



North London Waste Authority

Statement of Accounts for the year ended

31 March 2026

Unaudited

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

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STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE AUTHORITY'S RESPONSIBILITIES

The Authority is required to:

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

THE FINANCIAL ADVISER'S RESPONSIBILITIES

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

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

CERTIFICATION BY THE FINANCIAL ADVISER

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

I certify that the statement of accounts gives a true and fair view of the financial position of the Authority and of the Group as at 31 March 2026 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

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

Report on the audit of the financial statements

To be inserted once the audit is concluded.

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NARRATIVE REPORT

INTRODUCTION

The purpose of this foreword is to provide an easily understandable guide to the most significant matters reported in the Authority's accounts which have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2025/26* (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

As the statutory waste disposal authority for seven boroughs, NLWA plays a central role in managing waste safely, efficiently and sustainably, while working in partnership with boroughs, residents, government and industry to drive systemic change.

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Strategic progress: A major milestone was the adoption of the North London Joint Waste Strategy 2025-2040, which sets out a vision, approved by all seven boroughs and the Authority to:

- Reduce waste and prioritise prevention, repair and reuse
- Improve recycling rates and material quality
- Minimise the environmental impact of waste disposal
- Deliver collaborative, community-focused and value-for-money services

The Strategy provides high level objectives to enable system-wide change across north London.

Service delivery and performance: NLWA continued to manage substantial volumes of household and non-household waste across seven boroughs, maintaining strong performance and improving key metrics:

- Household residual waste reduced to 500.7 kg per household
- The household recycling rate increased to 29.7%
- Zero waste was sent to landfill
- Most recycling was processed in the UK
- 83% of household materials taken to our reuse and recycling centres were diverted from incineration
- There was significant growth in specialist recycling streams

Infrastructure and major projects: The North London Heat and Power Project is replacing Europe's oldest energy from waste plant with a new facility featuring the UK's best emissions controls, whilst generating heat and electricity for local homes. Key developments in 2025/26 included:

- Continued construction of the new Energy Recovery Facility, with major structural milestones completed
- Commencing installation of operational systems and specialist equipment
- The official opening of EcoPark House and the first full year of operation for the Resource Recovery Facility and public recycling centre

While construction progress was significant, the project experienced delays due to supply chain and programme management challenges. In response, NLWA commissioned an audit and independent review and progressed discussions with the contractor to agree a way forward.

Communities, engagement behaviour change: To support systemic change, key policy issues were set out in a Call to Action aligned with the Joint Waste Strategy, which will be updated annually. In 2025/26, NLWA engaged decision-makers 100+ times on policy issues like infrastructure, battery fires, the Emissions Trading Scheme and nappy waste. Encouraging individual behaviour depends on clear information and motivation. In 2025/26, extensive communications and engagement activity by NLWA and with partners supported residents to reduce waste and recycle more:

- EcoPark House was established as a flagship education centre, supporting schools and community engagement across north London
- A recycling taskforce launched in January and engaged 30,000 residents in the first three months, improving recycling quality
- Campaigns achieved millions of views on a range of issues including food waste prevention, reuseable nappies and period products and reducing single use plastics
- The NLWA website received 731,000+ visits, supported by a new AI chatbot to provide clear recycling and waste prevention advice

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NLWA strengthened its focus on social value and equality across all areas of activity. Through the North London Community Fund, NLWA awarded £168,000 to 20 projects in 2025/26 and launched a new four-year £1m grants programme. The NLHPP also delivered significant social value, with 66 apprenticeships for north London residents, 242 training placements and £57.6m spent with local suppliers.

FINANCIAL PERFORMANCE

The Authority agreed its 2025/26 budget to meet the costs of its day-to-day statutory waste obligations and to fund the NLHPP. In doing so, the Authority was aware, as in past years, that if favourable circumstances arose during the year some revenue balances might become available to support future budgets.

The Authority is financing the NLHPP through borrowing from the Public Works Loan Board. As at 31st March 2026 the Authority had borrowed £1,270m for the project.

In February 2026, the Authority was advised that revenue balances at 31 March 2026 were forecast to be £4.6m. 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 2026 increasing by £2.7m to £7.3m. This is after a net transfer of £6.8m into the maintenance reserve, bringing the total of the reserve to £15.0m.

Compared to the accounts for 2024/25, the net cost of services (on a funding basis) increased by £2.4m (3.3%). This can largely be attributed a full year operating and financing costs of new facilities at the EcoPark and the cost of increased dry recycling tonnages. These increases were partially offset by Extended Producer Responsibility funding. Other contract costs increased in line with inflation.

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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. 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 collaborates 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 has 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 the 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.
- The Joint Waste Strategy is currently being implemented across the constituent boroughs (Barnet, Camden, Enfield, Hackney, Haringey, Islington, Waltham Forest) which focuses on activities to move all waste up the waste hierarchy, in support of the Authority's mission. The next step is to develop a delivery plan.
- The financial management of the Authority is organised through a wide range of well-established processes and procedures which deliver strong financial control. These reflect procedures implemented by the London Borough of Camden who manage the Authorities banking and financial systems. 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.

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- 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. New staff are required to complete this training shortly after they start in post. 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 2026 and up to the date of approval of the annual report and statement of accounts.

3. 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 of existing controls. 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 the 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 2025/26 has enabled them to conclude that NLWA's control framework, specifically with regard to key financial systems is adequate.

4. 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
- 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 Authority's risk management process was reviewed adding a risk appetite, which is documented in the annual risk report. This was presented to the Authority at its meeting in April 2025 and last updated in the risk register for the 25/26 financial year which was reviewed by the Authority in February 2026. Comparisons between the risks faced by NLWA and the high-level risk

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register for LondonEnergy Ltd was included so that the risks for the company could be considered by the Authority as a shareholder.

