

## **NORTH LONDON WASTE AUTHORITY**

**REPORT TITLE:** 2024/25 STATEMENT OF ACCOUNTS

**REPORT OF:** THE FINANCIAL ADVISER

**FOR SUBMISSION TO:** AUDIT AND GOVERNANCE COMMITTEE

**DATE:** 12 FEBRUARY 2026

### **SUMMARY OF REPORT:**

This report summarises the draft Audit Completion Report from Forvis Mazars LLP, the Authority's external auditor, in relation to the audit of the Authority's 2024/25 Final Accounts. It also includes detail on the outstanding items that are under review.

### **RECOMMENDATIONS:**

The Audit and Governance Committee is recommended to:

- A. Note the external auditor's draft Audit Completion Report
- B. Receive any oral update from the Authority's auditors
- C. Authorise the Director of Corporate Services to sign the 2024/25 letter of management representation as drafted at the end of Appendix A
- D. Approve the Authority's 2024/25 Annual Governance Statement, part of Appendix B, and authorise the Audit and Governance Committee Chair and Clerk to sign it.
- E. Approve the Authority's 2024/25 Statement of Accounts in Appendix B and authorise the Director of Corporate Services, following consultation with the Chair of the Audit and Governance Committee, to agree any remaining amendments to the Statement of Accounts as the auditors complete any final outstanding matters.

**SIGNED:** Daniel Omisore, Financial Adviser

**DATE:** 2 February 2026

## **1. INTRODUCTION**

- 1.1. The Authority's financial statements are prepared in accordance with International Financial Reporting Standards and provide an important means by which the Authority accounts for its stewardship of public funds. They were also prepared in line with The Accounts and Audit Regulations 2015, as amended by the Accounts and Audit (Amendment) Regulations 2024.
- 1.2. Work on the audit of the 2024/25 accounts is substantially complete although at the point of preparing this report, work continued on some areas. The External Auditor has provided a draft Audit Completion Report (ACR) that presents their findings as well as the corrections and amendments that have been identified in the draft accounts.
- 1.3. Following nationwide issues in the audit of local government accounts arising from a post-Covid backlog the Government implemented a set of backstop dates that meant that the Authority's 2023/24 financial statement received a disclaimed opinion as there was insufficient time to complete an audit before the deadline for that year.
- 1.4. Although Forvis Mazars have conducted a full audit of the 2024/25 accounts, they will not be able to obtain sufficient assurance on the opening balances arising from the disclaimed 2023/24 financial statements before the backstop deadline on 27 February 2026. As a result, the 2024/25 financial statements will also be disclaimed. This assurance work will be completed at a later date which will be agreed with the auditors.
- 1.5. In implementing the backstop deadlines, the Ministry for Housing Communities and Local Government, the National Audit Office (NAO) and the Financial Reporting Council (FRC) have been clear that where authorities receive a disclaimed audit opinion that this should not reflect poorly on the authority.

## **2. BACKGROUND**

- 2.1. The issues surrounding Local Government audits and the backlog of financial accounts has been well documented. This was exacerbated during the COVID period which prevented audits from taking place in-person and had to be conducted remotely. In response to the national backlog, during 2024, the government implemented a series of backstop date for both prior and future years. These dates define the point at which local authorities must report accounts, whether or not auditors had completed their work on the accounts.
- 2.2. The Accounts and Audit (Amendment) Regulations 2024, which came into force on 30th September 2024 specified the deadline for the completion of audits for each

financial year up to the 2027/28 financial year, with the deadline becoming earlier over time.

<b>Financial Year</b>	<b>Backstop Deadline</b>
2022/23 and earlier	13 December 2024
2023/24	28 February 2025
2024/25	27 February 2026
2025/26	31 January 2027
2026/27	30 November 2027
2027/28	30 November 2028

- 2.3. The audit of the 2022/23 financial statements was completed in advance of the backstop date of December 2024 and the Authority received an unqualified opinion. The backstop date for 2023/24 was in February 2025 and given the short time between the two backstop dates a full audit of the financial statements was not possible. The 2023/24 accounts received a disclaimed opinion.
- 2.4. Following a disclaimer of opinion, it is acknowledged that a process of rebuilding assurance will need to take place over subsequent audits, as auditors test prior year data and gain confirmation over prior year comparator movements and balances.

### **3. 2024/25 ACCOUNTS**

- 3.1. Officers published the unaudited statement of accounts for 2024/25 on 27 June 2025, in advance of the statutory deadline. The Statement of Accounts includes Group accounts for the Authority and LondonEnergy Ltd (LEL). It should be noted that the financial year for LEL ends on 31 December, whereas the Authority's year-end is 31 March.
- 3.2. The Audit has been undertaken by Forvis Mazars. They are also the auditors for the London Borough of Camden, who provide the Authority with internal audit, financial systems, treasury management, as well as accounts payable and receivable support.
- 3.3. The Authority is required to have a 30-day public inspection period. This period ran from 1 July to 11 August 2025.
- 3.4. As the responsible financial officer, the Financial Adviser is required to report to the Authority on any material amendments made as a result of the audit. Similarly, auditing standards placed on the auditor requires that an Audit Completion Report be presented, setting out the key issues that Members should consider before the audit is completed and before the auditor issues a formal opinion on the Authority's accounts. The draft Audit Completion Report is attached at Appendix A.

- 3.5. The 2024/25 accounts contained two significant changes, both in relation to Property, Plant and Equipment. In April 2024, the Authority brought the Resource Recovery Facility (RRF) into use and the EcoPark RRC and EcoPark house and opened during the financial year. This brought a significant change to the Authority's fixed asset portfolio.
- 3.6. In addition, the international accounting standard for leases was introduced for local authorities, meaning that the treatment for the Authority's leases of the Wembley transfer station and its offices at Berol House changed.

#### **4. KEY MESSAGES IN THE AUDIT COMPLETION REPORT**

- 4.1. Section 1 of The Audit Strategy and Completion Report in Appendix A outlines the auditor's approach to the audit in light of the backstop and the status of the audit and the work required to complete it is explained in section 2. Section 4 outlines the findings to date and identifies the areas of work that are ongoing.

##### **Property, Plant & Equipment**

- 4.2. The Authority's valuers are reviewing their work at the request of the auditors to ensure that work undertaken in relation to the valuation of the new buildings that have been brought into use is correct and complete. The valuer is expected to complete this work in advance of this meeting.
- 4.3. In addition, Authority officers are discussing the treatment of lease costs dating back to 2020. Although these have been reviewed by the auditors in previous years, the implementation of the new leasing standard has caused Forvis Mazars to change their view of the treatment. Officers are collaborating with the auditors to resolve this issue.
- 4.4. In the 2022/23 group accounts, the value of the existing energy from waste plant was fully written down to nil value due to its expected limited life. Forvis Mazars have challenged this given the current delays to the NLHPP, meaning that the plant will have a longer life. The Authority's valuers are working on a new valuation which is expected to have been received by the time of this meeting.

#### **5. VALUE FOR MONEY CONCLUSION**

- 5.1. Forvis Mazars have completed their work on the Authority's arrangements, and this is included in section 7 of their report. It confirms that there are no matters to report in respect of significant weaknesses.

#### **6. AUDIT OPINION**

- 6.1. It is expected that the full audit of the 2024/25 balances will be completed in advance of the backstop date and that all outstanding items will be resolved.

However, Forvis Mazars will need to conduct testing of the 2023/24 balances and reserve movements to complete their work to rebuild assurance. This work will take place in future, after the backstop deadline for these accounts. Forvis Mazars will issue a disclaimed opinion on the 2024/25 statements.

### **Basis for the Disclaimer of Opinion**

- 6.2. Appendix B of the Auditor's report contains the basis for the disclaimer of opinion:
  - 6.2.1. On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Authority to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2025, by 27 February 2026 ('the backstop date').
  - 6.2.2. On 28 February 2025, we issued a disclaimer of opinion in relation to the financial statements for the year ended 31 March 2024 as there was insufficient time to perform all necessary audit procedures to obtain sufficient appropriate evidence upon which to form an opinion before the relevant backstop date(specified in the Amendment Regulations).
  - 6.2.3. The National Audit Office issued guidance to auditors on rebuilding assurance following backstop-related disclaimers of opinion through Local Audit Reset and Recovery Implementation Guidance 06 ("LARRIG 06") in June 2025. We have had regard to LARRIG 06 and other relevant guidance and determined that there is not sufficient time to carry out the procedures we deem necessary to rebuild assurance. As a result, we are not able to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements for the year ended 31 March 2025 before the 2026 backstop date.

## **7. NEXT STEPS**

- 7.1. Officers will continue to work with Forvis Mazars to resolve the outstanding issues. Once this work is complete, delegation is sought to allow the Director of Corporate Services, following consultation with the Chair of the Audit and Governance Committee, to agree any remaining amendments to the statement of accounts. Any significant changes will be reported to the next full Authority meeting with the audit letter confirming the conclusion of the audit.
- 7.2. Forvis Mazars will be able to issue this opinion once the Authority provides the letter of management representation and approves the Statement of Accounts.
- 7.3. The Authority is recommended to authorise the Financial Adviser or Director of Corporate Services to sign the 2024/25 letter of management representation. The

draft letter, as proposed by the Auditor, is included on pages 26-29 of Appendix A of their report.

7.4. The draft 2024/25 statement of accounts, including the Annual Governance Statement is included at Appendix B and Members are asked to approve this and authorise the Audit and Governance Committee Chair and Clerk to sign these documents.

