

## London Waste & Recycling Board (Operating as ReLondon)

### Finance Report Q1 2021/22

#### Profit & Loss Summary

For the 3 months

For the 3 months to 30<sup>th</sup> June 2021 LWARB interest income of £11k and grant funding of £437k was above budget by £47k. Budget underspend on programmes £118k and slightly overspent on overheads (£20k), led to a net spend of £793k compared to a budget of £938k.

Business Transformation underspend £65k, Local authority support and Communications and behaviour change underspend £86k, Business and sector support over budget by £33k.

#### LWARB P&L summary to 30/06/2021

P&L	Actual Q1 2021/22	Budget Q1 2021/22	Variance	%	FY Budget 2021/22	%
<b>£000</b>						
<b>Income</b>						
Bank Interest and other income	11	-	11	100%	-	-
Funding	437	401	36	9%	1,603	27%
Asset sale/revaluation	-	-	-	-	-	-
<b>Total income</b>	<b>448</b>	<b>401</b>	<b>47</b>	<b>12%</b>	<b>1,603</b>	<b>27%</b>
<b>Programme spend</b>						
Business Transformation	(82)	(147)	65	44%	(586)	14%
Business and sector support	(470)	(436)	(33)	-8%	(1,745)	27%
Local authority support and Communications and behaviour change	(304)	(390)	86	22%	(1,559)	19%
<b>Total Programme spend</b>	<b>(855)</b>	<b>(973)</b>	<b>118</b>	<b>12%</b>	<b>(3,890)</b>	<b>22%</b>
<b>Overheads</b>						
Rent & rates	(90)	(90)	(0)	0%	(360)	25%
Staff Costs*	(190)	(204)	14	7%	(816)	23%
Other Overheads	(106)	(72)	(34)	-46%	(290)	37%
<b>Total Overheads</b>	<b>(386)</b>	<b>(366)</b>	<b>(20)</b>	<b>-5%</b>	<b>(1,466)</b>	<b>26%</b>
<b>Profit/Loss</b>	<b>(793)</b>	<b>(938)</b>	<b>145</b>	<b>-15%</b>	<b>(3,753)</b>	<b>21%</b>

\* Core staff cost – excludes most dedicated programme staff, whose costs are included in relevant programme budget lines

#### Expenditure Summary

LWARB's net cash position at quarter end is £34k worse off than budget. The investment cash outflow was significantly higher than budget but it was offset by the cash receipts for the GND funds from GLA. See cash analysis for full breakdown.

#### LWARB significant cash movement to 30/06/2021

Cash summary	Q1 Actual	Q1 Budget	Var.	%	FY Budget	%
Opening cash	14,890	14,890	-		14,890	
Net Income / (Expenditure)	(793)	(938)	145	15%	(3,753)	21%
Purchase of investments	(1,400)	(554)	(847)	-153%	(2,214)	63%
Cash received from trade debtors	1,027	-	1,027	100%	-	-
Other	(359)	-	(359)	-100%	-	-
Net Income / (Expenditure)	(1,525)	(1,492)	(34)	-2%	(5,967)	26%
Closing cash	13,364	13,398	-		8,922	