- The Authority approved a new Joint Waste Strategy at its Meeting in June 2025. The joint strategy with the seven constituent boroughs sets out how all parties will help to minimise waste, increase recycling, reuse and repair, protect the environment, and move towards a circular economy.
- The Authority, following the recommended matters for future action from the previous year, conducted training with officers on risk management and risk appetite with more generic training to officers on NLWA risk management procedures.
- In February 2026, the Authority transitioned its IT systems from the London Borough of Haringey to LondonEnergy Ltd with the aim to strengthen the Authority's system of internal control regarding computerised systems. This was approved by the Authority in April 2025.
- The Chair of the LondonEnergy Board was reappointed for a further 3 years at the Authority meeting in June 2025. In addition, it was noted in October 2025 that the company would create the role of Vice-Chair.
- The Authority allows residents to make deputations to any of its public meetings, and on 19 June 2025 two deputations were made concerning alternative possibilities for future waste management reflecting the latest developments in climate science and net-zero, and the publication of an Audit undertaken by consultants. Responses to the deputation were provided at the meeting.
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5. 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:

Establishing a future schedule for Senior Leader risk meetings with an ongoing review of risk registers so that the Authority can track and accurately manage the risks associated with all aspects of its operations.

Developing a delivery plan that sets out what the Joint Waste Strategy will deliver in the short-term.

Implementation of any recommendations proposed by internal audit reviews and the development and completion of a further work programme in 2026/27.

6. Signed Agreement

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

Chair of the Audit Committee

Jon Rowney

Clerk to the NLWA

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MOVEMENT IN RESERVES STATEMENT

	General Balance	Maintenance Reserve	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
2025/26	£000	£000	£000	£000	£000	£000
Balance at 31 March 2025 brought forward	7,325	8,184	1,439	16,948	186,867	203,815
Movement in reserves during 2025/26						
Total Comprehensive Income and Expenditure	2,956	6,812	-	9,768	2,481	12,249
Adjustments between accounting basis & funding basis under regulations	(2,955)	-	-	(2,955)	2,955	-
Increase/(Decrease) in 2025/26	1	6,812	-	6,813	5,436	12,249
Balance at 31 March 2026 carried forward	7,327	14,995	1,439	23,761	192,303	216,064
2024/25 (Restated)						
	General Balance	Maintenance Reserve	Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024 brought forward	10,704	3,833	1,439	15,976	210,601	226,577
Movement in reserves during 2024/25						
Total Comprehensive Income and Expenditure	(5,620)	4,351	-	(1,269)	(21,493)	(22,762)
Adjustments between accounting basis & funding basis under regulations	2,240	-	-	2,240	(2,240)	-
Increase/(Decrease) in 2024/25	(3,379)	4,351	-	972	(23,734)	(22,762)
Balance at 31 March 2025 carried forward	7,325	8,184	1,439	16,948	186,867	203,815

Restatement Note

Leased property at Hannah Close, Wembley has been part capitalised since 2020/21 as part support costs to build the new Energy Recovery Facility. The treatment has been reviewed, and the cost has been reclassified as an expense. This cost has been matched by a transfer from the Maintenance Reserve into the General Balance.

A revised valuation of new assets built at the EcoPark that opened in 2024/25 has been included in these statements which result in a decrease to unusable reserves and is also show in the deficit on revaluation of property, plant and equipment in the Comprehensive Income and Expenditure Statement. This reduces

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the depreciation charge in year which is shown in the Movement in Reserves Statement as an adjustment between accounting basis and funding basis under regulations. Amendments to the Movement in Reserves are as follows:

	Originally Stated £000	Restated £000	Effect £000
Total Comprehensive Income and Expenditure (Maintenance Reserve)	7,920	4,351	(3,569)
Total Comprehensive Income and Expenditure (Unusable Reserves)	(3,773)	(21,493)	(17,720)
Adjustments between accounting basis and funding basis under regulations	2,411	2,240	(171)

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COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2024/25 (Restated)			2025/6		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000	£'000	£'000	£'000
47,095	-	47,095	47,134	-	47,134
1,648	-	1,648	1,540	-	1,540
13,211	-	13,211	14,482	-	14,482
20,581	(408)	20,173	19,170	(319)	18,851
1,750	-	1,750	7,000	-	7,000
7,044	(629)	6,415	6,878	(582)	6,296
5,320	(27)	5,293	6,053	(234)	5,819
773	-	773	896	(1)	895
161	-	161	362	-	362
605	-	605	210	-	210
285	-	285	821	-	821
-	(12,458)	(12,458)	-	(10,445)	(10,445)
-	(1,730)	(1,730)	-	(1,883)	(1,883)
-	(5,484)	(5,484)	-	(4,976)	(4,976)
-	(157)	(157)	-	(163)	(163)
-	-	-	-	(14,479)	(14,479)
-	(296)	(296)	-	(130)	(130)
98,473	(21,189)	77,284	104,546	(33,212)	71,334
-	(72,867)	(72,867)	-	(81,112)	(81,112)
-	(72,867)	(72,867)	-	(81,112)	(81,112)

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Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
-	(9,049)	(9,049)	Interest Receivable	-	(5,602)	(5,602)
9	-	9	Pension Interest Cost	9	-	9
5,901	-	5,901	Revenue Funding of Capital – Interest	5,681	-	5,681
5,910	(9,049)	(3,139)	Financing and Investment (Income) and Expenditure	5,690	(5,602)	88
		1,278	(Surplus)/Deficit on Provision of Services			(9,690)
		22,298	(Surplus)/Deficit on revaluation of Property, Plant and Equipment Assets			-
		(805)	(Surplus)/Deficit on revaluation of Currency Euro account			(2,481)
		(9)	Actuarial Loss/(Gain) on Pension Assets			(78)
		21,484	Other Comprehensive (Income) and Expenditure			(2,559)
		22,762	Total Comprehensive (Income) and Expenditure			(12,249)

Restatement note

As per the note in the Movement in Reserves statement, the reclassifications require restatement of the Comprehensive Income and Expenditure statement. As Hannah Close, Wembley is a leased property, it is treated under the leasing standard (IFRS 16) from 2024/25. The years prior to this have been reflected as a rent payment under Transfer Stations and Other Sites. From 2024/25 the cost appears under Revenue Funding of Capital.

An adjustment has also been made to the calculation of the lease of the Authority's offices in 2024/25. This transfers as small charge from Revenue funding of capital to Corporate and Other Support Service Costs. The overall effect is neutral.

The Revaluation of new EcoPark assets is brought into the Deficit on revaluation of Property, Plant and Equipment.