## **8. CONCLUSION**

8.1. Subject to the auditor providing an oral update, members are asked to:

- 8.1.1. note the Audit completion report;
- 8.1.2. authorise the Financial Adviser or Director of Corporate Services to sign the 2024/25 letter of management representation; and
- 8.1.3. approve the Authority's 2024/25 Statement of Accounts and Annual Governance Statement and delegate to the Financial Adviser, following consultation with the Chair of the Audit and Governance Committee, to approve any remaining amendments to the statement of accounts.

## **9. EQUALITIES IMPLICATIONS**

9.1. There are no equalities implications arising from this report.

## **10. COMMENTS OF THE LEGAL ADVISER**

10.1. The Legal Adviser has been consulted in the preparation of this report and comments have been incorporated.

### **List of documents used:**

Mazars' Audit Strategy and Completion report 2024/25

North London Waste Authority statement of accounts 2024/25

### **Contact officer:**

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25 Ashley Road  
London N17 9LJ

**APPENDIX A      AUDIT COMPLETION REPORT**



# **Audit Completion Report**

## **North London Waste Authority – year ended 31 March 2025**

For the 12<sup>th</sup> February 2026 Meeting of the Audit and Governance Committee

North London Waste Authority Audit Committee  
Unit 1B, Berol House  
25 Ashley Road  
London  
N17 9LJ

30 January 2026

Forvis Mazars  
30 Old Bailey  
London  
EC4M 7AU

Dear Committee Members,

### **Audit Completion Report – Year ended 31 March 2025**

We are pleased to present our Audit Completion Report for the year ended 31 March 2025 which follows the update we presented to the Members of Audit and Governance Committee meeting on 12 February 2026. The purpose of this document is to summarise our audit conclusions. The scope of our work, including identified significant audit risks, and other key judgement areas, was outlined in our Audit Strategy Memorandum, which we provided in October 2025.

This report is intended solely for the Members of Audit and Governance Committee for the purpose of communicating certain matters that, in our professional judgement, are relevant to your oversight of the financial reporting process. To the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk.

We appreciate the courtesy and co-operation extended to us by North London Waste Authority throughout our audit. We would be happy to discuss the contents of this report, or any other matters regarding our audit, with you in more detail.

Yours faithfully



Suresh Patel  
Forvis Mazars LLP

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Our reports are prepared in the context of the 'Statement of Responsibilities of auditors and audited bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. Reports and letters prepared by appointed auditors and addressed to the Authority are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

# 01

## Executive Summary

# Executive summary

## Scope

We have been engaged to audit the financial statements of North London Waste Authority for the year ended 31 March 2025 which are prepared in accordance with the 2024/25 Code of Practice on Local Authority Accounting. Our audit of the financial statements will be conducted in accordance with International Standards on Auditing (UK), relevant ethical and professional standards, our own audit methodology, and in accordance with the Code of Audit Practice.

We have reported to the Committee during 2025 that we planned to complete testing on the Authority's closing balances for 2024/25. As such, we have included in this report our findings against the significant audit risks and areas of focus we identified in our audit strategy memorandum that we communicated to the Committee in October 2025.

## Impact of the backstop legislation

Under normal circumstances, our objectives would be to form and express an opinion on whether the financial statements present a true and fair view of the Authority's financial affairs for the year and whether they have been prepared, in all material respects, in accordance with the Code of Practice on Local Authority Accounting.

A range of factors have led to a backlog in financial reporting in recent years. Legislation passed by government in 2024 (the Accounts and Audit (Amendment) Regulations 2024) addresses the backlog by introducing a 'backstop date' for the publication of financial statements, even if the audits had not been completed. This is intended to enable the sector to focus on the current financial position rather than historic information.

We issued a disclaimed opinion on your financial statements for 2023/24 financial year due to the time constraints presented by the backstop date. This meant we did not express an opinion on those financial statements, and as such we do not have assurance over the opening balances in the 2024/25 financial statements. We include further information on the procedures we have undertaken with the aim of issuing a disclaimer of opinion in advance of the backstop date in section 3.

The NAO published Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06 in June 2025. This guidance set out the procedures auditors may undertake to obtain sufficient appropriate evidence over opening balances when previous year's audits have been disclaimed. The guidance acknowledged that how long it will take to rebuild assurance will vary between audit engagements and according to each audit's particular circumstances.

It has not been possible to complete sufficient procedures on the opening balances in the 2024/25 accounts by the backstop date. For this reason, we will be issuing a disclaimed opinion in time for the

Authority to publish its financial statements by the backstop date of 27 February 2026 as required by the relevant legislation. We have included our proposed audit report in Appendix B. When an opinion is disclaimed the auditor does not express an opinion on the financial statements and, consequently, no assurance is provided on the financial statements.

## Rebuilding assurance

We will be discussing with officers in March our plans to commence rebuilding assurance as part of the 2025/26 audit.

## Areas of focus and audit approach, and significant findings

When we issue a disclaimed opinion, we do not express an opinion on the financial statements. When this type of opinion is issued, we are not required to undertake all of the work necessary to identify significant risks and other areas of focus relevant to the current year's audit. The procedures we have undertaken are limited to those we are required to complete to issue a disclaimed opinion for the 2024/25 financial year as we have decided that this is the most efficient approach to rebuilding assurance as we work towards being in a position to issue a non-disclaimed opinion as soon as possible.

## Internal control recommendations and misstatements

Despite our intention to issue a disclaimer of opinion, where matters come to our attention through the course of our audit, we may be required to report these to you. We have identified no significant deficiencies in internal control. As our audit is in progress we have yet to agree with management misstatements in the draft financial statements.

## Value for Money

We shared our Draft Auditor's Annual Report to the Committee in November 2025 and reported we found no significant weaknesses in arrangements to report in relation to the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources. We provide further details in the 'Value for Money' section of this report.

# Executive summary

## **Wider reporting powers**

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Authority and to consider any objection made to the accounts. We received such no objection on the 2024/25 accounts.

## **Reporting to the group auditor**

We anticipate completing our work on the Authority's WGA submission, in line with the group instructions issued by the NAO. We anticipate reporting that the WGA submission is consistent with the audited financial statements.

## **Independence**

We can confirm that no new threats to independence have been identified since issuing the Audit Strategy Memorandum and therefore we remain independent.

# 02

## Status of the audit

# Status of our audit

Our audit work on the closing balances for 2024/25 is substantially complete, subject to the satisfactory resolution of the outstanding matters set out below.

Audit area	Status	Description of the outstanding matters	Status
IFRS16 - Leases	●	We are currently in discussion with management about the capitalisation lease expenditure. See page 17 for further details.	Likely to result in a material adjustment or a significant change to disclosures in the financial statements.
Property, plant and equipment (PPE)	●	1. Work in progress. There are outstanding queries with the Authority Valuers which arose from our internal Property Team's review of their methodology and approach. 2. We identified an error in the valuation of old LEL building which had been fully impaired in 2022/23. In our view the building needs revaluation and inclusion on the balance sheet as the conditions of impairment did not exist in 2024/25. The Authority's Valuer is currently considering the valuation. 3. The PPE disclosure and balances will be affected by the above.	Potential to result in a material adjustment or a significant change to disclosures in the financial statements.
Group Accounts	●	1. We are reviewing the component auditor's response to our instructions by the London Energy Limited (LEL). 2. Our testing of the group consolidation workings is in progress.	Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.
Laws and Regulation	●	We are waiting for management's decision on a HMRC VAT demand notice received post year end. The outcome will determine the appropriate disclosure in the financial statements.	
Review of financial statements	●	We will review the final updated version of the financial statements on receipt.	Work on value for money arrangements
Review of Annual report and AGS	●	Our review of the content of the AGS and Annual report to confirm consistency with the financial statements is yet to be completed.	
Final review and completion procedures	●	We are required to complete our final review and completion procedures including our review of the audit file by the Engagement Partner.	
Events after the reporting period	●	We are required to review events occurring after the reporting period up until the date on which the audit report is signed.	
File closure procedures	●	Once we are satisfied with the final version of the financial statements and upon receipt of management's letter of representation, we will complete our standard file closure procedures.	
Value for money	●	Completed and reported to the Audit and Governance Committee	

# 03

## Audit approach, risk summary and fees

# Audit Approach, risk summary and fees

## Changes to our audit approach

Since we issued our Audit Strategy Memorandum issued in October 2025, we have determined that there is insufficient time to commence the rebuilding assurance phase of the Government's backstop requirements. As a result, we will be issuing a disclaimed opinion.

## Materiality

We set materiality thresholds of 2% of Gross Revenue Expenditure for the group financial statements, and 2% of Gross Revenue Expenditure for the Authority's single entity statements. Our provisional overall materiality at the planning stage of the audit was set at £3.014 million for the group. Performance materiality was set at £2.411 million. For the single entity statements, we set overall materiality at £1.778 million. Performance materiality was set at £1.442 million.

During the audit field work based on the numbers as per the draft financial statements, our overall materiality at the interim stage of the audit was set at £2.995 million for the group. Performance materiality was set at £2.396 million. For the single entity statements, we set overall materiality at £1.970 million. Performance materiality was set at £1.576 million.

## Group audit approach – Full audit

The Authority has one wholly owned subsidiary, the LondonEnergy Limited (LEL).

We engaged and communicated with the auditor of LEL, formally through issuing group instructions and less formally with update calls and emails. There were delays in response to our instructions by the component auditors, we are reviewing the auditor's response to our instructions and have reviewed the work they carried out on the audit risks we identified for the Group accounts.

We will provide a verbal update on this to the committee in the meeting.

## Service organisations

The Authority has made use of the London Borough of Camden as a service organisation for the following:

- Financial systems used for producing the statement of accounts; and
- Financial instrument valuations.

## Management's and our experts

Management makes use of experts in specific areas when preparing the Authority's financial statements. We also use experts to assist us to obtain sufficient appropriate audit evidence on specific items of account.

