

Statement of Accounts



Year ended 31 March 2021

In May 2020 ReLondon was reclassified from a Class 1 to a Class 2 authority under the audit regulations. The requirement to prepare a Statement of Accounts has therefore changed for the year ended March 2020. ReLondon is only required to submit Annual Governance and Accountability Return rather than a full Statement of Accounts. This document has been prepared for the board for consistency however there is no requirement for formal approval of this document.

**London Waste and Recycling Board
operating as ReLondon**

**Statement of Accounts
for the year ended 31 March 2021**

ReLondon
The White Collar Factory
1 Old Street Yard,
London EC1Y 8AF

info@relondon.gov.uk
www.relondon.gov.uk

Contents

Narrative Statement..... 3

Comprehensive Income and Expenditure Statement 12

Balance Sheet 14

Cash Flow Statement 15

Notes to the Accounts..... 16

Glossary of Terms 28

Name

The London Waste and Recycling Board
Formed under the London Waste and Recycling
Board Order No 2038 of 2008
Made on 23 July 2008

Address

The White Collar Factory
1 Old Street Yard,
London EC1Y 8AF

Narrative Statement

This statement is intended to provide readers with an easily understandable guide to the most significant matters reported in these statements.

Primary Statements

The primary statements in these accounts and their purpose are:

The Comprehensive Income and Expenditure Statement

This statement shows the income and expenditure for the year in accordance with generally accepted accounting practices.

Movement in Reserves Statement:

This is a summary of the changes to reserves over the course of the year. Reserves are divided into 'usable', which can be invested in capital projects or service improvements, and 'unusable' which must be set aside for specific accounting purposes and are therefore not available to fund programme expenditure.

The Balance Sheet

This statement shows the value as at the Balance Sheet date of the assets and liabilities recognised by the group. The net assets of the group (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e., those reserves that the group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves are those that the group is not able to use to provide services.

The Cash Flow Statement

This statement shows the changes in cash and cash equivalents of the group during the reporting period. The statement shows how the group 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 group is funded by way of grant income or from the recipients of services provided by the group.

Accounting Policies

The accounting policies applied during the year are set out in the notes to the accounts.

Review of Activities

London Waste and Recycling Board (LWARB) operating as ReLondon

The London Waste and Recycling board (LWARB) was established under Sections 356A and 356B of the Greater London Authority Act 2007. Its membership and constitution are set out in the LWARB Order 2008 (Statutory Instrument 2008 No. 2038, made on 23 July 2008).

On 8th March 2021 LWARB rebranded as ReLondon, and dismantled the programme branding architecture it had previously set up (Resource London, Circular London and Advance London) in order to more clearly communicate its whole purpose and objectives under one brand. ReLondon's legal name remains the London Waste and Recycling Board and was throughout most of the year that this document reports on; so LWARB and ReLondon may be used interchangeably in what follows.

ReLondon's objectives are to promote and encourage, so far as relating to Greater London:

- (a) the production of less waste;
- (b) an increase in the proportion of waste that is reused or recycled;
- (c) the use of methods of collection, treatment and disposal of waste that are more beneficial to the environment.

In doing so it is required to act in accordance with the provisions of the London Environment Strategy dealing with municipal waste management and in general conformity with the Spatial Development Strategy for Greater London (the 'London Plan').

The Board comprises eight members chaired by the Mayor of London or his representative. The remaining seven members are comprised as follows:

- Four London borough councillors appointed by the London councils.
- Two independent members appointed by the London councils.
- One independent member appointed by the Mayor of London.

Activities in 2020/21

As mentioned above, LWARB rebranded as ReLondon on 8th March 2021. Much of the work of the communications team was focused on this for the second half of the year, which involved significant work on creating a new, consolidated website, identity guidelines, templates and communications materials, as well as consultation with a wide array of stakeholders. The rebrand is designed to support the organisation's push to diversify its funding base and express the whole of its proposition to partners and potential customers. In the process it has simplified and unified organisational communications and provided a clear, consistent voice for our work.

Local authority support programme

The local authority (LA) support programme is ReLondon's continuing support programme for London waste authorities (which built on the 'Resource London programme', the jointly funded partnership between LWARB and the Waste and Resources Action Programme (WRAP) delivered between 2015-20). The LA support programme provides boroughs with expert advice and support to embed the circular economy, reduce waste and recycle more.