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	Originally Stated £000	Restated £000	Effect £000
Transfer Stations and Other sites (expenditure)	17,455	20,581	3,126
Corporate & Other Support Services Costs (expenditure)	5,195	5,320	125
Revenue Funding of Capital – Interest (expenditure)	5,585	5,901	316
Deficit on revaluation of Property, Plant and Equipment Assets	4,578	22,298	17,720

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BALANCE SHEET

	Note	31 Mar 2025	31 Mar 2025 (Restated)	31 Mar 2026
		£'000	£'000	£'000
Property, Plant and Equipment	5,6	1,068,909	1,050,459	1,211,128
Long Term Investments	8	119,392	119,392	119,392
LONG TERM ASSETS		1,188,301	1,169,851	1,330,520
Short Term Assets				
Cash and Cash Equivalents	18	198,239	198,239	211,501
LondonEnergy Ltd		131	131	113
Other Local Authorities		3,102	3,102	4,573
HM Revenue and Customs		10,844	10,844	11,460
Other Government		-	-	2,455
Other Entities and Individuals		2,589	2,589	302
CURRENT ASSETS		214,905	214,905	230,405
Short Term Creditors				
Short Term Borrowings	9	(5,544)	(6,128)	(18,101)
LondonEnergy Ltd		(6,028)	(6,028)	(7,827)
Other Local Authorities		(2,311)	(2,311)	(1,517)
Short Term Lease Liabilities	6	(62)	(1,794)	(2,113)
Government		-	-	(552)
Other Entities and Individuals		(29,917)	(29,917)	(52,185)
CURRENT LIABILITIES		(43,862)	(46,178)	(82,296)
Long Term Borrowings	9	(1,130,000)	(1,130,000)	(1,260,000)
Long Term Lease Liabilities	6	(4,059)	(4,581)	(2,468)
Other Long Term Liabilities	20	(181)	(181)	(97)
LONG TERM LIABILITIES		(1,134,240)	(1,134,762)	(1,262,565)
NET ASSETS		225,103	203,816	216,064
<u>Usable Reserves</u>				
General Fund Balance		7,493	7,325	7,325
Maintenance Reserve	15	11,753	8,184	14,996
Capital Receipts Reserve	15	1,439	1,439	1,439
<u>Unusable Reserves</u>				
Capital Adjustment Account	12	78,080	78,251	81,123
Revaluation Account	13	104,812	87,092	89,573
Capital Revaluation Account	14	21,706	21,706	21,706
Pension Reserve	20	(181)	(181)	(97)
TOTAL RESERVES		225,103	203,816	216,064



Daniel Omisore
Financial Adviser

North London Waste Authority

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Restatement note

The balance sheet reflects the restatement of the new EcoPark assets following the new valuation and also a review of the final costs . The reduction in the value of property, plant and equipment is partially offset by the recognition of capitalisation for the leased properties at Hannah Close and Berol House. The restatement of the EcoPark also generates a change in the interest recognised in the Comprehensive Income and Expenditure Statement which is reflected in the movement in the General Fund Balance. The Maintenance reserve also changes as a result of the release to match prior year rent for Hannah close.

The lease changes also adjust the value of short term and long term liabilities which show the value of future lease payments.

	Originally Stated £000	Restated £000	Effect £000
Property, Plant and Equipment	1,068,909	1,050,459	(18,450)
Short Term Borrowings	(5,544)	(6,128)	(584)
Short Term Lease Liabilities	(1,794)	(62)	1,732
Long Term Lease Liabilities	(4,059)	(4,581)	(522)
General Fund Balance	7,493	7,325	(169)
Maintenance Reserve	11,753	8,184	(3,569)
Capital Adjustment Account	78,080	78,251	171
Revaluation Account	104,812	87,092	(17,720)

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CASH FLOW STATEMENT

	Note	31 Mar 2025 (Restated) £'000	31 Mar 2025 £'000
Net surplus on the provision of services		1,278	(9,690)
Adjustments to net surplus on the provision of services for non-cash movements	17	26,469	(32,741)
Net cash (inflow) / outflow from operating activities		<u>27,747</u>	<u>(42,431)</u>
Investing activities		167,051	167,057
Financing activities		(134,581)	(137,887)
Net decrease / (increase) in cash and cash equivalents	18	<u>60,217</u>	<u>(13,262)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>(258,455)</u>	<u>(198,238)</u>
Cash and cash equivalents at the end of the reporting period		<u>(198,238)</u>	<u>(211,500)</u>

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

Restatement note

The changes to capitalisation of EcoPark Assets and the changes to leased properties requires a restatement of some elements of the cashflow statement. These are as follows:

	Originally Stated £000	Restated £000	Effect £000
Net surplus on the provision of services	(2,289)	1,278	3,567
Adjustments to net surplus on the provision of services for non-cash movement	29,015	26,469	(2,546)
Investing activities	167,549	167,051	(499)
Financing activities	(134,059)	(134,581)	(522)

North London Waste Authority

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EXPENDITURE AND FUNDING ANALYSIS

2024/25 Restated			2025/26		
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
47,095	-	47,095	47,134	-	47,134
1,648	-	1,648	1,540	-	1,540
13,211	-	13,211	14,482	-	14,482
11,336	8,837	20,173	10,107	8,744	18,851
1,750	-	1,750	7,000	-	7,000
6,415	-	6,415	6,296	-	6,296
5,185	108	5,293	5,709	110	5,819
773	-	773	895	-	895
161	-	161	362	-	362
605	-	605	210	-	210
285	-	285	821	-	821
12,606	(6,705)	5,901	17,421	(11,740)	5,681