## LWARB Income and Expenditure detail

<b>Income &amp; Expenditure</b>															
For the 3 months ended 31 June 2021															
	For the period (£000s)							Year to date (£000s)							Note
	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%	Actual	Budget	Variance	%	Prior Year	Variance (Actual to Prior Year)	%	
<b>Income</b>															
Bank interest receivable	11	-	11	100%	0.2	11	100%	11	-	11	100%	0.2	11	100%	1
C&A Foundation	5	-	5	100%	-	5	100%	5	-	5	100%	-	5	100%	2
Grant income	374	305	69	23%	-	374	100%	374	305	69	23%	-	374	100%	2
Other income	58	96	(38)	(40%)	-	58	100%	58	96	(38)	(40%)	-	58	100%	3
<b>Total Income</b>	<b>448</b>	<b>401</b>	<b>47</b>	<b>12%</b>	<b>0.2</b>	<b>448</b>	<b>100%</b>	<b>448</b>	<b>401</b>	<b>47</b>	<b>12%</b>	<b>0.2</b>	<b>448</b>	<b>100%</b>	
<b>Programme Expenditure</b>															
Business Transformation	(82)	(147)	65	44%	(73)	(9)	12%	(82)	(147)	65	44%	(73)	(9)	12%	4
Business and sector support	(470)	(436)	(33)	(8%)	(125)	(345)	276%	(470)	(436)	(33)	(8%)	(125)	(345)	276%	5
Local authority support and Communications and behaviour change	(304)	(390)	86	22%	(281)	(23)	8%	(304)	(390)	86	22%	(281)	(23)	8%	6
Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Programme Expenditure</b>	<b>(855)</b>	<b>(973)</b>	<b>118</b>	<b>12%</b>	<b>(479)</b>	<b>(376)</b>	<b>78.6%</b>	<b>(855)</b>	<b>(973)</b>	<b>118</b>	<b>12%</b>	<b>(479)</b>	<b>(376)</b>	<b>78.6%</b>	
<b>Administrative Expenditure</b>															
Office expenses	(5)	(39)	34	87%	(4)	(1)	18%	(5)	(39)	34	87%	(4)	(1)	18%	7
Office Rent	(90)	(90)	(0)	(0%)	(90)	0	0%	(90)	(90)	(0)	(0.2%)	(90)	0	0%	8
Other overheads	(95)	(28)	(67)	(237%)	(42)	(54)	129%	(95)	(28)	(67)	(237%)	(42)	(54)	129%	9
Professional fees	(6)	(5)	(1)	(20%)	(5)	(1)	30%	(6)	(5)	(1)	(20%)	(5)	(1)	30%	10
Staff costs	(190)	(204)	14	7%	(156)	(34)	22%	(190)	(204)	14	7%	(156)	(34)	22%	11
<b>Total Administrative Expenditure</b>	<b>(386)</b>	<b>(366)</b>	<b>(20)</b>	<b>(5%)</b>	<b>(296)</b>	<b>(90)</b>	<b>30.2%</b>	<b>(386)</b>	<b>(366)</b>	<b>(20)</b>	<b>(5%)</b>	<b>(296)</b>	<b>(90)</b>	<b>30.2%</b>	
<b>Net Income / (Expenditure)</b>	<b>(793)</b>	<b>(938)</b>	<b>145</b>	<b>15%</b>	<b>(775)</b>	<b>(18)</b>	<b>2.3%</b>	<b>(793)</b>	<b>(938)</b>	<b>145</b>	<b>15%</b>	<b>(775)</b>	<b>(18)</b>	<b>2.3%</b>	

## **LWARB Income and expenditure commentary**

1. £11k of interest on reserves with the GLA was earned in the quarter. Interest received on average balance was between 0.5%- 1% in the last few years. As we continue to drawdown the balance for working capital and purchasing investments, the actual amount of interest is expected to reduce year on year.
2. Grant income to June 2021 was £379k. This consists of £5k from Lourdes Foundation, accrued ERDF income of £41.5k, £3k from ECAP, £24k from Ecosurety, £305k of Green New Deal grant income.
3. Other income at £58k is £38K less than budget. The £58k figure includes £49.5k relating to Foodwave, £6k CE week sponsorship & £2.5k workshop income from City of London.
4. Local authority support programme expenditure is £304k which is 22% (£86k) under budget for the quarter. Included in this figure is staff costs of £144k and discretionary expenditure of £160k. The underspend is due to delays in project deployment because of the disruption caused by the COVID pandemic. Additionally, some underspend relates to saving in the staffing budget.
5. SME support programme/Business Transformation expenditure at £82k is 44% (£65k) under budget for the year. This is a result of staffing vacancies and reduced spending from the workshops which were moved on-line last year.
6. Business and sector support programme expenditure at £470k is 8% (£33k) over budget. The total includes Green New Deal grants of £305k awarded to SMEs in the period. The staff costs amounted to £99k and also includes programme expenditure of £66k in the period.
7. Office expenses includes cleaning costs of £4k and utilities of £1k.
8. Rent is in line with budget at £361k per annum. However, the rent change occurs from next quarter due to office move in Q2.
9. Other overheads include various costs including £50k of temporary staff hire costs, £11.4k consultancy fees and £13.5k of IT costs.
10. Professional fees at £6k is 20% over budget. The internal & external fees included in the total were accrued based on last year's fees as we have not yet received an estimate for this years work.
11. Staff costs at £190k is 7% (£14k) under budget.