The LA support programme delivered a range of regional, sub-regional and individual authority level projects. However, the COVID pandemic and the ensuing national lockdowns defined the LA Support Programme's in-year activity. The LA Support Team shifted its priorities to support London's frontline waste and recycling services, with planned projects either delayed or cancelled. The following activities are of particular note:

- COVID-19 Response: When the pandemic hit, the LA Support team and the Communications and Behaviour Change team acted quickly to support London waste authorities and frontline services. Our interventions spanned from frontline waste and recycling services support and public information campaigns, to engaging with government on policy interventions. Working across the LA support programme and the communication and behaviour change programme, we created practical collaboration tools, offered expert guidance and provided targeted communications resources. ReLondon's efforts were recognised in a thank you letter from the Mayor of London received on 28 August 2020.
- *Communications*: A suite of downloadable communications assets and a set of consistent messages were developed and kept up-to-date, to help London boroughs communicate essential COVID-19 messages to residents. Topics covered include encouraging people to keep recycling; avoiding clear-outs; treating collection crews with respect and consideration; fly-tipping and mask littering; and the opening of Household Waste Recycling Centres (HWRCs).
- *COVID-19 response lessons learnt and good practice report*: In order to share lessons learnt and good practice from London waste authority's response to the COVID-19 pandemic the LA Support team conducted a survey of London waste authorities covering five key service areas: Household collections, Household disposal, commercial collections, commercial disposal and communications. The key findings were synthesized into the London Learnings report to ensure the capital's waste services were well prepared for the further lockdown measures.
- *COVID-19 Adaption for commercial waste services*: ReLondon was at the forefront of helping London local authorities adapt their commercial waste services to meet the challenges presented by COVID-19. Three reports were developed; the first published in summer 2020 focusing on the initial impact of the pandemic on commercial waste services; a second, published in autumn 2020, which helped local authorities understand the longer-term impact of COVID-19 on commercial waste tonnages and composition; and the third, which revisited the autumn 2020 report providing predictions for commercial waste in 2021/22.
- Flats Recycling Cost Benefit Calculator: In 2018 Resource London established a two-year partnership with the Peabody Housing Association and six inner London boroughs to explore solutions that will improve recycling in purpose-built flats. The results were published in a comprehensive project report and good practice toolkit for improving flats recycling on 28 January 2020. Building on the finding of this research, during 2020/21 LWARB developed and launched the 'Flats Recycling Package cost benefit calculator'. The calculator enables local authorities and housing providers to calculate the one-off capital and on-going revenue costs and savings (from improving capture rates and reducing contamination) associated with rolling out the most impactful flats recycling interventions (the 'Flats Recycling Package').
- Flat Recycling Supplementary Planning Guidance (SPG): Addressing the inclusion of appropriate recycling infrastructure within new build flats is a key priority for London. Working in partnership with the London Borough of Tower Hamlets, LWARB supported the develop supplementary planning guidance for waste and recycling services in new build flats. A draft SPG was developed, which was put out for statutory consultation (closing on 29 March 2021). The draft SPG was subsequently adopted by Tower Hamlets Council. The SPG will provide a template for other London authorities who are seeing significant increase in new build flats.

- **Contamination Hit Squad:** This project tested the hypothesis that a shared dedicated team of recycling quality officers (RQOs or the hit squad) checking contamination in kerbside containers, presents a cost-effective way of reducing contamination. The pilot was delivered in the London boroughs of Lewisham, Greenwich, Haringey and Brent. The live phase of this project was extensively delivered in 2019/20. A findings and recommendations report was published in December 2020 complemented by a programme of borough seminars and training.
- **Reduction and Recycling Plans (RRP):** The London Environment Strategy (LES) includes a requirement for all boroughs to develop RRP, the first of which will cover the four-year period from 2018 - 2022. The RRP were developed by boroughs during 2019/20. Working with GLA colleagues, LWARB reviewed all 33 plans (containing c.500 individual actions across the 33 RRP covering household and commercial waste services). The RRP were the key documents for LWARB 1-2-1 and one to many service support offering during 2020/21.
- **Training Academy:** During the year LWARB commenced a cross programme project to develop a local authority focused 'Circular Economy Training Academy'. In-year activity included extensive stakeholder consultation to identify training needs around circular economy in the boroughs and developing and structuring the course content. This project continued into 2021/22.

Communications and behaviour change

- **London Recycles:**
 - The 3-year 'One bin is rubbish' campaign concluded at the end of March 2020, and evaluation during April/May 2020 showed that the campaign had achieved a significant measurable impact. Social norms around recycling had improved amongst the target audience, and the campaign directly led to 8.2% of the target audience acquiring a new recycling bin/alternative and recycling more as a result. A new London-wide campaign was delayed due to lockdown and the need to focus on local authority service support (see above). A plastics mini-campaign ran in July 2020; and the campaign website was completely redesigned, rebuilt and relaunched. 19 boroughs were supported financially and creatively to deliver Recycle Week campaigns in September 2020; and 24 boroughs were funded to run local campaign activity during Food Waste Action Week in March 2021.
 - Repair Week: the London Recycles team ran the first ever London Repair Week in October 2020, to give Londoners practical skills and encourage greater use of existing repair services. The week was extremely successful: 19 events were run by a range of organisations through the week; 20 partners and 27 supporters got involved; the campaign reached over 3.5 million Londoners online and resulted in 400 new social media followers; and the week featured on both BBC London and ITV London news on launch day – reaching more than 19 million viewers.
 - Research and insights: ReLondon commissioned audience insight research to understand what (de-)motivates 18-34-year olds in the capital to recycle. The resulting report was launched at CE Week 2020 and was then used to inform both campaign activity in-year and the brief for a new London-wide campaign for the subsequent year.
- **Love Not Landfill:**
 - EU funding for the campaign ran out in December 2019, but the decision was taken to continue funding it internally on a maintenance basis. 2020 therefore involved extensive research and outreach to potential partners and funders to ensure that

activations such as the pop-up shop could continue. A number of partnerships were built and maintained through the year to support a range of activities; and a commercial contract signed with North London Waste Authority to run online swap events for their residents, supported by an extensive digital campaign, in autumn/winter 2020.