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

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
(12,458)	-	(12,458) Non-Household Waste	(10,445)	-	(10,445)
(1,730)	-	(1,730) Household Waste	(1,883)	-	(1,883)
(5,484)	-	(5,484) Sale of Recyclable Material	(4,976)	-	(4,976)
-	-	- Electricity Income	-	-	-
(157)	-	(157) Rent Receivable	(163)	-	(163)
(9,049)	-	(9,049) Interest Received	(5,602)	-	(5,602)
-	-	- Extended Producer Responsibility	(14,479)	-	(14,479)
(296)	-	(296) Other Income	(130)	-	(130)
-	9	9 Pension Interest	-	9	9
-	(9)	(9) Pension Asset – Actuarial (Gain)/Loss	-	(78)	(78)
71,896	2,240	74,136 Net Cost of Services	74,299	(2,955)	71,344
(72,867)	-	(72,867) Levy	(81,112)	-	(81,112)
(72,867)	-	(72,867) Other Income and Expenditure	(81,112)	-	(81,112)
(971)	2,240	1,269 (Surplus) or Deficit	(6,813)	(2,955)	(9,768)
14,537		Opening Balance	15,508		
971		Add Surplus/(Deficit) in Year	6,813		
15,508		Closing Balance at 31 March	22,321		

In 25/26, £6.812m has been transferred in the Movement in Reserves statement to the Maintenance reserve. The Closing balance for 25/26 is split between the general fund £7.327m and the Maintenance reserve £14.995m

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

Restatement Note

The changes to capitalising costs for the property at Hannah Close are offset by a release of reserves shown in the Movement in Reserves Statement. This is split in the Expenditure and Funding Analysis between Transfer Stations and Other Sites and also Revenue Funding of Capital Programme. This is due to the change in treatment required by the leases standard (IFRS 16).

	Originally Stated £000	Restated £000	Effect £000
Net expenditure chargeable to balances			
Transfer Stations and Other Sites	8,316	11,336	3,020
Revenue Funding of Capital Programme	11,888	12,606	718
Adjustments between accounting and funding basis			
Transfer Stations and Other Sites	8,731	8,837	106
Corporate & Other Support Services Costs	(17)	108	125
Revenue Funding of Capital Programme	(6,303)	(6,705)	(402)

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 2025/26, 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. 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 2026/27 in respect of their work in 2025/26 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 2025.

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 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

The statements include the following adjustments to prior years:

- The cost of rent for a leased transfer station at Hannah Close has been partially capitalised as the lease was agreed in 2020 to support the North London Heat and Power Project. This has now been reversed and has been funded by a release of the Maintenance Reserve.
- An independent valuation of new assets completed at the EcoPark was received too late to be included in the 2024/25 statements. In addition, the allocation of these new assets split between property and plant and machinery has been reviewed and amended. These amendments have also affected financing and depreciation charges.
- The treatment of leases under the leasing standard (IFRS 16) have been reviewed.

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.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

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.

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.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

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.

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

Contingent Liabilities

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

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

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

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

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

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

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

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

NOTES TO THE ACCOUNTS

1. EVENTS AFTER THE BALANCE SHEET DATE

This unaudited Statement of Accounts was authorised by the Financial Adviser on 29 June 2026. 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 2026, 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	2025 Restated £'000	2026 £'000
Statutory provision for the financing of capital investment – Minimum Revenue Provision	(6,705)	(11,740)
Property, plant and equipment - Depreciation	8,961	8,868
Pension asset – Actuarial (gain)/loss	(9)	(78)
Net interest on defined benefit liability	9	9
Employer’s pension contributions paid in year	(17)	(15)
Balance at 31 March	<u>2,239</u>	<u>(2,956)</u>

3. NON-HOUSEHOLD AND CHARGEABLE HOUSEHOLD WASTE

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

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

North London Waste Authority

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Non household waste	31 Mar 2025		31 Mar 2026	
	Tonnes	£'000	Tonnes	£'000
Borough				
Barnet	10,674	1,271	10,143	1,304
Camden	26,886	2,853	23,717	2,728
Enfield	9,036	1,091	7,298	939
Hackney	39,235	4,547	19,188	2,297
Haringey	3,521	398	3,345	404
Islington	19,933	2,121	23,238	2,615
Waltham Forest	1,523	177	1,267	158
	<u>110,808</u>	<u>12,458</u>	<u>88,196</u>	<u>10,445</u>

Chargeable household waste	31 Mar 2025		31 Mar 2026	
	Tonnes	£'000	Tonnes	£'000
Borough				
Barnet	2,175	256	2,093	269
Camden	963	100	975	115
Enfield	1,430	172	1,390	179
Hackney	5,952	641	6,386	743
Haringey	2,819	314	2,818	337
Islington	2,913	247	2,480	240
Waltham Forest	-	-	-	-
	<u>16,252</u>	<u>1,730</u>	<u>16,142</u>	<u>1,883</u>

4. LEVY

The levy on constituent boroughs of £81.112m was agreed at the Authority Meeting on 13 February 2025 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 was apportioned in accordance with the menu-price based arrangements agreed by constituent councils in January 2016.

Borough	31 Mar 2025		31 Mar 2026	
	%	£'000	%	£'000
Barnet	20.6	15,018	20.8	16,860
Camden	9.3	6,761	10.6	8,586
Enfield	16.7	12,157	15.9	12,932
Hackney	13.3	9,712	12.9	10,458
Haringey	13.9	10,098	13.9	11,275
Islington	11.4	8,288	11.6	9,440
Waltham Forest	14.9	10,833	14.3	11,561
	<u>100.0</u>	<u>72,867</u>	<u>100.0</u>	<u>81,112</u>

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

5. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings £'000	Plant and Machinery £'000	Assets Under Construction £'000	Total £'000
Movement on balances in 2025/26				
Cost or Valuation				
At 1 April 2025	351,745	16,516	684,741	1,053,002
Additions,	-	-	169,538	169,538
Disposals	-	-	-	-
Impairment	-	-	-	-
Revaluation	-	-	-	-
Asset Reclassified	-	-	-	-
At 31 March 2026	351,745	16,515	854,279	1,222,540
Depreciation and Impairment				
At 1 April 2025	7,578	933	-	8,511
Depreciation charge	6,016	906	-	6,922
Write Back on Revaluation	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2026	13,594	1,839	-	15,433
Net Book Value at 31 March 2026	338,151	14,676	854,279	1,207,106
Net Book Value at 31 March 2025	344,167	15,582	684,743	1,044,493
Comparative movement on balances in 2024/25 (Restated)				
Cost or Valuation				
At 1 April 2024	140,502	142	774,712	915,357
Additions,	-	-	159,945	159,945
Disposals	-	-	-	-
Impairment	-	-	-	-
Revaluation	(22,298)	-	-	(22,298)
Asset Reclassified	233,541	16,374	(249,915)	0
At 31 March 2025	351,745	16,516	684,743	1,053,004
Depreciation and Impairment				
At 1 April 2024	1,467	28	-	1,495
Depreciation charge	6,111	905	-	7,016
Write Back on Revaluation	-	-	-	-
Revaluation	-	-	-	-
At 31 March 2025	7,578	933	-	8,511
Net Book Value at 31 March 2025	344,167	15,582	684,743	1,044,493
Net Book Value at 31 March 2024	139,035	114	774,712	913,862

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

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:

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

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

The Authority also owns land at Pinkham Way and this was valued on 31 March 2023 at £13.1m, a decrease of £1.0m on the previous valuation from 2018. In the intervening years, the Authority reviews the value of Pinkham way for impairment or a change in value, based on based on market evidence from land valuations at the EcoPark.