Item of account	Management's expert	Our expert
Defined benefit liability	Barnett Waddingham (London Pension Fund Authority - LPFA)	We made use of PWC actuarial services who are commissioned by the NAO to review the national analysis of pension trends and assumptions of the various LGPS actuaries.
Property, plant and equipment valuation	Savills	We reviewed the analysis of property valuation movements available from third parties and consider the outcome of the Authority's valuations in comparison with these, challenging conclusions as appropriate.
Financial systems used for the production of the statement of accounts.	London Borough of Camden	We obtained assurance by understanding the process and controls that the Authority has in place to assure itself that transactions are processed materially correctly.
Financial instrument valuations	London Borough of Camden	Our testing obtained confirmation of the nature and value of the sums invested by LB Camden on behalf of the Authority directly from LB Camden's auditors (Forvis Mazars LLP).
		Our work also included testing that the disclosures relating to the nature and fair value of the investments are appropriately disclosed in the Authority's financial statements.

# Audit approach, risk summary and fees

## Risk Summary

We report below the two significant risks we highlighted in the Audit Strategy Memorandum.

	Audit risk/ key area of judgement	Fraud risk	Judgement	Error	Substantive audit procedures	Tests of controls	Misstatement identified	Control recommendations	Conclusion	Page ref to finding
Significant risks										
	Management override of controls	●	●	●	●	○	○	○	Risk satisfactorily addressed	15
	Valuation of Property, Plant and Equipment	○	●	●	●	○	○	○	Items outstanding still to be completed in advance of Audit and Governance Committee meeting – refer to the section titled 'Status of our audit'.	16

# Audit approach, risk summary and fees

## Fees for our work as Auditor

Our fees (exclusive of VAT and disbursements) as the Authority's appointed for the year ended 31 March 2025 are outlined below. They are subject to agreement with the Director of Corporate Services.

Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit. The main aspects impacting upon the fee this year when compared to the prior year are higher scale fees set by PSAA and additional work to address risks.

Area of work	2024-25 Proposed Fee	2023-24 Actual Fee
Code Audit Work (scale fee)	£100,869	£89,712
Additional work:		
• Value for money risk of significant weakness (note 1)	£5,000	-
• On the group accounts and ISA 600 (revised) (note 2)	£2,500	-
• Accounting for leases and property valuation issues (note 3)	£10,000 - £15,000	
<b>Total fees</b>	<b>TBC</b>	<b>89,712</b>

### Notes:

1. We identified a risk of significant weakness in respect of the Authority's management of the North London Heat and Power Plant (NLHPP) project and delays to delivery of the ERF facility by the contractor. We reported our work and findings in the Auditor's Annual Report. In line with PSAA's guidance, this work is in addition to the scale fee.
2. The auditing standards relating to auditing group accounts, ISA 600 was revised in 2023 impacting the 2024/25 audit, increasing the requirements on auditors.
3. The Authority has implemented a new accounting standard, IFRS16, in respect of lease accounting for the first time in 2024/25. In addition we identified an issue with lease accounting. This has necessitated additional auditor input, including engaging our Accounting Technical Specialists. In addition, we have spent additional time dealing with issues arising with property, plant and equipment valuations, as well as engaging our own valuation experts to support our work auditing the valuation of the RRF. This work remains in progress, which is why we are reporting a range of additional fees.

# 04

## Significant findings

# Significant findings

## Background and modification of the audit opinion

As part of our longer-term approach to rebuilding assurance, we have not completed sufficient audit procedures as part of the current year's audit to enable us to provide an unmodified opinion on the Authority's financial statements. As we have determined that the effects, or potential effects, on the financial statements of the lack of sufficient appropriate evidence are pervasive, we will be issuing a disclaimed opinion which means we are expressing no opinion on the financial statements.

Appendix B sets out our draft audit report which explains the basis of our disclaimer of opinion being the fact we will not have been able to rebuild assurance in respect of opening balances by 27 February 2026 after issuing a disclaimed opinions in previous year(s) as a result of the backstop arrangements.

Members will note that the draft audit report does not report on other matters that would usually appear in an unmodified audit report. These include:

- the use of the going concern assumption in the preparation of the financial statements; and
- the consistency of the other information presented with the financial statements.

Although we are disclaiming our audit opinion, auditing standards require us to report matters to you that have come to our attention during the course of our audit, which we include in this section of this report.

## Significant matters discussed with management

We have discussed with management the issues we report on pages 17 and 18 in respect of lease accounting and the valuation of property, plant and equipment.

As part of our audit, we sought and obtained information from management in relation to actual or suspected non-compliance with laws and regulations, and any actual or suspected fraud which could materially impact upon the financial statements.

Based on our review of the information received, we have no matters to report in relation to fraud and the Authority's compliance with laws and regulations. We have not undertaken any further work in these areas and do not provide any assurance that the financial statements are free from material error.

## Significant difficulties during the audit

We encountered no significant difficulties during our audit and had no significant disagreements with management. There was effective co-operation and communication between Forvis Mazars, management, and Members of Audit and Governance Committee during our audit. All requested information and explanations were provided to us.

## Other matters of significance

Other matters we are required by ISA (UK) 260 *Communication with Those Charged with Governance* to communicate to you have been set out in Appendix C.

## Wider responsibilities

Our powers and responsibilities under the 2014 Act are broad and include the ability to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to law; and
- issue an advisory notice under schedule 8 of the 2014 Act.

We have not exercised any of these powers as part of our 2024/25 audit.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We received no such objection on the 2024/25 accounts.

# Significant findings

## Significant risk – management override of controls

### Description of risk

This is a mandatory significant risk on all audits due to the unpredictable way in which such override could occur.

Management at various levels within an organisation are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. The unpredictable way in which such override could occur means there is a risk of material misstatement due to fraud.

### Our audit response

We addressed this risk by carrying out audit work in the following areas:

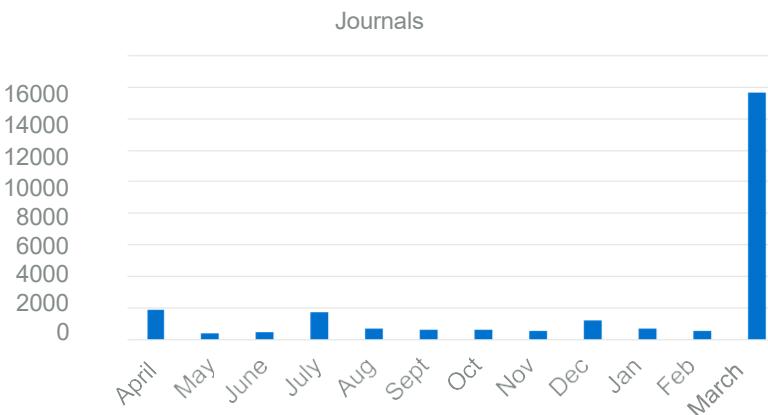
- accounting estimates impacting amounts included in the financial statements;
- consideration of identified significant transactions outside the normal course of business; and
- journals recorded in the general ledger and other adjustments made in preparation of the financial statements.

Our work on journals included identifying and analysing the total population of journals posted in the general ledger of the Authority during the year and as part of the account's preparation process. We identified a range of fraud risk factors that we then applied to the population and tested the validity of any journals that we identified for testing.

### Analysis of our work performed

The analysis below details the Authority's posting pattern for the number of lines posted to the general ledger month by month in the form of manual journals.

In total, 15,392 journal lines were posted to the ledger. The spike in March is within our expectations as this is when year-end adjustments related to the preparation of the financial statements are posted.



We analysed these in line with our 'high risk criteria'. This identified a sample of 68 journals (1450 lines) that displayed characteristics indicating that they could be subject to management override of controls. These lines were subject to detailed testing, which involved agreement of the selected items back to sufficient appropriate evidence. This work did not identify any instances of management override of control.

Following the completion of our audit work until the date of writing this report, we performed a full stand back assessment of the material estimates tested as part of our wider audit. We identified no characteristics of management bias. We have not identified any significant transactions outside the normal course of business.

### Audit conclusion

We have completed our planned procedures to date and have no matters to report. Audit work relating to the valuation of property, plant and equipment remains ongoing, as it involves significant management judgement and estimation.

# Significant findings

## Significant risk – Valuation of property, plant and equipment

### Description of risk

Where an Authority's assets are subject to revaluation, the Code requires that the carrying value should reflect the appropriate fair value as at the year end. The Authority has adopted a rolling revaluation model which sees all land and buildings revalued in a five-year cycle.

Estimation of fair values is subject to complex estimation. This creates a risk that the carrying value of those assets revalued in the year are materially mis-stated. Due to the high degree of estimation uncertainty associated with valuations, we have determined there is a significant risk in this area.

### Our audit response

We addressed this risk by reviewing the approach adopted by the Authority to assess the risk that assets not subject to valuation at year end were not materially misstated and considered the robustness of that approach. We also assessed the risk of the valuation changing materially in year, considering the movement in market indices between revaluation dates and the year end, in order to determine whether these indicated that fair values had moved materially.

We obtained assurances from management that they have appropriately challenged the work of their experts.

In addition, for those assets which have been revalued during the year we:

- assessed the valuer's qualifications;
- assessed the valuer's objectivity and independence;
- reviewed the methodology used;
- For a sample of assets, performed testing of the associated underlying data and assumptions; and
- Ensured the accounting treatment of the valuation and associated movements is compliant with relevant accounting framework.