- The Love Not Landfill website was redesigned, rebuilt and relaunched; a youth panel of 16-24 year olds was created with the support of a specialist research agency, and the team consulted them weekly on topics relating to fashion and sustainability; and a major piece of insights work was delivered into motivations, attitudes and behaviours around fashion amongst the target audience in London.
- Social media, online events and mini-campaigns were run throughout the year, building following and engagement.
- **Food Wave:**
 - LWARB became an active partner in the EU DEAR-funded educational project, Food Wave, in December 2020 and spent much of the remaining months of the year developing plans and procurements to support project delivery. The project targets 15-35 year olds to engage them with issues about food and climate, with the goal of creating a generation of activists who will go on to inspire and inform others about the relationship between food and climate change.
- **Corporate communications:**
 - As mentioned above, the organisation underwent a major rebranding in 2020-21, culminating in a formal change to ReLondon on 8th March 2021. A series of legacy websites were dismantled and a new website designed and built; templates and identity guidelines developed; and a comprehensive stakeholder engagement exercise completed to support the change.
 - 'The circular economy playbook' podcast was launched and 10 episodes produced through the year; PR activity on major events and announcements grew the organisation's profile and reach; social media following was built through regular and better

Circular London Programme

The circular economy and its role in reducing consumption-based emissions are at the heart of LWARB's 2020-2025 business plan. The Circular London Programme aims to accelerate the circular economy in London. The programme activities include: the development of the evidence base needed to understand the current state of the circular economy and the key leverage points, the direct support of businesses developing circular business models, the development of sector-specific demonstrators projects, and the organisation of dissemination or networking events or other communications activities aiming at promoting the scaling of those circular business models.

RESEARCH AND POLICY

- **Circular Economy Statement:** LWARB worked with the GLA to procure technical specialists to work with the built environment sector in London to create guidance to accompany the new Circular Economy Statement policy within the draft London Plan.
- **Policy mapping:** LWARB started developing a policy mapping report that will review current policy at a London national and international level which is supporting the transition to a circular economy.
- **Material Flow Analysis:** LWARB started working with Circle Economy to complete a material flow analysis for food at London level, linking the food flows with their associated carbon emissions to identify where the most impactful interventions can be undertaken to reduce CO2 and waste.

ADVANCE LONDON BUSINESS SUPPORT

- Adaptation to the pandemic: Despite the pandemic, the Advance London business support programme continued to deliver its support activities by transitioning its services to a virtual format. The portfolio of supported SMEs has extended, and up until February 2021, was comprised 232 of SMEs which have each received business advice and support from LWARB's specialist team. The programme has established a strong brand name with 1,561 followers on Twitter. A total of 48 new circular products and/or services have been launched with circular innovation reflected in various elements of the business' models and a total of 50 new jobs were created in London.
- Matchmaking: The team organised two online matchmaking events between SMEs and potential buyers, one with the borough of Hounslow and one with corporate food buyers (inc. Pret a Manger, Abel & Cole and Tesco).
- Knowledge output: The team launched a "food that doesn't cost the earth" guide for promoting circular economy practices in the food sector and launched a platform to promote job opportunities within the programme's portfolio of circular SMEs.
- Green New Deal: The team worked closely with the GLA to design a business support and recovery programme for London businesses and managed to secure £900k of additional funding from the Mayor's Green New Deal funding to deliver grants, bespoke advice and a matchmaking platform. This Green New Deal-funded programme was launched with a first round of emergency grants in February 2021.

KNOWLEDGE SHARING-DISSEMINATION

- CIRCuiT: LWARB continued to deliver the CIRCuiT programme. This is a collaborative project involving 29 partners working in the built environment value chain in Copenhagen, Hamburg, Helsinki Region and Greater London. Funded by the European Commission's Horizon 2020 programme, the project is supporting the creation of regenerative cities by implementing sustainable and circular construction practices. CIRCuiT aims to bridge the gap between theory, practice and policy by delivering a series of demonstrations, case studies, events and other dissemination activities. During this financial year, the team identified and supported 3 demonstration projects, launched a report on the incorporation of circular objectives into urban planning, and launched a Urban Decision Maker Forum with London boroughs and a wider CIRCuiT City Network with 12 European cities.
- Food flagship initiative and strategic partnership with the Ellen MacArthur Foundation: London has become this year, together with New York and Sao Paulo, one of three Flagship Cities of the Food Initiative Ellen MacArthur Foundation. The initiative is convening a consortium of public-private businesses to co-design, test, and scale solutions based on circular economy solutions for food, including food waste reduction. Above and beyond the partnership with the EMF on the food flagship initiative, discussions were initiated for London to become a Strategic Partner City of the Ellen MacArthur Foundation, alongside New York and Sao Paulo, with the aim of that partnership to support London's effort to become a circular economy across sectors. The GLA and LWARB had discussions with the Foundation to draft the partnership agreement towards the end of the 2020-21 financial year.
- Circular Fashion Fast Forward: Following the success of the development of circular business models by 4 fashion brands (Adidas, FW, Ted Baker and Farfetch), as part of a project funded by the Laudes Foundation, LWARB, in partnership with QSA partners, has developed a series of communication tools to support the dissemination of the project learnings, including a learning platform, case studies and a "Fashion that doesn't cost the Earth" guide.
- Circular Economy Week: Following on from last year's successful London Circular Economy Week, we held a virtual #CEweekLDN 2020 from 1st – 5th June to coincide with World Environment Day on 5th June. The week began with a launch event on Mon, 1st