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 were reported to have cost £221.0m in total and separately identifiable plant and machinery, integral to the operation of the facilities cost a further £27.6m. A review of costs, classification of assets between buildings and plant & machinery and a further valuation have been completed and the 2024/25 accounts have been restated to show that the buildings cost £233.5m and plant and machinery is £16.4m.

The cost of buildings are currently held at the depreciated replacement cost as calculated by our valuers in their new valuation which has resulted in a reduction in valuation of £21.9m to £211.6m. 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 2025/26 was £26.009m (2024/25: £22.594).

6. LEASES

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 2026 was £1.136m.

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 £4.832m.

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

The Authority operates 6 Reuse and Recycling Centres on behalf of constituent boroughs. 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.

Right of Use assets	Hannah Close £'000	Berol House £'000	Leases £'000
Valuation			
At 1 April 2025	6,652	1,261	7,912
Additions	-	-	-
Reclassifications/ transfers	-	-	-
Disposals	-	-	-
IFRS 16 Transition adjustment	6,652	1,261	7,912
At 31 March 2026	6,652	1,261	7,912
Depreciation & Impairment			
At 1 April 2025	-	-	-
Depreciation charge	1,820	125	1,945
Reclassifications/ transfers	-	-	-
As at 31 March 2025	1,820	125	1,945
Net Book Value at 31 March 2026	4,832	1,136	5,968
2024/5 Restated			
Right of Use assets	Hannah Close £'000	Berol House £'000	Leases £'000
Valuation			
At 1 April 2024	-	-	-
Additions	-	-	-
Reclassifications/ transfers	-	-	-
Disposals	-	-	-
IFRS 16 Transition adjustment	6,652	1,261	7,912
At 31 March 2025	6,652	1,261	7,912
Depreciation & Impairment			
At 1 April 2024	-	-	-
Depreciation charge	1,820	125	1,945
Reclassifications/ transfers	-	-	-
As at 31 March 2025	1,820	125	1,945
Net Book Value at 31 March 2025	4,832	1,136	5,968

North London Waste Authority

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Right of use assets - Lease Liability	Hannah Close £'000	Berol House £'000	Leases £'000
At 1 April 2025	4,902	1,112	6,014
Additions purchased	-	-	-
Interest expense relating to asset liability	-	-	-
Repayment of lease including interest	(1,926)	(148)	(2,075)
Other	-	-	-
At 31 March 2026	2,976	964	3,939

7. CAPITAL COMMITMENTS

At 31 March 2026, the Authority has entered into contracts for the construction or enhancement of Property, Plant and Equipment in 2026/27 and future years. Commitments amounting to £1m or more are as follows:

Contract description	£'000
Energy Recovery Facility	339,806

8. INVESTMENTS – LONDONENERGY LTD

	31 Mar 2025 £'000	31 Mar 2026 £'000
Balance at 31 March	119,392	119,392

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

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

North London Waste Authority

Statement of Accounts for the year ended 31 March 2026

9. BORROWING

Details of borrowings at 31 March 2026 are set out below:

Repayment Date	Sum Borrowed
Public Works Loan Board:	
12-Apr-26	£10,000,000
12-Apr-28	£10,000,000
24-Jun-36	£54,000,000
24-Aug-36	£41,000,000
24-Jun-46	£64,000,000
24-Aug-46	£54,000,000
18-Sep-52	£140,000,000
24-Jun-56	£75,000,000
24-Aug-56	£69,000,000
26-Feb-60	£100,000,000
24-Jun-66	£87,000,000
19-Jul-66	£200,000,000
24-Aug-66	£86,000,000
11-Jan-67	£140,000,000
17-Dec-29	£50,000,000
17-Dec-30	£90,000,000

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 2026. 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 25		31 Mar 26	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	£'000	£'000	£'000	£'000
Sum Borrowed - £1,270,000,000 (2024/25: £1,130,000,000)	1,135,544	663,635	1,278,101	881,047

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.

10. CONTINGENT LIABILITIES

The Authority has been issued with a penalty by HMRC for an inaccuracy in the VAT treatment of payments under one of its contracts. The £918,859 penalty is disputed by the Authority; however, it is working proactively with both its contractor and with HMRC to resolve the matter, which, in the Authority's view, will result in the penalty being suspended once the issue is concluded. As a result, a provision for this amount has not been included in the financial statements.

11. CAPITAL EXPENDITURE AND CAPITAL FINANCING

The total amount of capital expenditure incurred in the year is shown in this table (including the Right of Use leased assets under IFRS 16), together with the resources that have been used to finance it.

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Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Authority, the expenditure results in an increase to the Capital Financing Requirement (CFR), a measure of capital expenditure incurred historically by the Authority that has yet to be financed.

	2025 (Restated)	2026
	£'000	£'000
Balance brought forward	994,800	1,155,953
Right-of-Use assets recognition (IFRS 16)	7,912	7,912
Adjusted Opening Balance	<u>1,002,713</u>	<u>1,163,866</u>
Capital Investment		
Property, plant and equipment	159,945	169,538
Total Capital Investment	<u>159,945</u>	<u>169,538</u>
Sources of Finance		
Minimum Revenue Provision (MRP)	6,705	11,740
Total Sources of Finance	<u>6,705</u>	<u>11,740</u>
Closing Capital Financing requirement	<u>1,155,953</u>	<u>1,321,663</u>
Change in CFR	153,240	157,798

12. 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.