### Analysis of work performed

The draft accounts showed Land and buildings with a value of £362.2m and assets under construction at £677.8m. Land and buildings primarily being made up of the Edmonton EcoPark and Pinkham Way and Hornsey Street sites (valued on DRC basis), and buildings of RRF facility worth £232.3m constructed for North London Heat and Power Project and became operational in 2024/25. Assets Under Construction relating almost entirely to the North London Heat and Power Project.

We selected our samples in line with our methodology for testing a significant risk. The samples selected provided 94% coverage of the total population of revalued assets within the year.

### Conclusion

Our audit work on the valuation of property, plant and equipment is ongoing, and we will provide a verbal update at the Committee meeting. We have identified two issues, detailed on the following pages, which have been brought to management's attention for consideration.

# Significant findings

## Significant risk – Valuation of property, plant and equipment

### Audit conclusion

As outlined in Section 2, our work on this area is in progress and we will provide verbal update in the Audit and Governance Committee meeting. During our testing we have noted the following two issues, which the Authority is working on at the of writing of this report:

**1. Capitalisation of lease rental:** The original schedule for the North London Heat and Power Project (NLHPP) anticipated that construction of the new Energy Recovery Facility (ERF) in the northern section of the EcoPark would commence following completion of the Resource Recovery Facility (RRF) in the southern section. Management subsequently recognised that tying the start of ERF ground-clearance works entirely to the RRF's operational readiness posed significant timing risks. To mitigate this, management decided to lease the Seneca Recovery Centre for up to seven years, enabling early clearance of the northern area and allowing ERF groundwork to begin ahead of the RRF becoming fully operational.

Management viewed a portion of the Seneca lease cost as a prudent investment directly attributable to the ERF's construction. Accordingly, £5.255 million of the lease cost was proposed for capitalisation within the NLHPP (ERF) over the seven-year lease term. The approach involved capitalising 80% of the increased lease cost until the RRF was completed, reducing to 50% thereafter. As a result of this decision taken in 2020/21, a total lease rental of £3.569 million has been capitalised within the Assets Under Construction balance as at 31 March 2025 (refer to Note 5 of the Statement of Accounts).

Having reviewed our prior year files, we can confirm that we had previously tested this expenditure in 2021/22 and 2022/23. At that time, we accepted management's judgement that the expenditure met the criteria for capitalisation. However, since those audits, our testing on management judgements and those in respect of capitalisation of expenditure has become more granular and challenging. In addition, our 2024/25 testing has also been cognisant of it being first year of implementing IFRS 16 lease accounting.

We are currently challenging management on the evidence that they can provide to demonstrate that the Seneca lease meets the criteria under the relevant accounting standard (IAS16), that the cost of an item of property, plant and equipment includes only those costs directly attributable to bringing the asset to the location and condition necessary for it to operate as intended. At the date of this report, we are engaged with management on this matter and will provide a verbal update to the Committee.

# Significant findings

## Significant risk – Valuation of property, plant and equipment

### Audit conclusion

**2. Impairment reassessment not done for the LEL fully amortised facility:** As per Note 2 of 2022-23 group accounts, *'LondonEnergy's accounts for the year ended December 2022 note that as a result of the Authority signing a contract to build a new Energy Recovery Facility at the Edmonton EcoPark, the life of the current facilities owned by LondonEnergy Ltd are limited. In light of this, the company's Directors have conducted an impairment review for the value of their assets and the likelihood that these would be recovered through future cashflows. The company's Directors determined that an impairment charge of £31.3m should be recognised as of January 2022.'*

During the 2024/25 audit, we challenged management on whether the impairment assumptions made in 2022/23 remained valid, particularly in light of significant delays to the ERF project, which is currently estimated to be 3 - 4 years behind schedule. Management had made no impairment reassessment for 2024/25. Given that the original building remains on site and continues to be operational, we consider that it should be revalued and reinstated in the accounts in line with a Depreciated Replacement Cost (DRC) valuation.

Management are currently considering their response to our challenge.

# 05

## Summary of misstatements

# Summary of amendments to the financial statements

Although we intend to issue a disclaimer of opinion, we still report any amendments which management have made to the draft financial statements, identified either through the audit procedures that we have undertaken, or separately by management.

This information is provided to the Audit and Governance Committee for information and to support it to discharge its responsibilities. It is important for members to note that, given we are issuing a disclaimer of opinion, we provide no assurance over the material accuracy of the amendments that have been made to the draft financial statements which are summarised in this section.

## Amendments to the financial statements

The misstatements in the table below have been adjusted by management. We report all individual misstatements above our reporting threshold of £59k that we identify during our audit and which management had adjusted and any other misstatements we believe Those Charged With Governance should be made aware of.

Details of amendment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr. Revaluation reserve Cr. PPE Revaluation decrease - Deephams Farm Road pumping station is in the fixed asset register but was also included in the revaluation of the land			360	(360)
Dr. PPE – AUC Cr. PPE - In Use Correction to PPE for costs delivered by Vinci/Taylor Woodrow that were delivered under their contract but relate to the construction of the Energy Recovery Facility. These were incorrectly transferred from Assets Under Construction to in-use			9,618	(9,618)
Dr. Revaluation reserve Cr. PPE Correction to PPE of EcoPark buildings based on the second valuation report			4,203	(4,203)
Dr. CIES Adjustments to basis under regulations Cr. CIES Depreciation Dr. PPE Accumulated Depreciation Cr. Capital Adjustment a/c Amendment to Depreciation charges based on the new valuation report for EcoPark South buildings	3,134	(3,134)	3,314	(3,314)

## Summary of amendments to the financial statements

### Amendments to the financial statements...cont

Details of amendment	Comprehensive Income and Expenditure Statement		Balance Sheet	
	Dr (£ '000)	Cr (£ '000)	Dr (£ '000)	Cr (£ '000)
Dr. PPE – AUC Cr. PPE - In Use Reversal of capitalisation of interest transferred from AUC to in-use on EcoPark South Assets following journal 0265 correcting the total capitalised			1,749	(1,749)
Dr. Cash & Equivalents Cr. Creditors control a/c Correction of cash and creditors for item held in the Camden suspense account.			120	(120)
<b>Aggregate effect of amendments</b>	<b>3,134</b>	<b>(3,314)</b>	<b>19,364</b>	<b>(19,364)</b>

# Summary of misstatements

## Unadjusted misstatements

Our overall materiality, performance materiality, and clearly trivial (reporting) threshold were reported in our Audit Strategy Memorandum, issued in Oct 2025. Any subsequent changes to those figures are set out in the '*Audit approach and risk summary*' section of this report.

We identified no misstatements above our reporting threshold of £409k, or that we deem to be material by nature, that warrant reporting to the Audit and Governance Committee.

Our audit procedures relating to PPE valuations remain ongoing. We will obtain written representations confirming that, having considered the identified unadjusted misstatements, if any—both individually and in aggregate—in the context of the financial statements as a whole, no adjustments are necessary.

## Disclosure misstatements

We identified minor disclosure amendments in the accounts, which were subsequently addressed by management.

# 06

## Fraud considerations

# Fraud considerations

We have a responsibility to plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether due to fraud or error.

## Your responsibilities

Management has primary responsibility for the prevention and detection of fraud. It is important that management, with Audit and Governance Committee oversight, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behaviour which is reinforced by Audit and Governance Committee's active oversight.

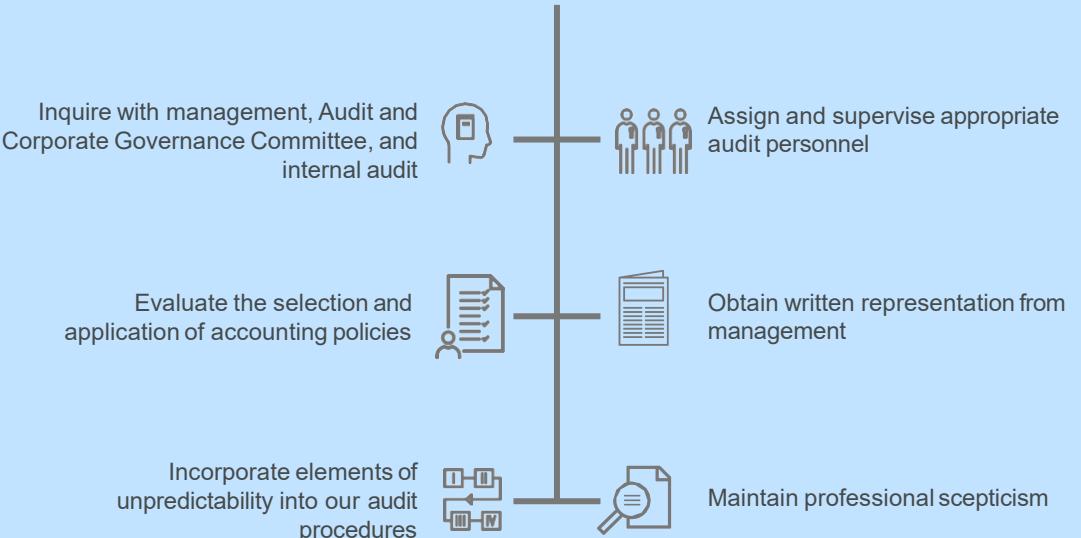
## Our responsibilities

We have a responsibility for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. The distinguishing factor between fraud and error is whether the underlying action that results in a misstatement is intentional or unintentional. Two types of intentional misstatements are relevant to us – misstatements resulting from fraudulent financial reporting, and misstatements resulting from the misappropriation of assets.

## ISA presumed fraud risks

As set out in the 'Audit approach and risk summary' section, the risks of fraud in management override of controls were identified as significant risks.

## Our overall approach to fraud



## Our overall conclusion

We did not identify any actual or suspected fraud involving management, employees with significant roles in NLWA's internal control or others, where the fraud resulted in a material misstatement in the financial statements.