June followed by three key events on the CIRCuIT project on Tuesday 2nd, and behaviour change and finance on Weds 3rd and Fri 5th June respectively. The events were virtual and also included over 40 events hosted by our partners and collaborators. We had over 2,330 participants, 13,694 new visitors to the CEweek London platform and the number of times our messages were viewed on social media increased by 68% in comparison to last year.

Budgetary performance

Programme expenditure excluding impairments for the year was 11% under budget at £2.65m. There was reduced spend in the Resource London Programme (£80k), the Circular Economy Programme (£183k), but spending in the Advance London programme increased slightly by £17k, Operating Expenses by £54k. There was a fall in investment valuation by £419k.

Overall, the net expenditure at £3.7m was 2% over budget.

Internal and external sources of funds

ReLondon received £184k of interest earned on cash deposits, grant income from European Union sources of £396k, £36k from the C&A foundation and £31k from the Greater London Authority during the year.

Members of the Board

The members of the Board during the year were:

Name and Position	Primary position held elsewhere
Liz Goodwin Chair	Individual
Shirley Rodrigues	Deputy Mayor of London – Environment and Energy
Cllr Guy Senior	London Borough of Wandsworth
Cllr Nesil Caliskan	London Borough of Enfield
Chantelle Nicholson	Individual. (Appointed on 11/08/2020)
Joe Murphy	Individual. (Appointed on 11/08/2020)
Cllr Krupa Sheth	Brent Council. (Appointed on 11/08/2020)
Cllr Claire Holland	London Borough of Lambeth. (Appointed on 11/08/2020)
Barbara Anderson	Non-Executive Director. (to 10/08/2020)
Melville Haggard	Independent Consultant. (to 10/08/2020)
Cllr Bassam Mahfouz	London Borough of Ealing. (to 10/08/2020)
Cllr Ian Wingfield	London Borough of Southwark. (to 10/08/2020)

Board Member Committee and Board Meeting Attendance 2020/21

Board member	Board	Audit Committee
Total meeting in year	3	3
Liz Goodwin	3/3	
Shirley Rodrigues	3/3	
Cllr Guy Senior	2/3	3/3
Cllr Nesil Caliskan	2/3	
Chantelle Nicholson	2/2	
Joe Murphy	2/2	2/2
Cllr Krupa Sheth	2/2	2/2
Cllr Claire Holland	2/2	1/2
Barbara Anderson	1/1	1/1
Melville Haggard	1/1	
Cllr Bassam Mahfouz	1/1	1/1
Cllr Ian Wingfield	1/1	1/1

Note: A blank indicates that the person listed was not a member of the board/committee shown (at the time of the meetings held). Attendance is shown as “number of meetings attended/number of meeting held while a member”.

Comprehensive Income and Expenditure Statement

Comprehensive Income and Expenditure Statement for the year ended 31 March 2021

	Note	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Project Expenditure	4	(587)	(587)	(1,611)
Administrative Expenditure	4	(2,731)	(2,731)	(2,381)
Total Gross Expenditure		(3,318)	(3,318)	(3,992)
Other Income		13	13	18
Total Gross Income		13	13	18
Net Income / (Expenditure) from Continuing Operations		(3,305)	(3,305)	(3,974)
Financing and Investment Income	6	184	184	199
Financing and Investment Expenditure	6	(1,021)	(1,021)	(376)
Net Financing and Investment Income / (Expenditure)		(837)	(837)	(177)
Non-Specific Grant Income	7	463	463	623
Surplus / (Deficit) on the Provision of Services		(3,679)	(3,679)	(3,528)
Corporation tax	8	-	-	-
Total Comprehensive Income and Expenditure		(3,679)	(3,679)	(3,528)

Group Movement in Reserves Statement

	General Fund	Capital Grants Unapplied Account	Total Usable Reserves	Capital Adjustment Account	Accumulated Absences account	Total Unusable Reserves	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2020	18,038	-	18,038	5,777	(18)	5,759	23,797
Total comprehensive income and (expenditure)	(3,679)	-	(3,679)	-	-	-	(3,679)
Adjustments between accounting basis and funding basis under regulations	233	-	233	(228)	(5)	(233)	-
Net increase / (decrease) in the year	(3,446)	-	(3,446)	(228)	(5)	(233)	(3,679)
Balance as at 31 March 2021	14,592	-	14,592	5,549	(23)	5,526	20,118