	2025 (Restated)	2026
	£'000	£'000
Balance brought forward	80,508	78,251
Minimum Revenue Provision (MRP)	6,705	11,740
Depreciation	(8,961)	(8,868)
Write-back depreciation on revaluation	-	
Balance at 31 March	<u>78,251</u>	<u>81,123</u>

13. REVALUATION ACCOUNT

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

	2025 (Restated)	2026
	£'000	£'000
Balance brought forward	108,585	87,091
Revaluation of Property, Plant and Equipment Assets	(22,298)	-
Revaluation on Currency Euro account	805	2,481
Balance at 31 March	<u>87,091</u>	<u>89,572</u>

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14. CAPITAL REVALUATION ACCOUNT

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

	2025 £'000	2026 £'000
Balance at 31 March	<u>21,706</u>	<u>21,706</u>

15. 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.

	2025 £'000	2026 £'000
Balance at 31 March	<u>1,439</u>	<u>1,439</u>

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.

	2025 (Restated) £'000	2026 £'000
Balance at 31 March	<u>8,184</u>	<u>14,996</u>

16. 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

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and households exercised any control or influence on any of the companies or other bodies with which the Authority transacted in 2025/26.

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 2025/26.

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.

Camden

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

Haringey

Operational support services

Enfield

Environment Adviser

Barnet

Environment Adviser

In 2025/26 the Authority paid Camden £6.660m (2024/25: £5.309m) for the provision of lead borough services. On 31 March 2025 Camden held cash and cash equivalents of £211.501m (31 March 2024: £198.119m) on behalf of the Authority.

The London Borough of Haringey provides Operational support services to the Authority. In 2025/26 the Authority paid Haringey £0.321m for these services (2024/25: £0.366m).

The London Borough of Barnet have provided the services of the Environment Adviser since December 2024. £0.016m was paid in 2025/26.

The London borough of Enfield provided the services of the Environment Adviser until October 2024. As a comparator, £0.044m was paid in 2024/25.

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 2026, the Authority owned 100% (31 March 2025: 100%) of the shares in LondonEnergy Ltd. In 2025/26 the Authority paid LondonEnergy Ltd £70.359m (2024/25: £76.768m) for waste disposal and transport services. The Company paid no dividend to the Authority in 2025/26 (2024/25: £nil). The Authority's accounts include a creditor of £7.827m (2024/25 £6.028m) in respect of the services provided to the Authority by the Company and a debtor of £0.113m (2024/25 £0.131m) 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.

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Amounts Written Off

No related party debts were written off in 2025/26 (2024/25: £nil) and no provisions for doubtful debts were raised (2024/25: £nil).

17. 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.

	2025 (Restated) £'000	2026 £'000
Cash flows from operation activities include:		
Depreciation	(8,961)	(8,866)
Movement in pension liability	8	6
(Increase)/decrease in creditors	46,763	(26,118)
Increase / (decrease) in debtors	(11,341)	2,238
Balance at 31 March	<u>26,469</u>	<u>(32,741)</u>

18. ANALYSIS OF CHANGE IN CASH AND CASH EQUIVALENTS

	At 31 March 2025 £'000	Cash flows £'000	At 31 March 2026 £'000
Cash	-	-	-
Short Term Investments	94,318	(77,261)	17,057
Money Market Funds	103,921	90,524	194,445
Cash and cash equivalents held	<u>198,239</u>	<u>13,263</u>	<u>211,502</u>

During the year to 31 March 2026, the Authority secured £140m of new borrowing (2024/25 £140m) and had no borrowing due to be repaid (2024/25 £10m), from HM Treasury, via the Public Works Loan Board to fund the works of the capital NLHPP project.

19. 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

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capital expenditure, any unrealised gain or loss at the balance sheet date has been captured as part of the unusable reserves.

	2025	2026
	£'000	£'000
Short Term Investments	94,318	17,057
Money Market Fund	103,921	194,445
Balance at 31 March	<u>198,239</u>	<u>211,502</u>

Financial Liabilities	2025		2026	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	£'000	£'000	£'000	£'000
Public Works Loan Board (PWLB) Loans	1,135,544	663,635	1,278,101	881,047
LondonEnergy Ltd Loan	-	-	-	-
Short term creditors	38,318	38,318	56,367	56,367
	<u>1,173,862</u>	<u>701,953</u>	<u>1,334,469</u>	<u>937,414</u>

20. 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 2025/26 the Authority paid £15,529 to the London Pension Fund Authority (£18,196 in 2024/25) in respect of these employees. The Authority's future liability as at 31 March 2026 has been calculated by Barnett Waddingham, the actuaries for the LPFA as being £0.097m (£0.181m at 31 March 2025).

The figure is based on the following assumptions:

	2025/26	2024/25
Return on assets discount rate	5.45%	5.15%
Pension increases	2.95%	2.95%
Inflation (CPI)	3.50%	3.75%

For 2025/26 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 (2024/25: 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.

21. 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.

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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 2026 following a revaluation at 31 March 2023, the property, plant and machinery are carried on the balance sheet at £23.965m (£25.400m at 31 March 2025).

22. 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.

Senior Officers with Remuneration over £150,000

		Salary	Variable Pay	Employers Pension	Total
		£	(Note 1) £	Contribution £	£
Managing Director	2024/25	176,133	-	53,333	229,466
(Martin Capstick)	2025/26	179,511	-	49,545	229,056

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

		Salary	Variable Pay	Employers Pension	Total
		£	(Note 1) £	Contribution £	£
Programme Director	2024/25	-	-	-	-
(Note 2)	2025/26	84,393	-	23,293	107,686
Director of Corporate	2024/25	120,824	-	36,586	157,409
Services	2025/26	107,108	-	29,562	136,669

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

Note 2 – The Acting Programme Director started on 1 August 2025

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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	2024/25	2025/26
£50,000 to £54,999	6	9
£55,000 to £59,999	8	8
£60,000 to £64,999	4	5
£65,000 to £69,999	-	2
£70,000 to £74,999	2	3
£75,000 to £79,999	1	2
£80,000 to £84,999	1	1
£85,000 to £89,999	1	1
£90,000 to £94,999	1	-
£95,000 to £99,999	3	4
£100,000 to £104,999	1	-
£105,000 to £109,999	-	1
Total	28	36