# 07

## Value for Money

# Value for Money

## Approach to Value for Money

We are required to form a view as to whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

This is the first audit year where we have undertaken our value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). Our responsibility remains to be satisfied that the Authority has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Authority's arrangements in the Auditor's Annual Report.

A key change in the 2024 Code of Audit Practice is the requirement for us to issue our Auditor's Annual Report for the year ending 31st March 2025 to you in draft by the 30th November 2025. This is required whether our audit is complete or not. Should our work not be complete, we will report the status of our work and any findings to up to that point (and since the issue of our previous Auditor's Annual Report).

The Code requires us to structure our commentary to report under three specified criteria:

- **Financial sustainability** - How the Authority plans and manages its resources to ensure it can continue to deliver its services;
- **Governance** - How the Authority ensures that it makes informed decisions and properly manages its risks; and
- **Improving economy, efficiency and effectiveness** - How the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

At the planning stage of the audit, we undertake work to understand the arrangements that the Authority has in place under each of the reporting criteria and we identify risks of significant weaknesses in those arrangements. Although we describe this work as planning work, we keep

our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest significant weaknesses in arrangements exist.

Where our risk-based procedures identify actual significant weaknesses in arrangements we are required to report these and make recommendations for improvement. Where such significant weaknesses are identified, we report these in the audit report by exception. We will also highlight emerging issues or other matters that do not represent significant weaknesses but still require attention from the Authority.

The primary output of our work on the Authority arrangements is the commentary on those arrangements that forms part of the Auditor's Annual Report. This commentary will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria.

## Status of our work

We have completed our work in respect of the Authority's arrangements for the year ended 31 March 2025 and we have not identified any significant weaknesses in arrangements that have required us to make a recommendation. Our draft audit report at Appendix C confirms that we have no matters to report in respect of significant weaknesses. We provided our commentary on the Authority's arrangements in our Draft Auditor's Annual Report in November 2025.

# Appendices

A: Draft management representation letter

B: Draft audit report

C: Other communications

# Appendix A: Draft management representation letter

Suresh Patel  
Forvis Mazars LLP  
30 Old Bailey  
London  
EC4M 7AU

Dear Suresh,

## **North London Waste Authority - Audit for Year Ended 31 March 2025**

This representation letter is provided in connection with your audit of the financial statements of North London Waste Authority ('the Authority') for the year ended 31 March 2025. I note that you intend to intend to issue a disclaimer of opinion in respect of your audit. I understand I am still required to provide the representations set out in this letter so you can complete your audit in accordance with relevant auditing standards.

I confirm that the following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, inspection of supporting documentation) sufficient to satisfy ourselves that I can properly make each of the following representations to you.

### **My responsibility for the financial statements and accounting information**

I believe that I have fulfilled my responsibilities for the true and fair presentation and preparation of the financial statements in accordance with the Code, as amended by the Code and applicable law.

### **My responsibility to provide and disclose relevant information**

I have provided you with:

- access to all information of which I am aware that is relevant to the preparation of the financial statements such as records, documentation and other material;
- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to individuals within the Authority and Group you determined it was necessary to contact in order to obtain audit evidence.

I confirm as Director of Corporate Services that I have taken all the necessary steps to make me aware of any relevant audit information and to establish that you, as auditors, are aware of this information. As far as I am aware there is no relevant audit information of which you, as auditors, are unaware.

### **Accounting records**

I confirm that all transactions that have a material effect on the financial statements have been recorded in the accounting records and are reflected in the financial statements. All other records and related information, including minutes of all Authority and committee meetings, have been made available to you.

### **Accounting policies**

I confirm that I have reviewed the accounting policies applied during the year in accordance with International Accounting Standard 8 and consider these policies to faithfully represent the effects of transactions, other events or conditions on the Authority and Group's financial position, financial performance and cash flows.

# Appendix A: Draft management representation letter

## **Accounting estimates, including those measured at fair value**

I confirm that the methods, significant assumptions and the data used by the Authority and Group in making the accounting estimates, including those measured at fair value, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.

## **Contingencies**

There are no material contingent losses including pending or potential litigation that should be accrued where:

- information presently available indicates that it is probable that an asset has been impaired or a liability had been incurred at the balance sheet date; and
- the amount of the loss can be reasonably estimated.

There are no material contingent losses that should be disclosed where, although either or both the conditions specified above are not met, there is a reasonable possibility that a loss, or a loss greater than that accrued, may have been incurred at the balance sheet date.

There are no contingent gains which should be disclosed.

All material matters, including unasserted claims, that may result in litigation against the Authority and Group have been brought to your attention. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the Code, as amended by the Code and applicable law.

## **Laws and regulations**

I confirm that I have disclosed to you all those events of which I am aware which involve known or suspected non-compliance with laws and regulations, together with the actual or contingent consequences which may arise therefrom.

The Authority and Group has complied with all aspects of contractual agreements that would have a material effect on the accounts in the event of non-compliance.

## **Fraud and error**

I acknowledge my responsibility as Director of Corporate Services for the design, implementation and maintenance of internal control to prevent and detect fraud and error and I believe I have appropriately fulfilled those responsibilities. I have disclosed to you:

- all the results of my assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- all knowledge of fraud or suspected fraud affecting the Authority and Group involving:
  - management and those charged with governance;
  - employees who have significant roles in internal control; and
  - others where fraud could have a material effect on the financial statements.

I have disclosed to you all information in relation to any allegations of fraud, or suspected fraud, affecting the Authority and Group's financial statements communicated by employees, former employees, analysts, regulators or others.

# Appendix A: Draft management representation letter

## **Related party transactions**

I confirm that all related party relationships, transactions and balances, have been appropriately accounted for and disclosed in accordance with the requirements of the Code, as amended by the Code and applicable law. I have disclosed to you the identity of the Authority and Group's related parties and all related party relationships and transactions of which I am aware.

## **Impairment review**

To the best of my knowledge, there is nothing to indicate that there is a permanent reduction in the recoverable amount of the property, plant and equipment below their carrying value at the balance sheet date. An impairment review is therefore not considered necessary.

## **Charges on assets**

All the Authority and Group's assets are free from any charges exercisable by third parties except as disclosed within the financial statements.

## **Future commitments**

The Authority and Group has no plans, intentions or commitments that may materially affect the carrying value or classification of assets and liabilities or give rise to additional liabilities.

## **Subsequent events**

I confirm all events subsequent to the date of the financial statements and for which the Code, as amended by the Code and applicable law, require adjustment or disclosure have been adjusted or disclosed. Should further material events occur after the date of this letter which may necessitate revision of the figures included in the financial statements or inclusion of a note thereto, I will advise you accordingly.

## **Impacts of Russian Forces entering Ukraine**

I confirm that I have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the Authority and Group, including the impact of mitigation measures and uncertainties, and that any disclosure in the Annual Report fairly reflects that assessment.

## **Going concern**

To the best of my knowledge there is nothing to indicate that the Authority and Group will not continue as a going concern in the foreseeable future. The period to which I have paid particular attention in assessing the appropriateness of the going concern basis is not less than twelve months from the date of approval of the accounts.

# Appendix A: Draft management representation letter

## **Annual Governance Statement**

I am satisfied that the Annual Governance Statement (AGS) fairly reflects the Authority and Group's risk assurance and governance framework, and I confirm that I am not aware of any significant risks that are not disclosed within the AGS.

## **Narrative Report**

The disclosures within the Narrative Report fairly reflect my understanding of the Authority and Group's financial and operating performance over the period covered by the financial statements.

## **Unadjusted misstatements**

We confirm that all arising misstatements were corrected and there were no unadjusted misstatements in the year.

## **Arrangements to achieve economy, effectiveness and efficiency in Use of Resources (Value for Money arrangements)**

I confirm that I have disclosed to you all findings and correspondence from regulators for previous and ongoing inspections of which I am aware. In addition, I have disclosed to you any other information that would be considered relevant to your work on value for money arrangements.

Yours faithfully,

Nikesh Shah

Director of Corporate Services

DATE

# Appendix B: Draft audit report

## Independent auditor's report to the members of the North London Waste Authority

### Report on the audit of the financial statements

#### Disclaimer of opinion on the financial statements

We were appointed to audit the financial statements of North London Waste Authority ("the Authority") and its subsidiaries ('the Group') for the year ended 31 March 2024, which comprise the Authority and Group Comprehensive Income and Expenditure Statements, the Authority and Group Movement in Reserves Statements, the Authority and Group Balance Sheets, the Authority and Group Cash Flow Statements, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We do not express an opinion on the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### Basis for disclaimer of opinion

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 ('The Amendment Regulations') came into force. The Amendment Regulations require the Authority to publish its Accountability Statements, which include the financial statements and auditor's opinion for the year ended 31 March 2025, by 27 February 2026 ('the backstop date').

On 28 February 2025, we issued a disclaimer of opinion in relation to the financial statements for the year ended 31 March 2024 as there was insufficient time to perform all necessary audit procedures to obtain sufficient appropriate evidence upon which to form an opinion before the relevant backstop date(specified in the Amendment Regulations.

The National Audit Office issued guidance to auditors on rebuilding assurance following backstop-related disclaimers of opinion through Local Audit Reset and Recovery Implementation Guidance 06 ("LARRIG 06") in June 2025. We have had regard to LARRIG 06 and other relevant guidance and determined that there is not sufficient time to carry out the procedures we deem necessary to rebuild assurance. As a result, we are not able to obtain sufficient appropriate evidence upon which to form an opinion on the financial statements for the year ended 31 March 2025 before the 2026 backstop date.