# Balance Sheet

## London Waste and Recycling Board

	As at 30 Jun 2021 (£000s)	As at 31 Mar 2021 (£000s)	Change in the period (£000s)	Notes
<b>Fixed Assets</b>				
Investments	6,949	5,549	1,400	1
<b>Total Fixed Assets</b>	<b>6,949</b>	<b>5,549</b>	<b>1,400</b>	
<b>Current Assets</b>				
Cash at bank and in hand	13,364	14,890	(1,525)	2
Trade debtor	1	1,028	(1,027)	3
Other debtors	201	112	89	4
<b>Total Current Assets</b>	<b>13,566</b>	<b>16,030</b>	<b>(2,464)</b>	
<b>Current Liabilities</b>				
Trade and other creditors	117	(11)	129	5
Payroll liabilities	71	65	5	6
Deferred income	259	308	(49)	7
Accruals	53	103	(50)	8
<b>Total current liabilities</b>	<b>499</b>	<b>465</b>	<b>34</b>	
<b>Provisions</b>				
Provisions	691	996	(305)	9
<b>Total provisions</b>	<b>691</b>	<b>996.39</b>	<b>(305)</b>	
<b>Net Assets</b>	<b>19,325</b>	<b>20,118</b>	<b>(793)</b>	
<b>Reserves</b>				
General fund	13,570	14,363	(793)	10
Other funds	5,754	5,754	-	
<b>Total Reserves</b>	<b>19,325</b>	<b>20,118</b>	<b>(793)</b>	

### LWARB Balance Sheet detail and commentary

1. £1.4m was invested in the period (cash payment made). This addition related to the Greater London Investment Fund.
2. Cash at bank and in hand balance fell by 10% to £13.4m (from £14.9m). See cash flow section for detailed explanations. New bank account was opened in the period to keep the Green New Deal funds separate.
3. Trade debtor decreased by £1,027k. This was due to GLA paying the GND £1m invoice in the period, Islington council settling the £23k invoice and receiving payments for other small invoices totalling £4k.
4. Other debtors increased by £89k (79%) in the period. Other debtors includes prepayments, which increased by 139% (£31k) in the period. This was mainly due to the new office rent

deposit of £29k and advance service charges of £9k. Other debtors also include accrued ERDF income of £41.5k and accrued interest income of £11k for the period.

5. Trade creditor balance increased by £129k in the period. Few large invoices were received late in June and therefore was not included in the pay run. Most of the invoices were paid after the period.
6. The payroll liabilities balance of £71k is made up of PAYE & Pension liabilities for the month of Jun 2021. The salary cost for June was higher than March and therefore the liability was higher.
7. Deferred income balance decreased by £49k. This was due to £49k received for Milan food in the previous quarter being released to P&L in the period.
8. Accruals decreased by £50k in the period to £53k. Most of the invoices were received in the period for the costs accrued in the previous period. Additional £12k of CIRCuIT costs and £12k temp staff costs were accrued in this the period.
9. Provisions total includes both provision for committed expenditure and Green New Deal (GND). The provision for committed expenditure balance remained the same. However, GND provision reduced by £305k in the period. This is because £305k grants were approved and therefore released to the P&L.
10. The general fund balance is made up of the balance at the end of the last period £14,363k less the loss for the period of £793k.