Balance Sheet

Balance Sheet as at 31 March 2021

	Note	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Long-term Assets				
Investments	14	5,549	5,549	5,777
Total Long-term Assets		5,549	5,549	5,777
Current Assets				
Debtors	9	1,156	1,156	494
Cash and cash equivalents	14	14,890	14,890	18,537
Total Current Assets		16,046	16,046	19,031
Current Liabilities				
Creditors falling due within one year	10	(173)	(173)	(371)
Deferred income	11	(308)	(308)	(458)
Provisions for liabilities and charges	12	(996)	(996)	(182)
Total Current Liabilities		1,477	1,477	(1,011)
Net Current Assets		14,568	14,568	18,020
Long-term Liabilities				
				-
Net Assets		20,118	20,118	23,797
Reserves				
<i>Usable Reserves</i>				
General Fund	13	14,592	14,592	18,038
Capital Grants Unapplied Account	13	-	-	-
Total Usable Reserves	13	14,592	14,592	18,038
<i>Unusable Reserves</i>				
Capital Adjustment Account	13	5,549	5,549	5,777
Accumulated Absences Account	13	(23)	(23)	(18)
Total Unusable Reserves	13	5,526	5,526	5,759
Total Reserves		20,118	20,118	23,797

Cash Flow Statement

Cash Flow Statement for the year ended 31 March 2021

	Note	2021 ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Cash flows from operating activities				
Net surplus / (deficit) on the provision of services		(3,038)	(3,038)	(2,471)
Cash flows from investing activities				
Interest received on cash and cash equivalents		87	87	199
Proceeds from sale of investments		171	171	473
Purchase of investments		(867)	(867)	(3,412)
Net cash flows from investing activities		609	609	2,740
Net increase / (decrease) in cash and cash equivalents in the reporting period		(3,647)	(3,647)	(5,211)
Cash and cash equivalents at the beginning of the reporting period		18,537	18,537	23,748
Cash and cash equivalents at the end of the reporting period		14,890	14,890	18,537
Reconciliation of net expenditure to net cash outflow from operating activities				
Net expenditure for the reporting period		(3,679)	(3,679)	(3,528)
Interest received on cash and cash equivalents		(87)	(87)	(199)
(Increase) / decrease in debtors		(662)	(662)	826
Increase / (decrease) in creditors		(348)	(348)	423
Increase / (decrease) in provisions		814	814	(368)
Investment impairments		1,021	1,021	848
Gain/ (loss) on investments		(97)	(97)	(473)
Net cash outflow from operating activities		(3,038)	(3,038)	(2,471)

Cash and cash equivalents are held in the form of amounts in instant access bank accounts and an instant access deposit account held by the Greater London Authority.

Notes to these Statements

Notes to these Statements for the year ended 31 March 2021

1. Accounting Policies

Basis of financial statements and accounting policies

ReLondon's accounting policies are the principles, bases, conventions, rules and practices applied that specify how the effects of transactions and other events are to be shown in its financial statements through recognising, selecting measurement bases for and presenting assets, liabilities, gains, losses and changes in reserves. It has adopted the following accounting policies which should be read in conjunction with the financial statements set out below.

The accounting policies set out below have been applied consistently to all periods presented in this Statement.

The preparation of these accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in these of accounts is included in the following notes:

Note 14 - Financial instruments

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 14 - Financial instruments

Note 12 – Provisions for liabilities and charges

The ReLondon Group's financial statement has been prepared with regard to the proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom 2019/20* (the Code).

Subsidiaries

The Group accounts presented consolidate the individual accounts of the ReLondon and its subsidiary. A subsidiary is an entity over which the Authority exercises or has the potential to exercise control.

ReLondon's subsidiaries are:

ReLondon Circular Solutions Limited (Company no: 13305957)

Accruals of Expenditure

All expenditure is charged in the period to which it relates on an accruals basis and a liability is recognised when there is a legal or constructive obligation. ReLondon is not registered for Value Added Tax (“VAT”) and accordingly expenditure includes irrecoverable VAT.

Provisions

A provision is recognised if, as a result of a past event, ReLondon has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for Committed Project Grants

ReLondon awards project grants under agreements that can span more than one year. The full potential funding award is recognised on the signing of the funding agreement and is recognised in the balance sheet as a provision for Committed Project Grants. Drawdowns of the funding award are made subject to achieving set milestones. When the milestones are achieved and a milestone invoice is raised this amount is charged against the provision and recognised in the balance sheet as a current liability. Material write downs of provisions are detailed on note 12.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when ReLondon becomes party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure statement for 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 originally recognised.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at: -

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when ReLondon becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and

Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

Financial Assets Measured at Fair Value through Profit of Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when ReLondon becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

Equity instruments that do not have a quoted price in an active market for an identical instrument are held at estimated fair value. Where fair value cannot be reliably measured, equity instruments are held at cost.