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) Note 1	2024/25	10,258	2,396	12,654
	2025/26	10,515	2,902	13,417
Financial Adviser – Executive Director of Corporate Services (Camden) Note 2	2024/25	9,865	3,352	12,849
	2025/26	10,113	2,791	12,904
Legal Adviser – Borough Solicitor (Camden)	2024/25	8,472	2,354	10,827
	2025/26	8,685	2,397	11,082
Technical Adviser – Borough Director of Environment (Enfield) Note 3	2024/25	5,068	968	6,036
	2025/26	-	-	-
Technical Adviser – Borough Executive Director, Environment (Barnet) Note 4	2024/25	2,716	549	3,264
	2024/25 restated	3,435	701	4,136
	2025/26	8,472	1,728	10,200

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Note 1 – The Clerk resigned on 31 August 2025

Note 2 – The Financial Adviser resigned on 31 August 2025 and took up the position of Clerk in 1 September 2025. The successor Financial adviser was appointed on 1 September 2025

Note 3 - The Technical Adviser (Enfield) resigned on 11 October 2024.

Note 4 – The Technical Adviser (Barnet) was appointed on 4 December 2024.

23. 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 2024/25 or 2025/26. No other audit fees were incurred in 2024/25 or 2025/26.

	2024/25	2025/26
	£	£
Audit of the Statutory Accounts	<u>100,869</u>	<u>103,693</u>

The table above discloses the scale fees agreed with the Authority, their external auditor and Public Sector Audit Appointments Ltd for 2024/25 and 2025/26. 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.

North London Waste Authority

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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 400 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.

GROUP MOVEMENT IN RESERVES STATEMENT

	General Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
2025/26						
Balance at 31 March 2025 brought forward	5,591	8,184	1,439	15,214	202,476	217,690
Movement in reserves during 2025/26						
Total Comprehensive Income and Expenditure	798	6,812	-	7,610	2,481	10,091
Adjustments between accounting basis & funding basis under regulations	(2,955)	-	-	(2,955)	2,955	-
Increase/(Decrease) in 2025/26	(2,157)	6,812	-	4,655	5,436	10,091
Balance at 31 March 2026 carried forward	3,434	14,996	1,439	19,869	207,912	227,781
	General Balance £'000	Earmarked Reserves £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
2024/25 Restated						
Balance at 31 March 2024 brought forward	1,936	3,833	1,439	7,208	207,111	214,319
Movement in reserves during 2024/25						
Total Comprehensive Income and Expenditure	1,415	4,351	-	5,766	(2,395)	3,371
Adjustments between accounting basis & funding basis under regulations	2,240	-	-	2,240	(2,240)	-
Increase/(Decrease) in 2024/25	3,655	4,351	-	8,006	(4,635)	3,371
Balance at 31 March 2025 carried forward	5,591	8,184	1,439	15,214	202,476	217,690

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GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2024/25 Restated				2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£'000	£'000	£'000		£'000	£'000	£'000
113,695	(48,606)	65,089	Environmental and regulatory services	130,262	(58,935)	71,327
113,695	(48,606)	65,089	Cost of Services	130,262	(58,935)	71,327
		(72,867)	Other Operating (Income) and Expenditure			(81,112)
		(3,214)	Financing and Investment (Income) and Expenditure			(99)
		4,769	Taxation and Non-Specific Grant Income			(316)
		(6,223)	(Surplus)/Deficit on Provision of Services			(10,200)
		3,200	(Surplus)/Deficit on revaluation of Property, Plant and Equipment Assets			-
		-	(Surplus)/Deficit on revaluation of Long Term Investments			-
		(805)	(Surplus)/Deficit on revaluation of Currency			(2,481)
		457	Actuarial (Gain)/Loss on Pension Assets			2,590
		2,852	Other Comprehensive Income and Expenditure			109
		(3,371)	Total Comprehensive Income and Expenditure			(10,091)

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GROUP BALANCE SHEET

	Note	31 Mar 2025 Restated £'000	31 Mar 2026 £'000
Property, Plant and Equipment	4.7, 4.9	1,111,717	1,272,386
Investments	4.8	7,000	7,000
Long Term Investments	4.9, 4.10	31,865	31,865
LONG TERM ASSETS		1,150,582	1,311,251
CURRENT ASSETS	4.11	268,444	278,969
CURRENT LIABILITIES	4.12	(66,574)	(99,875)
Long Term Borrowings		(1,134,581)	(1,262,468)
Long Term Liabilities - Pension		(181)	(97)
Deferred Taxation		-	-
Other Long Term Liabilities	4.13	-	-
LONG TERM LIABILITIES		(1,134,762)	(1,262,565)
NET ASSETS		217,690	227,780
<u>Usable Reserves</u>			
General Fund Balances		5,592	3,434
Earmarked Reserves		8,184	14,996
Capital Receipts Reserve		1,439	1,439
<u>Unusable Reserves</u>			
Capital Adjustment Account		78,251	81,123
Revaluation Account		51,869	54,350
Capital Revaluation Account		21,706	21,706
Acquisition Revaluation Reserve		50,830	50,830
Pension Reserve		(181)	(97)
TOTAL RESERVES		217,690	227,780



Daniel Omisore
Financial Adviser

North London Waste Authority

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GROUP CASH FLOW STATEMENT

	2024/25	2025/26
	£'000	£'000
Net surplus on the provision of services	(6,223)	(9,533)
Adjustments to net surplus on the provision of services for non-cash movements	<u>34,988</u>	<u>(40,275)</u>
Net cash inflow from operating activities	28,765	(49,808)
Investing activities	167,633	168,329
Financing activities	<u>(134,581)</u>	<u>(137,887)</u>
Net (increase)/decrease in cash and cash equivalents	61,817	(19,367)
Cash and cash equivalents at the beginning of the reporting period	<u>(280,465)</u>	<u>(218,648)</u>
Cash and cash equivalents at the end of the reporting period	<u>(218,648)</u>	<u>(238,015)</u>

North London Waste Authority

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GROUP EXPENDITURE AND FUNDING ANALYSIS