#### Responsibilities of the Director of Corporate Services for the financial statements

As explained more fully in the Statement of the Director of Corporate Services' Responsibilities, the Director of Corporate Services is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and for being satisfied that they give a true and fair view. The Director of Corporate Services is also responsible for such internal control as the Director of Corporate Services determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Corporate Services is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis on the assumption that the functions of the Authority will continue in operational existence for the foreseeable future. The Director of Corporate Services is responsible for assessing each year whether or not it is appropriate for the Authority and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

## Appendix B: Draft audit report

### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to conduct an audit of the Authority and Group's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. In reaching this judgement we have complied with the requirements of the Code of Audit Practice and have had regard to the Local Audit Reset and Recovery Implementation Guidance published by the National Audit Office and endorsed by the Financial Reporting Council.

We are independent of the Authority and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources**

#### **Matter on which we are required to report by exception**

We are required to report to you if, in our view we are not satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in this respect.

#### **Responsibilities of the Authority**

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

#### **Auditor's responsibilities for the review of arrangements for securing economy, efficiency, and effectiveness in the use of resources**

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency, and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

## Appendix B: Draft audit report

### Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

We are also required by the Code of Audit Practice, to give an opinion on whether other information published together with the audited financial statements, is consistent with the financial statements. Because of the matter described in the Basis for Disclaimer of Opinion section we do not express an opinion on the financial statements. We also do not express an opinion on whether other information published together with the audited financial statements is consistent with the financial statements.

### Use of the audit report

This report is made solely to the members of North London Waste Authority, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the members of the North London Waste Authority those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the North London Waste Authority, as a body, for our audit work, for this report, or for the opinions we have formed.

### Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us.

Suresh Patel  
Key Audit Partner, For and on behalf of Forvis Mazars LLP  
30 Old Bailey, London, EC4M 7AU

Date:

## Appendix C: Other communications

Other communication	Response
 <b>Compliance with Laws and Regulations</b>	<p>We have not identified any significant matters involving actual or suspected non-compliance with laws and regulations/</p> <p>We will obtain written representations from management that all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements have been disclosed.</p>
 <b>External confirmations</b>	<p>We did not experience any issues with respect to obtaining external confirmations.</p>
 <b>Related parties</b>	<p>We did not identify any significant matters relating to the audit of related parties.</p> <p>We will obtain written representations from management confirming that:</p> <ol style="list-style-type: none"> <li data-bbox="437 707 2485 735">they have disclosed to us the identity of related parties and all the related party relationships and transactions of which they are aware; and</li> <li data-bbox="437 735 2485 764">they have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of the applicable financial reporting framework.</li> </ol>
 <b>Going Concern</b>	<p>As noted in section 3 of our report, when we issue a disclaimed opinion, we do not express a view on whether it is appropriate for the accounts to be produced on a going concern basis. We have therefore not considered the appropriateness of management's going concern assessment.</p>
 <b>Subsequent events</b>	<p>We are required to obtain evidence about whether events occurring between the date of the financial statements and the date of the auditor's report that require adjustment of, or disclosure in, the financial statements are appropriately reflected in those financial statements in accordance with the applicable financial reporting framework.</p> <p>We will obtain written representations from management that all events occurring subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.</p>
 <b>Matters related to fraud</b>	<p>As explained in section 4 of our report, we sought and obtained information from management in relation to any actual or suspected fraud which could materially impact upon the financial statements. We have reported any matters arising in accordance with our responsibilities as your appointed auditor. Due to our decision to disclaim the opinion, we have not undertaken further procedures in respect of fraud. Therefore, we do not provide any assurance that the financial statements are free from material error due to fraud.</p>

## Appendix C: Other communications

Other communication	Response
 <b>System of Quality Management</b>	<p>To address the requirements of ISQM (UK) 1, our firm's System of Quality Management team completes, as part of an ongoing and iterative process, a number of key steps to assess and conclude on our firm's System of Quality Management, including:</p> <ul style="list-style-type: none"><li>Ensuring there is an appropriate assignment of responsibilities under ISQM (UK) 1 and across Leadership</li><li>Establishing and reviewing quality objectives each year, ensuring ISQM (UK) 1 objectives align with our firm's strategies and priorities</li><li>Identifying, reviewing, and updating quality risks each quarter, taking into consideration a number of input sources (such as FRC / ICAEW review findings, internal monitoring findings, findings from our firm's root cause analysis and remediation functions, etc.)</li><li>Identifying, designing, and implementing responses as part of the process to strengthen our firm's internal control environment and overall quality</li><li>Evaluating responses and remediating control gaps or deficiencies</li></ul> <p>We perform an evaluation of our system of quality management on an annual basis. Our latest evaluation was performed as of 31 August 2025. Details of that assessment and our conclusion are set out in our 2024/2025 Transparency Report, which is available on our website <a href="#">here</a>.</p>

# Contact

## Forvis Mazars

### Suresh Patel

Partner

Tel: +44 (0) 7977 261 873

[Suresh.Patel@mazars.com](mailto:Suresh.Patel@mazars.com)

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**APPENDIX B     2024/25 STATEMENT OF ACCOUNTS**



## **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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# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 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.

**Daniel Omisore**

Financial Adviser

**North London Waste Authority**

**Statement of Accounts for the year ended 31 March 2025**

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

To be inserted on conclusion of the audit

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 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

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

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 reusable 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

## North London Waste Authority

### Statement of Accounts for the year ended 31 March 2025

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 31<sup>st</sup> 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 £3.210m to £7.494m. This is after a transfer of £7.920m 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 £19.105m (37.1%). 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.

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 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.

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

- 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

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

- 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.

Cllr Arjun Mittra

Chair of the Audit Committee

Jon Rowney

Clerk to the NLWA

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### MOVEMENT IN RESERVES STATEMENT

	General Balance	Maintenance Reserve	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
2024/25	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2024</b>						
<b>brought forward</b>	<b>10,704</b>	<b>3,833</b>	<b>1,439</b>	<b>15,976</b>	<b>210,601</b>	<b>226,577</b>

#### Movement in reserves during 2024/25

Total Comprehensive Income and Expenditure	(5,622)	7,920	-	2,298	(3,773)	(1,475)
Adjustments between accounting basis & funding basis under regulations	2,411	-	-	2,411	(2,411)	-
<b>Increase/(Decrease) in 2024/25</b>	<b>(3,210)</b>	<b>7,920</b>	<b>-</b>	<b>4,710</b>	<b>(6,185)</b>	<b>(1,475)</b>
<b>Balance at 31 March 2025</b>	<b>7,494</b>	<b>11,753</b>	<b>1,439</b>	<b>20,686</b>	<b>204,417</b>	<b>225,103</b>
<b>carried forward</b>	<b>7,494</b>	<b>11,753</b>	<b>1,439</b>	<b>20,686</b>	<b>204,417</b>	<b>225,103</b>

	General Balance	Maintenance Reserve	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
2023/24	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2023</b>						
<b>brought forward</b>	<b>16,075</b>	-	<b>1,439</b>	<b>17,514</b>	<b>207,859</b>	<b>225,373</b>

#### 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	-
<b>Increase/(Decrease) in 2023/24</b>	<b>(5,371)</b>	<b>3,833</b>	<b>-</b>	<b>(1,538)</b>	<b>2,741</b>	<b>1,203</b>
<b>Balance at 31 March 2024</b>	<b>10,704</b>	<b>3,833</b>	<b>1,439</b>	<b>15,976</b>	<b>210,601</b>	<b>226,577</b>
<b>carried forward</b>	<b>10,704</b>	<b>3,833</b>	<b>1,439</b>	<b>15,976</b>	<b>210,601</b>	<b>226,577</b>

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT							
Gross Expenditure	2023/24			2024/25			
	Gross Income	Net Expenditure	£'000	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	17,455	(408)	17,047	
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	-	(12,458)	(12,458)	
-	(1,547)	(1,547)	Household Waste	-	(1,730)	(1,730)	
-	(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)	
<b>88,886</b>	<b>(27,049)</b>	<b>61,837</b>		<b>95,222</b>	<b>(21,189)</b>	<b>74,033</b>	

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

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)
-	<b>(53,667)</b>	<b>(53,667)</b>	<b>Other Operating Income</b>	-	<b>(72,867)</b>
-	(11,388)	(11,388)	Interest Receivable	-	(9,049)
10	-	10	Pension Interest Cost	9	9
1,008	-	1,008	Revenue Funding of Capital – Interest	5,585	5,585
			<b>Financing and Investment (Income) and Expenditure</b>		
<b>1,018</b>	<b>(11,388)</b>	<b>(10,370)</b>		<b>5,594</b>	<b>(9,049)</b>
					<b>(3,455)</b>
			<b>(2,200) (Surplus)/Deficit on Provision of Services</b>		<b>(2,289)</b>
	270	(Surplus)/Deficit on revaluation of Property, Plant and Equipment Assets			4,578
	730	(Surplus)/Deficit on revaluation of Currency Euro account			(805)
	(3)	Actuarial Loss/(Gain) on Pension Assets			(9)
	997	<b>Other Comprehensive (Income) and Expenditure</b>			<b>3,764</b>
	<b>(1,203)</b>	<b>Total Comprehensive (Income) and Expenditure</b>			<b>1,475</b>