Each financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by the debtor, restructuring of an amount due to ReLondon on terms that ReLondon would not consider otherwise, or indications that a debtor will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in Surplus or Deficit on the provision of Services. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Government Grants and Other Contributions

Grants and other contributions are not recognised until there is reasonable assurance that ReLondon will comply with any conditions attached to them, and the grants or other contributions will be received. Grants and contributions relating to revenue expenditure are accounted for on an accruals basis, and recognised immediately in the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or other contribution has conditions relating to initial recognition that the authority has not satisfied. Grants and contributions that satisfy the recognition criteria above but which have a condition attached that remains to be satisfied are recognised initially in the Grant Receipts in Advance Account.

Corporation Tax

ReLondon is a body corporate for the purposes of the Corporate Tax Acts and is subject to Corporation Tax on its deposit and loan interest income. A corresponding expense and liability is recognised where ReLondon has accrued such income and is liable for Corporation Tax on it. A reconciliation between accounting Surplus on the Provision of Services and tax expense, and a breakdown of the components of the tax expense are shown in note 8.

Events after the Balance Sheet Date

Events that have occurred after the Balance Sheet date up to the date of finalisation of these accounts but could not be foreseen at the Balance Sheet date are disclosed in the notes to the accounts along with the unadjusted financial impact on these accounts.

Accounting Standards that have been issued but have not yet been adopted

There are no Accounting Standards that have been issued but have not yet been adopted that are relevant to these accounts of ReLondon.

2. Financial risk management

ReLondon has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about ReLondon's exposure to each of the above risks, the objective, policies and processes for measuring and managing risk, and ReLondon's management of capital. Further quantitative disclosures are included throughout these accounts.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit rating of a counterparty and the available level of security is considered when setting minimum interest rates on each financial instrument issued in accordance with the State Aid compliant communication OJ C 14, 19.1.2008 issued by the European Commission.

ReLondon establishes an allowance for impairment that represents its estimate of incurred losses. This allowance is calculated on the basis of loss components that relate to individually significant exposures.

Liquidity risk

Liquidity risk is the risk that ReLondon will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. ReLondon's approach to managing liquidity risk is to only commit to financial instruments that can be funded from the available cash resources at the date of commitment.

Market risk

Market risk is the risk that changes in market prices such as interest rates will affect ReLondon's income or the value of its financial instruments.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with ReLondon's processes or personnel, technology and infrastructure risks, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The governance framework supported by a detailed operations manual manages operational risk so as to balance the avoidance of financial losses and damage to ReLondon's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Capital Management

ReLondon's policy is to maintain a strong capital base so as to maintain stakeholder confidence and to sustain the future development of the business. ReLondon seeks to distribute funds on as commercial basis as possible as repayable loans and equity investments so as to secure the long term financial viability of the organisation.

3. Operating segments

ReLondon manages its activities and reports as a single operational unit and as such no operational segmentation is provided in these Statements.

ReLondon does not provide multiple local authority services as set out in the Service Reporting Code of Practice 2018/19 ("SeRCOP"). All services and corresponding income and expenditure for ReLondon fall within the SeRCOP service category of "environmental and regulatory services".

ReLondon has not acquired or discontinued any operations in the year to 31 March 2021.

4. Expenditure

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Project Expenditure			
Grants	(543)	(543)	(1,603)
Professional fees	(44)	(44)	(8)
Total Project Expenditure	(587)	(587)	(1,611)
Administrative Expenditure			
Staff Costs	(2,012)	(2,012)	(1,785)
Professional fees	(81)	(81)	(122)
Rent and Serviced Accommodation	(378)	(378)	(242)
Professional Fees – office move	-	-	(23)
Other overheads	(261)	(261)	(209)
Total Administrative Expenditure	(2,731)	(2,731)	(2,381)

Included in professional fees is an amount of £3,840 (2020: £3,840) with respect to Auditors' remuneration for external services carried out by PKF Littlejohn LLP.

5. Staff costs

5.1 Members of the Board

The remuneration and expenses of members of the Board for the year to 31 March 2021 was as follows:

	Remuneration	Expenses	Total
Liz Goodwin	20,000	-	20,000
Shirley Rodrigues	-	-	-
Cllr Guy Senior	9,750	-	9,750
Cllr Nesil Caliskan	6,000	-	6,000
Chantelle Nicholson	5,345	-	5,345
Joe Murphy	5,345	-	5,345
Cllr Krupa Sheth	5,345	-	5,345
Cllr Claire Holland	5,345	-	5,345
Barbara Anderson	3,247	-	3,247
Melville Haggard	2,164	-	2,164
Cllr Bassam Mahfouz	3,788	-	3,788
Cllr Ian Wingfield	3,247	-	3,247

No pension payments were made on behalf of Board members.

