired the remaining 50% of its joint venture, LondonEnergy Limited. LondonEnergy Limited is fully consolidated in these financial statements. The acquisition has been accounted for using acquisition accounting. The goodwill arising at acquisition of £50.213m was capitalised.

The 2009 accounts for LondonEnergy Ltd showed that the Company's net assets (EcoPark) were valued at £46.327m at 31 December 2009. The Code of Practice requires the Authority to take into account the estimated fair value of LondonEnergy Ltd at the balance sheet date and therefore in preparing its 2009/10 accounts the Authority determined this to be £94.577m after a positive adjustment of £48.250m to the Company's non-current assets.

In December 2020, NLWA entered into a 999-year lease with LondonEnergy Ltd for 73% of the area of the EcoPark for £17.3m (including stamp duty).

For the purposes of ensuring that the 2024/25 group accounts were prepared in accordance with International Financial Reporting Standards (IFRS), the Authority commissioned chartered surveyors Savills to value the EcoPark land, at 31 March 2025. Savills concluded that the fair value of the remaining 23% of the EcoPark land belonging to LondonEnergy Ltd. was £40.695m (2023/24: £42.160m for the land and buildings combined), a decrease of £1.465m. This adjustment has been reflected in the group balance sheet.

The increase in the net assets on acquisition of LondonEnergy Ltd gave rise to an increase in value which is recorded in an Acquisition Revaluation Reserve in the sum of £24.125m and included in the 2009/10 group accounts. Annual valuations undertaken since then to March 2024 have increased this reserve to £30.267m (2022/23 £31.732m).

North London Waste Authority

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4.10 Long Term Investments

Goodwill is reviewed annually to consider whether the recoverable amount is higher than the carrying amount. At the End of March 2025, the amount of goodwill has not been further impaired following a review. The review of the fair value, less costs of disposal showed that the value was greater than the carrying amount of £31.865m (2023/24 £31.865m).

4.11 Analysis of Current Assets

	31 March 2024	32 March 2024 Restated	31 March 2025
	£'000	£'000	£'000
HM Revenue and Customs	27,188	27,188	14,312
Other debtors	24,408	24,408	31,763
Inventories	1,680	1,680	1,693
Defined Benefit Pensions Assets	-	1,450	2,032
Cash and cash equivalents	280,465	280,465	218,529
	<u>333,741</u>	<u>335,191</u>	<u>268,329</u>

Current assets have been restated to reflect the additional £1,450k of Defined Benefit Pension Assets included in LondonEnergy Ltd.'s restated accounts.

4.12 Analysis of Current Liabilities

	31 March 2024	31 March 2025
	£'000	£'000
Short Term Borrowings	(14,013)	(5,544)
Other Creditors	(106,617)	(55,428)
Central Government	(4,932)	(2,764)
	<u>(125,562)</u>	<u>(63,736)</u>

4.13 Other Long Term Liabilities

A provision has been included that reflects management's best estimate of ensuring that it can comply with obligations relating to its operations and a provision of £1.600m has been recorded (2023/24 nil).