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### BALANCE SHEET

	Note	31 Mar 2024 £'000	31 Mar 2025 £'000
Property, Plant and Equipment	5	913,862	1,068,909
Long Term Investments	8	119,392	119,392
<b>LONG TERM ASSETS</b>		<b>1,033,254</b>	<b>1,188,301</b>
<u>Short Term Assets</u>			
Cash and Cash Equivalents	16	258,455	198,239
LondonEnergy Ltd		477	131
Other Local Authorities		657	3,102
HM Revenue and Customs		23,430	10,844
Other Entities and Individuals		3,443	2,589
<b>CURRENT ASSETS</b>		<b>286,462</b>	<b>214,905</b>
<u>Short Term Creditors</u>			
Short Term Borrowings	9	(14,013)	(5,544)
LondonEnergy Ltd		(17,741)	(6,028)
Other Local Authorities		(8,134)	(2,311)
Short Term Lease Liabilities	6		(62)
Other Entities and Individuals		(63,053)	(29,917)
<b>CURRENT LIABILITIES</b>		<b>(102,941)</b>	<b>(43,862)</b>
Long Term Borrowings	9	(990,000)	(1,130,000)
Long Term Lease Liabilities	6	-	(4,059)
Other Long Term Liabilities	18	(198)	(181)
<b>LONG TERM LIABILITIES</b>		<b>(990,198)</b>	<b>(1,134,240)</b>
<b>NET ASSETS</b>		<b>226,577</b>	<b>225,103</b>
<u>Usable Reserves</u>			
General Fund Balance		10,704	7,493
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	78,080
Revaluation Account	11	108,585	104,812
Capital Revaluation Account	12	21,706	21,706
Pension Reserve	18	(198)	(181)
<b>TOTAL RESERVES</b>		<b>226,577</b>	<b>225,103</b>

Daniel Omisore

Financial Adviser

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### CASH FLOW STATEMENT

	Note	31 Mar 2024 £'000	31 Mar 2025 £'000
Net surplus on the provision of services		(2,200)	(2,289)
Adjustments to net surplus on the provision of services for non-cash movements	15	(33,624)	29,015
Net cash (inflow) / outflow from operating activities		(35,824)	26,726
Investing activities		311,093	167,549
Financing activities		-	(134,059)
Net decrease / (increase) in cash and cash equivalents	16	275,269	60,216
Cash and cash equivalents at the beginning of the reporting period		(533,724)	(258,455)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>(258,455)</b>	<b>(198,239)</b>

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

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### EXPENDITURE AND FUNDING ANALYSIS

Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	2023/24		2024/25			
		Net Expenditure in the Comprehensive Income and Expenditure Statement	£000	Net Expenditure Chargeable to Balances	Adjustments between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement	£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	
4,522	1,443	5,965	Transfer Stations and Other Sites	8,316	8,731	17,047	
9,000	-	9,000	LEL Additional Support	1,750	-	1,750	
5,824	-	5,824	Re-use and Recycling Centres	6,415	-	6,415	
5,118	(28)	5,090	Corporate & Other Support Services Costs	5,185	(17)	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	
6,171	(5,163)	1,008	Revenue Funding of Capital Programme	11,888	(6,303)	5,585	

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

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	(12,458)	-	(12,458)
(1,547)	-	(1,547) Household Waste	(1,730)	-	(1,730)
(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)
<b>55,205</b>	<b>(3,741)</b>	<b>51,464 Net Cost of Services</b>	<b>68,158</b>	<b>2,411</b>	<b>70,569</b>
(53,667)	-	(53,667) Levy	(72,867)	-	(72,867)
<b>(53,667)</b>	<b>-</b>	<b>(53,667) Other Income and Expenditure</b>	<b>(72,867)</b>	<b>-</b>	<b>(72,867)</b>
<b>1,538</b>	<b>(3,741)</b>	<b>(2,203) (Surplus) or Deficit</b>	<b>(4,709)</b>	<b>2,411</b>	<b>(2,298)</b>
<b>16,075</b>		<b>Opening Balance</b>	<b>14,537</b>		
<b>(1,538)</b>		Add Surplus/(Deficit) in Year	<b>4,709</b>		
<b>14,537</b>		<b>Closing Balance at 31 March</b>	<b>19,246</b>		

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 £7.494m and the Maintenance reserve £11.753m

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 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

## Statement of Accounts for the year ended 31 March 2025

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

## Statement of Accounts for the year ended 31 March 2025

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 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.

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 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 £'000	2025 £'000
Statutory provision for the financing of capital investment –		
Minimum Revenue Provision	(5,163)	(6,303)
Property, plant and equipment - Depreciation	1,443	8,731
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>2,411</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

## Statement of Accounts for the year ended 31 March 2025

Non household waste		31 Mar 2024		31 Mar 2025	
Borough		Tonnes	£'000	Tonnes	£'000
Barnet		9,949	985	10,674	1,271
Camden		25,876	2,331	26,886	2,853
Enfield		9,168	918	9,036	1,091
Hackney		19,499	1,798	39,235	4,547
Haringey		3,414	319	3,521	398
Islington		19,139	1,807	19,933	2,121
Waltham Forest		1,554	150	1,523	177
		<u>88,599</u>	<u>8,308</u>	<u>110,808</u>	<u>12,458</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	172
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>1,730</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.

Borough	31 Mar 2024		31 Mar 2025	
	%	£'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

## Statement of Accounts for the year ended 31 March 2025

### 5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings £'000	Plant and Machinery £'000	Assets Under Construction £'000	Leases	Total £'000
<b>Movement on balances in 2024/25</b>					
<b>Cost or Valuation</b>					
At 1 April 2024	140,502	142	774,712	-	915,357
Additions,	-	-	163,099	5,257	168,356
Disposals	-	-	-	-	-
Impairment	-	-	-	-	-
Revaluation	(4,578)	-	-	-	(4,578)
Asset Reclassified	220,987	27,603	(248,590)	-	0
At 31 March 2025	356,912	27,744	689,222	5,257	1,079,134
<b>Depreciation and Impairment</b>					
At 1 April 2024	1,467	28	-	-	1,495
Depreciation charge	5,846	1,665	-	1,220	8,731
Write Back on Revaluation	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2025	7,313	1,693	-	1,220	10,226
Net Book Value at 31 March 2025	349,599	26,051	689,222	4,037	1,068,909
Net Book Value at 31 March 2024	139,035	114	774,712	-	913,862
<b>Comparative movement on balances in 2023/24</b>					
<b>Cost or Valuation</b>					
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
<b>Depreciation and Impairment</b>					
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:

# North London Waste Authority

## 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 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 £221.0m 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 depreciated replacement cost as calculated by our valuers which has resulted in a reduction in valuation of £4.2m to £216.8m. The buildings will be depreciated over 50 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 6 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.

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

Right of Use assets	Hannah Close £'000	Berol House £'000	Leases £'000
<b>Valuation</b>			
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
<b>Depreciation &amp; Impairment</b>			
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	<u>2,930</u>	<u>1,106</u>	<u>4,037</u>

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>

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 8. INVESTMENTS – LONDONENERGY LTD

	31 Mar 2024 £'000	31 Mar 2025 £'000
Balance at 31 March	119,392	<u>119,392</u>

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
<b>Public Works Loan Board:</b>	
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	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Sum Borrowed - £1,130,000,000	1,004,013	606,084	1,135,544	663,635
(2023/24: £1,000,000,000)				

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

## Statement of Accounts for the year ended 31 March 2025

### 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)	(8,731)
Write-back depreciation on revaluation	-	-
Balance at 31 March	<u>80,508</u>	<u>78,080</u>

### 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)	(4,578)
Revaluation on Currency Euro account	(730)	805
Balance at 31 March	<u>108,585</u>	<u>104,812</u>

### 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	<u>21,706</u>	<u>21,706</u>

### 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	<u>1,439</u>	<u>1,439</u>

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 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	2025
	£'000	£'000
Balance at 31 March	<u>3,833</u>	<u>11,753</u>

### 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	Haringey
Managing Director	Operational support services
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	
	<b>Enfield</b>
	Environment Adviser
	<b>Barnet</b>
	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

Cash flows from operation activities include:	2024 £'000	2025 £'000
Depreciation	(1,443)	(8,731)
Movement in pension liability	18	8
(Increase)/decrease in creditors	(48,285)	49,079
Increase / (decrease) in debtors	16,086	(11,341)
Balance at 31 March	(33,625)	29,015

# 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		At 31 March	
	2024	Cash flows	2025	
	£'000	£'000	£'000	
Cash	-	-	-	-
Short Term Investments	99,036	(4,718)	94,318	
Money Market Funds	159,419	(55,498)	103,921	
Cash and cash equivalents held	258,455	(60,216)	198,239	

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		2025	
	£'000	£'000	£'000	£'000
Short Term Investments	99,036	94,318	159,419	103,921
Money Market Fund				
Balance at 31 March	258,455	198,239		

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	38,318	38,318
	1,092,941	695,012	1,173,862	701,953

# North London Waste Authority

## 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 Renumeration over £150,000

		Salary	Variable Pay	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	Employers Pension Contribution	Total
		£	£	£	£
Programme Director	2023/24	38,093	-	13,447	51,540
(Note 2)	2024/25	-	-	-	-
Director of Corporate Services	2023/24	115,348	-	40,718	156,066
	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	2,565	11,038
Technical Adviser – Borough Director of Environment (Enfield) Note 3	2023/24	8,108	1,549	9,657
	restated			
Technical Adviser – Borough Executive Director, Environment (Barnet) Note 4	2024/25	5,068	968	6,036
	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

Forvis 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. Forvis 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	65,875	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 for 2024/25 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. The Fee for 2023/24 has been

## **North London Waste Authority**

### **Statement of Accounts for the year ended 31 March 2025**

agreed and is lower than previously reported (£89,712). This reflects the work undertaken to provide a disclaimed opinion in advance of the Government backstop date for those accounting statements.

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### 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.