5.2 Staff costs.

The number and job titles of employees whose remuneration during the year to 31 March 2021 was £50,000 or more, in bands of £5,000, together with the equivalent number for the previous year, was:

Remuneration Band		Number of Employees	
£	£	2021	2020
50,000 -	54,999	3	-
55,000 -	59,999	3	1
60,000 -	64,999	1	4
65,000 -	69,999	4	1
70,000 -	74,999	-	2
75,000 -	79,999	1	-
80,000 -	84,999	1	1
90,000 -	94,999	1	-
120,000 -	124,999	-	1
130,000 -	134,999	1	-

There were no employees earning over £150,000

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Employee remuneration (officers and members)	1,725	1,725	1,552
Employer pension contributions	59	59	53
Employer National Insurance Contributions	193	193	180
Annual leave carry over accrual/(release)	5	5	-
Staff consultancy costs	30	30	-
Total Staff Costs	2,012	2,012	1,785

6. Financing and Investment Income and Expenditure

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Interest income on loans and receivables			
Interest income on bank deposits	87	87	199
Other investment income	97	97	-
Total finance and investment income	184	184	199
Loan impairments	(1,021)	(1,021)	(376)
Total finance and investment costs	(1,021)	(1,021)	(376)
Net finance income / (costs) recognised in Surplus / (Deficit) on the Provision of Services	(837)	(837)	177

7. Grants

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Grant income from European Union	396	396	512
Grant income from C&A Foundation	36	36	111
Grant income from Greater London Authority	31	31	-
	463	463	623

8. Corporation Tax

ReLondon is a body corporate for the purposes of the Corporate Tax Acts and is subject to Corporation Tax on its deposit and loan interest income. As ReLondon is not engaged in a trade, interest receipts are deemed non-trading loan relationship credits, and only costs directly attributable to loans can be offset against this income.

Reconciliation between tax expense and accounting Surplus on the Provision of Services

	2021 £'000	2020 £'000
Taxable investment income	184	199
Taxable profits/(tax loss)	184	199
Utilisation of rolled forward tax losses	(184)	(184)
Corporation Tax Expense	-	-

Components of the tax expense/credit

	2021	2020
	£'000	£'000
Current tax:		
Current year	-	-
Prior year reclaim	-	-
Movement in deferred tax asset	-	-
Corporation Tax (Expense)/Credit	-	-

Tax losses

	2021	2020
	£'000	£'000
Brought forward tax losses	(16,374)	(16,175)
Tax losses incurred during the year	-	-
Utilised against current year taxable profits	184	199
Carried forward tax losses	(16,558)	(16,374)

At the balance sheet date, ReLondon has unused tax losses of £16,558k (2020 - £16,374k) available for offset against future profits.

9. Debtors

	ReLondon	2021	2020
	£'000	Group	ReLondon
		£'000	£'000
Trade and other receivables	1,134	1,134	316
Prepayments	22	22	174
Staff loans	-	-	4
Total	1,156	1,156	494
Non-current			-
Current	1,156	1,156	494
Total	1,156	1,156	494

ReLondon's exposure to credit risks and impairment losses relating to trade and other receivables is disclosed in note 14.

Loans and receivables and equity instruments are valued according to IFRS 13's fair value hierarchy, with the inputs to valuation techniques used to measure fair value falling within level 2 of the hierarchy. Level 2 inputs are defined as "inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

10. Creditors falling due within one year

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Trade creditors	70	70	150
Accrued employee annual leave entitlement	23	23	18
Accruals	80	80	203
Total	173	173	371

11. Deferred income

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Circuit funding	259	259	458
Food Wave funding	49	49	-
	308	308	458

12. Provisions for liabilities and charges

Provisions for Committed Project Grants and Loans

ReLondon has entered into the following grant agreements

Grant agreements	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Balance at 1 April	182	182	550
Grants/Loans awarded during the year	974	974	-
Invoiced	(146)	(146)	(368)
Written back*	(14)	(14)	-
Balance at 31 March	996	996	182
Non Current	-	-	-
Current	996	996	182

*Write backs

Write backs of £14k are recognised where there has been underspend against contracted grants under borough support programmes. All grant agreements are entered into with local authority and third sector organisations seeking to deliver projects in support of the ReLondons Business Plan. The drawdown of funds is dependent on milestones which vary by project both in terms of timing and nature. As the delivery dates of milestones by project are uncertain the provisions are based on anticipated cash flows at the reporting date but are subject to variation.

13. Reserves

ReLondon is required to maintain a number of reserves under the provisions of the Code. The reserves and their broad functions are as follows.

Usable Reserves

General Fund – this balance represents the cumulative surplus available to ReLondon to support revenue spending.

Capital Grants Unapplied Account – this reserve represents the balance of capital grants that have been recognised as income but have yet to be used to finance investment expenditure.

Unusable Reserves

Capital Adjustment Account – this account exists to capture those elements of capital accounting required by the Code.

Accumulated Absences Account – this reserve exists to capture the difference between the amount of expenditure recognised in the Comprehensive Income and Expenditure Statement relating to accrued holiday pay and that required by Statute to be charged to the General Fund.