2024/25			2025/26		
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
62,849	2,240	65,089	74,282	(2,955)	71,327
62,849	2,240	65,089	74,282	(2,955)	71,327
(70,855)	-	(70,855)	(78,937)	-	(78,937)
(8,006)	2,240	(5,766)	(4,655)	(2,955)	(7,610)
5,769		Opening Balance	13,775		
-		Restated Balance at 1/4/23			
8,006		Add Surplus/(Deficit) in Year	4,655		
13,775		Closing Balance at 31 March	18,430		
		Environmental and Regulatory Services			
		Net Cost of Services			
		Other Income and Expenditure			
		(Surplus) or Deficit			

North London Waste Authority

Statement of Accounts for the year ended 31 March 2025

NOTES TO THE GROUP ACCOUNTS

1. ACCOUNTS OF LONDONENERGY LTD

The 2025 LondonEnergy Ltd. accounts are unaudited. LondonEnergy Ltd is not required to comply with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 but with effect from 2015 it is required to prepare financial statements in accordance with Financial Reporting Standard 102.

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

2. INVESTMENT IN LONDONENERGY LTD

Summarised balance sheet of LondonEnergy Ltd

		31-Dec-24 £'000	31-Dec-25 £'000
	Note		
LONG TERM ASSETS			
Tangible assets	4.7	3,178	3,178
Investments	4.8	7,000	7,000
		<hr/>	<hr/>
		10,178	10,178
CURRENT ASSETS			
Defined benefit pension assets: amounts falling due after more than one year		2,032	222
Stocks		1,693	1,692
Debtors		35,302	24,808
Cash at bank and in hand		20,410	29,597
		<hr/>	<hr/>
		59,437	56,319
CREDITORS: amounts falling due within one year		<hr/>	<hr/>
		(26,294)	(25,334)
NET CURRENT ASSETS		<hr/>	<hr/>
		33,143	30,985
TOTAL ASSETS LESS CURRENT LIABILITIES			
		43,321	41,163
PROVISIONS FOR LIABILITIES -			
Deferred tax		-	-
Provision		-	-
TOTAL PROVISIONS		<hr/>	<hr/>
		-	-
NET ASSETS		<hr/>	<hr/>
		43,321	41,163
CAPITAL AND RESERVES			
Called up share capital		31,196	31,196
Share premium		1,648	1,648
Profit and loss account		10,477	8,319
TOTAL EQUITY SHAREHOLDERS' FUNDS		<hr/>	<hr/>
		43,321	41,163

Prior period adjustment

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Prior period adjustments relate to North London Waste Authority and are reported in the entity statements. They are included in the group statements but the explanations are not replicated.

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 2026. 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:

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- 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.

LondonEnergy fully impaired the Existing Energy from Waste facility at the EcoPark, including the internal plant and machinery, in 2022 on the understanding that the remaining life was limited. It is now expected to be in use until 2029. 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 land has been valued at £49.430m and the buildings, plant and machinery at £11.829m.

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 2024/25 value previously reported and the restated figures.

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PROPERTY, PLANT & EQUIPMENT

Comparative movement on balances in 2024/25 (Restated)	Land and Buildings £'000	Vehicles & Equipment £'000	Assets Under Construction £'000	Leases £'000	Total £'000
Cost or Valuation					
At 1 April 2024	182,662	142	774,711	-	957,515
Additions,	-	-	159,945	-	159,945
Disposals	-	-	-	-	-
Transfer between classes	233,541	16,374	(249,915)	-	0
Revaluation	(3,200)	-	-	-	(3,200)
At 31 March 2025	413,003	16,516	684,741	-	1,114,260
Depreciation and Impairment					
At 1 April 2024	1,467	28	-	-	1,495
Depreciation Charge	6,111	905	-	-	7,016
Disposals	-	-	-	-	-
At 31 March 2025	7,578	933	-	-	8,511
Net Book Value at 31 March 2025	405,425	15,582	684,741	-	1,105,749
Net Book Value at 31 March 2024	181,195	114	774,712	-	-

Movement on balances in 2025/26	Land and Buildings £'000	Vehicles & Equipment £'000	Assets Under Construction £'000	Leases £'000	Total £'000
Cost or Valuation					
At 1 April 2025	413,003	16,516	684,741	7,912	1,122,173
Additions,	-	-	169,538	-	169,538
Disposals	-	-	-	-	-
Transfer between classes	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2026	413,003	16,516	854,279	7,912	1,291,710
Depreciation and Impairment					
At 1 April 2025	7,578	933	-	1,945	10,456
Depreciation Charge	6,016	906	-	1,945	8,866
Disposals	-	-	-	-	-
At 31 March 2026	13,594	1,839	-	3,889	19,322
Net Book Value at 31 March 2026	399,409	14,677	854,279	4,023	1,272,388
Net Book Value at 31 March 2025	405,425	15,582	684,741	-	1,105,749

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.

North London Waste Authority

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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 £50.319m 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 2025/26 group accounts were prepared in accordance with International Financial Reporting Standards (IFRS), the Authority commissioned chartered surveyors Savills to value the EcoPark land and buildings, at 31 March 2025. Savills concluded that the fair value of the remaining 23% of the EcoPark land and the buildings on it belonging to LondonEnergy Ltd. was £61.259m (2024/25: £42.160m for the land and buildings combined), an increase of £19.099m. 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 2025 have increased this reserve to £50.830m (2024/25 restated as £56.372m).

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 2026, 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 (2024/25 £31.865m).

4.11 Analysis of Current Assets

	32 March 2025 Restated £'000	31 March 2026 £'000
HM Revenue and Customs	14,312	14,646
Other debtors	31,758	24,392
Inventories	1,693	1,692
Defined Benefit Pensions Assets	2,032	222
Cash and cash equivalents	218,649	238,016
	<u>268,444</u>	<u>278,968</u>

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4.12 Analysis of Current Liabilities

	31 March 2025 Restated £'000	31 March 2026 £'000
Short Term Borrowings	(6,128)	(18,101)
Other Creditors	(57,682)	(78,956)
Central Government	(2,764)	(2,817)
	<u>(66,574)</u>	<u>(99,874)</u>