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### GROUP MOVEMENT IN RESERVES STATEMENT

	General Balance	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
2024/25	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2024 brought forward</b>	<b>1,936</b>	<b>3,833</b>	<b>1,439</b>	<b>7,208</b>	<b>207,111</b>	<b>214,319</b>
<b>Movement in reserves during 2024/25</b>						
Total Comprehensive Income and Expenditure	1,413	7,920	-	9,333	(5,238)	4,095
Adjustments between accounting basis & funding basis under regulations	2,411	-	-	2,411	(2,411)	-
<b>Increase/(Decrease) in 2024/25</b>	<b>3,824</b>	<b>7,920</b>	<b>-</b>	<b>11,744</b>	<b>(7,649)</b>	<b>4,095</b>
<b>Balance at 31 March 2025 carried forward</b>	<b>5,760</b>	<b>11,753</b>	<b>1,439</b>	<b>18,952</b>	<b>199,462</b>	<b>218,414</b>
2023/24 Restated	General Balance	Earmarked Reserves	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 31 March 2023 brought forward</b>	<b>15,777</b>	<b>-</b>	<b>1,439</b>	<b>15,916</b>	<b>207,994</b>	<b>223,910</b>
<b>Movement in reserves during 2023/24</b>						
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	-
<b>Increase/(Decrease) in 2023/24</b>	<b>(13,841)</b>	<b>3,833</b>	<b>-</b>	<b>(10,008)</b>	<b>(883)</b>	<b>(10,891)</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>1,936</b>	<b>3,833</b>	<b>1,439</b>	<b>7,208</b>	<b>207,111</b>	<b>214,319</b>

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

2023/24	General Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
<b>Balance at 31 March 2023</b>						
<b>brought forward</b>	<b>14,477</b>	-	<b>1,439</b>	<b>15,916</b>	<b>207,994</b>	<b>223,910</b>
<b>Movement in reserves during 2023/24</b>						
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	-
<b>Increase/(Decrease) in 2023/24</b>	<b>(13,991)</b>	<b>3,833</b>	<b>-</b>	<b>(10,158)</b>	<b>(883)</b>	<b>(11,041)</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>486</b>	<b>3,833</b>	<b>1,439</b>	<b>5,758</b>	<b>207,111</b>	<b>212,869</b>

# 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	145,226	(83,388)
<b>150,721</b>	<b>(94,116)</b>	<b>56,605</b>	<b>Cost of Services</b>	<b>145,226</b>	<b>(83,388)</b>
			(53,667) Other Operating (Income) and Expenditure		(72,867)
			(10,442) Financing and Investment (Income) and Expenditure		(3,530)
			13,136 Taxation and Non-Specific Grant Income		4,769
			<b>5,632 (Surplus)/Deficit on Provision of Services</b>		<b>(9,790)</b>
			(Surplus)/Deficit on revaluation of Property, Plant		
			(1,200) and Equipment Assets	6,043	
			(Surplus)/Deficit on revaluation of Long Term		
			5,094 Investments	-	
			730 (Surplus)/Deficit on revaluation of Currency	(805)	
			635 Actuarial (Gain)/Loss on Pension Assets	457	
			<b>5,259 Other Comprehensive Income and Expenditure</b>	<b>5,695</b>	
			<b>10,891 Total Comprehensive Income and Expenditure</b>	<b>(4,095)</b>	

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	1,109,604
Investments	4.8	7,000	7,000	7,000
Long Term Investments	4.9, 4.10	31,865	31,865	31,865
<b>LONG TERM ASSETS</b>		<b>994,887</b>	<b>994,887</b>	<b>1,148,469</b>
<b>CURRENT ASSETS</b>	4.11	<b>333,741</b>	<b>335,191</b>	<b>268,444</b>
<b>CURRENT LIABILITIES</b>	4.12	<b>(125,561)</b>	<b>(125,561)</b>	<b>(64,259)</b>
Long Term Borrowings		(990,000)	(990,000)	(1,134,059)
Long Term Liabilities - Pension		(198)	(198)	(181)
Deferred Taxation		-	-	-
<b>LONG TERM LIABILITIES</b>		<b>(990,198)</b>	<b>(990,198)</b>	<b>(1,134,240)</b>
<b>NET ASSETS</b>		<b>212,868</b>	<b>214,318</b>	<b>218,414</b>
<u>Usable Reserves</u>				
General Fund Balances		486	1,936	5,760
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	78,080
Revaluation Account		73,363	73,363	69,590
Capital Revaluation Account		21,706	21,706	21,706
Acquisition Revaluation Reserve		31,732	31,732	30,267
Pension Reserve		(198)	(198)	(181)
<b>TOTAL RESERVES</b>		<b>212,868</b>	<b>214,318</b>	<b>218,414</b>

Daniel Omisore

Financial Adviser

#### 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**

	<b>2023/24</b> £'000	<b>2024/25</b> £'000
Net surplus on the provision of services	5,632	(9,790)
Adjustments to net surplus on the provision of services for non-cash movements	<u>(44,372)</u>	<u>37,534</u>
Net cash inflow from operating activities	(38,740)	27,744
Investing activities	311,093	168,131
Financing activities	-	(134,059)
Net (increase)/decrease in cash and cash equivalents	272,353	61,816
Cash and cash equivalents at the beginning of the reporting period	<u>(552,818)</u>	<u>(280,465)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b><u>(280,465)</u></b>	<b><u>(218,649)</u></b>

# 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	59,427	2,411
<b>60,346</b>	<b>(3,741)</b>	<b>56,605</b>	<b>Net Cost of Services</b>	<b>59,427</b>	<b>2,411</b>
(50,338)	-	(50,338)	Other Income and Expenditure	(71,171)	-
<b>10,008</b>	<b>(3,741)</b>	<b>6,267</b>	<b>(Surplus) or Deficit</b>	<b>(11,744)</b>	<b>2,411</b>
<b>14,477</b>			<b>Opening Balance</b>	<b>5,769</b>	
1,300			Restated Balance at 1/4/23		
<b>(10,008)</b>			Add Surplus/(Deficit) in Year	<b>11,744</b>	
<b>5,769</b>			<b>Closing Balance at 31 March</b>	<b>17,513</b>	

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.

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### NOTES TO THE GROUP ACCOUNTS

#### 1. ACCOUNTS OF LONDONENERGY LTD

2. The 2024 accounts were approved by the Board of LondonEnergy Ltd on 10 July 2024 and received an unqualified audit opinion by BDO LLP (the Company's statutory auditor) on 17 July 2024.. LondonEnergy Ltd is not required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 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.

#### 3. INVESTMENT IN LONDONENERGY LTD

##### Summarised balance sheet of LondonEnergy Ltd

	Note	31-Dec-23 £'000	31-Dec-23 Restated £'000	31-Dec-24 £'000
<b>LONG TERM ASSETS</b>				
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
<b>CURRENT ASSETS</b>				
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
<b>CREDITORS: amounts falling due within one year</b>		(39,884)	(39,884)	(26,294)
<b>NET CURRENT ASSETS</b>		24,658	26,108	33,143
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		34,836	36,286	43,321
<b>PROVISIONS FOR LIABILITIES -</b>				
Deferred tax		-	-	-
Provision		-	-	-
<b>TOTAL PROVISIONS</b>		-	-	-
<b>NET ASSETS</b>		34,836	36,286	43,321
<b>CAPITAL AND RESERVES</b>				
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	10,477
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		34,836	36,286	43,321

##### 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

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

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.

### 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:

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

- a. The current service cost based on the most recent actuarial valuation is deducted in arriving at operating profit.
- 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 three depreciable assets – the new resource recovery facility, RRC and EcoPark house at the EcoPark; 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 50 years, 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

## Statement of Accounts for the year ended 31 March 2025

### PROPERTY, PLANT & EQUIPMENT

Movement on balances in 2024/25	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Leases	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>					
At 1 April 2024	182,662	142	774,712	-	957,517
Additions,	-	-	163,099	5,257	168,356
Disposals	-	-	-	-	-
Transfer between classes	220,987	27,603	(248,590)	-	0
Revaluation	(6,043)	-	-	-	(6,043)
At 31 March 2025	397,607	27,745	689,222	5,257	1,119,830
<b>Depreciation and Impairment</b>					
At 1 April 2024	1,467	28	-	-	1,495
Depreciation Charge	5,846	1,665	-	1,220	8,731
Disposals	-	-	-	-	-
At 31 March 2025	7,313	1,693	-	1,220	10,226
Net Book Value at 31 March 2025	390,294	26,052	689,222	4,037	1,109,605
Net Book Value at 31 March 2024	181,195	114	774,712	-	956,022
<b>Comparative movement on balances in 2023/24 (Restated)</b>					
	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Leases	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>					
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
<b>Depreciation and Impairment</b>					
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

# North London Waste Authority

## Statement of Accounts for the year ended 31 March 2025

### As reported in 2023/24

#### Movement on balances in 2023/24

	Land and Buildings	Vehicles & Equipment	Assets Under Construction	Total
	£'000	£'000	£'000	£'000
<b>Cost or Valuation</b>				
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
<b>Depreciation and Impairment</b>				
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

## Statement of Accounts for the year ended 31 March 2025

### 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 £'000	32 March 2024 Restated £'000	31 March 2025 £'000
HM Revenue and Customs	27,188	27,188	14,312
Other debtors	24,408	24,408	31,758
Inventories	1,680	1,680	1,693
Defined Benefit Pensions Assets	-	1,450	2,032
Cash and cash equivalents	280,465	280,465	218,649
	<u>333,741</u>	<u>335,191</u>	<u>268,444</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 £'000	31 March 2025 £'000
Short Term Borrowings	(14,013)	(5,544)
Other Creditors	(106,617)	(55,950)
Central Government	(4,932)	(2,764)
	<u>(125,562)</u>	<u>(64,258)</u>