## LWARB Cashflow analysis and commentary

### Cash Flow (£000s)

#### London Waste and Recycling Board

For the 3 months ended 30 June 2021

	<b>Period</b>	Notes
<b>Net Profit/(loss)</b>	(793)	1
(Increase)/decrease in investments	(1,400)	2
(Increase)/decrease in trade debtors	1,027	3
(Increase)/decrease in other debtors	(58)	4
(Increase)/decrease in prepayments	(31)	5
Increase/(decrease) in trade creditors	128	6
Increase/(decrease) in credit card balances	1	7
Increase/(decrease) in payroll liabilities	5	8
Increase/(decrease) in deferred income	(49)	9
Increase/(decrease) in accruals	(50)	10
Increase/(decrease) in Green new deal provisions	(305)	11
<b>Net cash inflow (outflow)</b>	<b>(1,525)</b>	
<b>Opening cash</b>	14,890	
Cash movement above	(1,525)	
<b>Closing cash</b>	<b>13,364</b>	

1. Net profit/loss from "operations". This includes both paid and unpaid items. The notes 2 – 10 below are adjustments to the amount to explain the cash movement in the period.
2. Net cash outflow of £1.4m to Greater London Investment Fund.
3. GLA settled the £1m invoice, Islington council settling the £23k invoice and payments received for other invoices totalling £4k.
4. Increase in other debtors subtracted to reverse the accrued/non-cash income (accrued ERDF income of £41.5k and accrued interest income of £11k).
5. Prepayment balance mostly reflects the cash deposits & advance service charge paid for the new office.
6. Trade creditor balance of £128k added back as this balance reflects non-cash items.
7. Credit card balance increase of £1k added back as it is a non-cash balance.
8. Deferred income balance of £49k was a non-cash adjustment for the period and therefore subtracted.

9. Decrease in accrual balance of £50k reflects cash payments of those accrued invoices.
10. Decrease in GND provision reflects the grants made to SMEs in the period.