14. Financial Instruments

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Equity instruments	5,549	5,549	5,777
Cash and cash equivalents	14,890	14,890	18,537
Total	20,439	20,439	24,314

At the balance sheet date LWARB has two investments in private equity funds, and one in the Greater London Investment Fund (GLIF). The private equity fund investments are nearing their end stage and currently held at cost, while the GLIF investment is held at Fair Value through Profit and Loss, based on the fund manager's valuation report at 31st March 2021.

Investments in Subsidiaries

ReLondon Circular Solutions Limited – ReLondon (Parent) holds one £1 share in ReLondon Circular Solutions Limited (RCSL). RCSL is registered in England and Wales and is a wholly owned subsidiary of ReLondon. RCSL was incorporated 31 March 2021 and was dormant as at 31 March 2021.

Categories of Financial Instruments

	ReLondon £'000	2021 Group £'000	2020 ReLondon £'000
Long-term Assets			
Financial assets at FVTPL	5,549	5,549	5,777
Total Long-term Assets	5,549	5,549	5,777
Current Assets			
Financial assets at amortised costs	1,156	1,156	494
Cash and cash equivalents	14,890	14,890	18,537
Total Current Assets	16,046	16,046	19,031
Current Liabilities			
Financial liabilities at amortised costs	1,477	1,477	1,011
Total creditors	1,477	1,477	1,011

Assumptions and estimations.

The two investments in private equity funds are nearing their end stage and currently held at cost. Fund managers valuation reports are available for these in the form of a quarterly report to limited partners from Circularity Capital, and an on-line portfolio statement provided by Seedrs for the Sustainable Accelerator. These valuations are shown in the table below against the book values.

	Cost £'000	Fund report £'000
Private equity funds	1,300	1,664

Impairment losses

An impairment review of equity investments was undertaken at the balance sheet date, and as a result impairment losses of £1,021k were recognised as disclosed in note 6.

15. Related Party Transactions

ReLondon chooses to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence ReLondon or to be controlled or influenced by ReLondon. Disclosure of these transactions allows readers to assess the extent to which ReLondon 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 with ReLondon.

All members of the Board, the Chief Executive Officer and the Head of Finance were asked to declare any direct financial relationship through outside bodies or companies with ReLondon for the financial year 2020/21

Related parties in 2021 are those listed in the table below, and in 2020 were those listed in the table below that:

Related parties in 2020-2021

Related party	Individual with influence	Relationship to ReLondon	Relationship to related party
London Borough of Wandsworth	Cllr Guy Senior	ReLondon Board Member	Councillor
Greater London Authority	Shirley Rodrigues	ReLondon Board Member	Deputy Mayor, and Environment & Energy

Related parties in 2019-2020

Related party	Individual with influence	Relationship to ReLondon	Relationship to related party
London Borough of Hackney	Cllr Feryal Demirci	ReLondon Board Member	Councillor and Cabinet Member
WRAP	Peter Maddox	Resource London Partnership Board member	Director
Western Riverside Waste Authority	Cllr Guy Senior	ReLondon Board Member	Member
Greater London Authority	Shirley Rodrigues	ReLondon Board Member	Deputy Mayor – Environment & Energy
North London Waste Authority	Cllr Clyde Loakes	RL Partnership Board Chair	Chair of the North London Waste Authority
London Borough of Hounslow	Cllr Victoria Lawson	RL Board member	Senior Officer
LEDNET	Cllr Victoria Lawson	RL Board member	Member of leadership team and waste cluster.

Related party transactions

	Transaction value		Balance outstanding	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Greater London Authority	(1,005)	-	(1,005)	-
LB Hackney	-	(28)	-	(18)
LB Hounslow	-	(35)	-	(6)
LEDNET	-	30	-	-
North London Waste Authority	-	(5)	-	-
Western riverside Waste Authority	-	(9)	-	-
WRAP	-	(296)	-	-
LB Wandsworth	1	-	-	-

16. Events after the Balance Sheet date

The Covid 19 impact is not expected to have a significant Balance Sheet impact.

Glossary of Terms

Accounting Period – The period of time covered by the accounts, normally 12 months commencing on 1 April.

Accruals – Sums included in the final accounts to cover income and expenditure attributable to the accounting period but for which payment has not been made / received at the balance sheet date.

Amortisation – The writing down of Financial Instruments by making a charge (similar to depreciation).

Creditors – Amounts owed by ReLondon at 31st March for goods received or services rendered but not yet paid for.

Current Assets – Assets which can be expected to be consumed or realised during the next accounting period.

Current Liabilities – Amounts which will become due or could be called upon during the next accounting period

Debtor – Amounts owed to ReLondon, which are collectable or outstanding at 31st March.

Government Grants – Payments by central government towards ReLondon expenditure.

Provisions – Amounts set aside to meet known liabilities.

Reserves – Amounts set aside in the accounts for the purpose of meeting future expenditure.

Abbreviations used in the accounts

LWARB – the London Waste and Recycling Board

IFRS – International Financial Reporting Standards

GLA – Greater London Authority