Opening and closing cash reconcile to the bank account

## New reporting format

For the 3 months ended 30 June 2021

Account	Period				Year to date				2021/22 Budget
	Actual	Budget	Variance	Variance as a %	Actual	Budget	Variance	Variance as a %	
	£000	£000	£000		£000	£000	£000		
<b>Local authority support &amp; Communications and behaviour change</b>									
RL - Staff costs	144	165	(21)	(13%)	144	165	(21)	(13%)	660
Research, innovation & development (RID)	66	31	35	112%	66	31	35	112%	125
Behaviour Change Campaigns (BCC)	39	70	(31)	(44%)	39	70	(31)	(44%)	280
Focus area projects (RL; FAP)	23	28	(5)	(16%)	23	28	(5)	(16%)	110
Capacity building (CB)	0	13	(12)	(98%)	0	13	(12)	(98%)	50
Service advice & support (SA&S)	-	71	(71)	(100%)	0	71	(71)	(100%)	284
Circular directory (CD)	31	13	18	148%	31	13	18	148%	50
<b>Total</b>	<b>304</b>	<b>390</b>	<b>(86)</b>	<b>(22%)</b>	<b>304</b>	<b>390</b>	<b>(86)</b>	<b>(22%)</b>	<b>1,559</b>
<b>Business and sector support, &amp; Business Transformation</b>									
CE - Staff costs	99	90	9	10%	99	90	9	10%	359
CE Week (CEW)	34	10	24	244%	34	10	24	244%	40
Research	3	25	(22)	(90%)	3	25	(22)	(90%)	100
Commercialisation (Commerc)	12	5	7	140%	12	5	7	140%	20
Investment in knowledge (IiK)	-	10	(10)	(100%)	0	10	(10)	(100%)	40
Corporate engagement (Corp Eng)	-	1	(1)	(100%)	0	1	(1)	(100%)	5
CIRCuIT Staff costs	-	38	(38)	(100%)	0	38	(38)	(100%)	154
CIRCuIT Project expenditure	15	44	(29)	(65%)	15	44	(29)	(65%)	175
CIRCuIT Funding	-	(82)	82	(100%)	0	(82)	82	(100%)	(329)
GND Staff costs	-	29	(29)	(100%)	0	29	(29)	(100%)	115
GND Project expenditure	306	184	122	66%	306	184	122	66%	737
GND Funding	(305)	(213)	(92)	43%	(305)	(213)	(92)	43%	(851)
AL / ERDF Staff costs	80	117	(37)	(32%)	80	117	(37)	(32%)	467
AL / ERDF Project expenditure	2	30	(28)	(93%)	2	30	(28)	(93%)	119
AL / ERDF Funding	-	(82)	82	(100%)	0	(82)	82	(100%)	(328)
<b>Total</b>	<b>246</b>	<b>206</b>	<b>41</b>	<b>20%</b>	<b>246</b>	<b>206</b>	<b>41</b>	<b>20%</b>	<b>823</b>
<b>Central Costs</b>									
Staff	190	204	(14)	(7%)	190	204	(14)	(7%)	816
Office expenses	84	11	74	686%	79	11	69	639%	44
Other overheads	(3)	39	(42)	(107%)	(3)	39	(42)	(107%)	157
Office Rent and related costs	90	90	0	0%	95	90	5	6%	360
Professional fees	18	5	13	262%	18	5	13	262%	20
Marketing and communications	6	17	(11)	(65%)	6	17	(11)	(65%)	70
<b>Total</b>	<b>386</b>	<b>366</b>	<b>20</b>	<b>5%</b>	<b>386</b>	<b>366</b>	<b>20</b>	<b>5%</b>	<b>1,467</b>
<b>Revenue programme</b>									
Resource London	(24)	(10)	(14)	138%	(24)	(10)	(14)	138%	(40)
Accreditation service	-	(2)	2	(100%)	0	(2)	2	(100%)	(10)
Training	-	(2)	2	(100%)	0	(2)	2	(100%)	(10)
Fundraising	(50)	(6)	(44)	697%	(50)	(6)	(44)	697%	(25)
Sponsorship	(6)	(2)	(4)	140%	(6)	(2)	(4)	140%	(10)
Other income	(52)	-	(52)	0%	(52)	0	(52)	0%	-
<b>Total</b>	<b>(132)</b>	<b>(24)</b>	<b>(108)</b>	<b>454%</b>	<b>(132)</b>	<b>(24)</b>	<b>(108)</b>	<b>454%</b>	<b>(95)</b>
<b>NET PROGRAMME EXPENDITURE</b>	<b>804</b>	<b>938</b>	<b>(134)</b>	<b>(14%)</b>	<b>804</b>	<b>938</b>	<b>(134)</b>	<b>(14%)</b>	<b>3,754</b>
<b>Investments</b>									
Investment income	(11)	-	(11)	0%	(11)	0	(11)	0%	0
Investment expenditure	-	554	(554)	(100%)	0	554	(554)	(100%)	2,214
<b>Total</b>	<b>(11)</b>	<b>554</b>	<b>(565)</b>	<b>(102%)</b>	<b>(11)</b>	<b>554</b>	<b>(565)</b>	<b>(102%)</b>	<b>2,214</b>
<b>LWARB NET SPENT</b>	<b>793</b>	<b>1,492</b>	<b>(699)</b>	<b>(47%)</b>	<b>793</b>	<b>1,492</b>	<b>(699)</b>	<b>(47%)</b>	<b>5,968</b>



