

## Finance report Q4 2021/22

Profit and loss summary: 12 months ending March 2022

Note the format of the finance report has changed in consultation with audit committee chair.

	Actual				Actual vs Q3 forecast				Actual vs original budget			
	Q1	Q2	Q3	Q4	Actual	Forecast	Variance	% Variance	Budget	Variance	% Variance	
<b>Income</b>												
Commercial revenue		0	0	18,387	(1,454)	16,947	22,477	(5,530)	-72%	60,000	(43,053)	-244%
Grants and fundraising	81,529	95,571	38,102	77,920	293,122	232,972	60,150	126%	25,000	268,122	90%	
Sponsorship	6,000	0	32,000	19,000	57,000	38,000	19,000	50%	10,000	47,000	470%	
Other income	2,510	480	14,779	0	17,769	18,172	(403)	-2%	0	17,769	0%	
<b>Total income</b>	<b>90,039</b>	<b>96,051</b>	<b>103,268</b>	<b>95,466</b>	<b>384,838</b>	<b>311,621</b>	<b>73,217</b>	<b>101%</b>	<b>95,000</b>	<b>289,838</b>	<b>316%</b>	
<b>Core programme activity expenditure</b>												
Local Authority Support	183,877	147,513	145,700	210,862	687,951	906,944	(218,993)	-24%	1,063,000	(375,049)	-35%	
Core business sector support and transformation	178,536	115,140	173,008	183,898	650,582	616,360	34,222	6%	669,000	(18,418)	-3%	
Communications	134,201	169,284	257,482	156,235	717,202	706,111	11,091	2%	683,000	34,202	5%	
Central costs	284,989	376,211	221,598	243,998	1,126,795	1,072,141	54,653	5%	1,175,000	(48,205)	-4%	
<b>Total core programme expenditure</b>	<b>781,602</b>	<b>808,148</b>	<b>797,787</b>	<b>794,992</b>	<b>3,182,529</b>	<b>3,301,556</b>	<b>(119,027)</b>	<b>-12%</b>	<b>3,590,000</b>	<b>(407,471)</b>	<b>-37%</b>	
<b>Business sector support restricted grants projects*</b>	<b>28,489</b>	<b>81,958</b>	<b>44,540</b>	<b>11,545</b>	<b>166,532</b>	<b>(1,628)</b>	<b>168,160</b>	<b>-10327%</b>	<b>259,000</b>	<b>(92,468)</b>	<b>-36%</b>	
<b>NET PROGRAMME EXPENDITURE</b>	<b>720,051</b>	<b>794,055</b>	<b>739,059</b>	<b>711,072</b>	<b>0</b>	<b>2,964,223</b>	<b>2,988,307</b>	<b>(24,084)</b>	<b>-1%</b>	<b>3,754,000</b>	<b>(789,777)</b>	<b>-21%</b>
Total Investments	(11,354)	(11,116)	(191,645)	(15,210)	(229,324)	(225,114)	(4,210)	2%	2,214,000	(2,443,324)	-110%	
<b>RELONDON NET SPEND</b>	<b>708,698</b>	<b>782,940</b>	<b>547,414</b>	<b>695,862</b>	<b>2,734,899</b>	<b>2,763,192</b>	<b>(28,293)</b>	<b>-1%</b>	<b>5,968,000</b>	<b>(3,233,101)</b>	<b>-54%</b>	

\*Business sector support restricted grants have been separated as they are skewing the figures as a result of revising the income recognition treatment. (See below)

## Key points of note

- Income generated (£385k) is more than three times higher than original budget (£95k).
- Excluding business sector restricted grants, core programme activity is underspent by £407k against original budget (£24k against last reforecast). Of this £210k is for work that has been contracted but not yet completed or paid for and actual savings of £197k.

## Revenue programme

All income, except the business sector projects, is being presented in the revenue programme section of the accounts. ReLondon has generated £385k against an initial budget of £95k. The commercial activity elements of the programme have not performed as well as planned, but we have generated income and continue to develop the offer. We have significantly exceeded budget for grant fundraising, predominantly due to securing both the Ecosurety grant for the Flats Recycling project and the EU grant for the FoodWave project.

## Local Authority Support

Total underspend of £375k against original budget and £219k against reforecast expenditure.

In the final quarter we issued £180k worth of contracts with Bexley Council (£55k for a food waste prevention project), South London Waste Partnership (£25k to test the waste composition protocol) and Hounslow Council (£100k for the circular economy neighbourhood project), however this expenditure will be recognized in next financial year.

As reported at the March audit committee meeting the majority of the additional underspend against the original budget is a result of vacancies on the team, planned consultancy expenditure being replaced by in house delivery and changing external activity (events, workshops etc.) to online sessions.

## Core Business and sector support transformation

Overall spend for the year is slightly under original budget, although staffing costs increased slightly to add capacity to the team, this was offset by an underspend on 'Investment in Knowledge' which has been re-allocated to the development of the circular economy outcome fund. This is expected to start in 22/23 financial year as we are seeking an anchor funder for the project to be launched.

## Business sector restricted grant projects

The income recognition issues that have been occurring and creating inconsistencies in the budget have been addressed in the last quarter. Income for projects will revert to being deferred or accrued to reflect expenditure and better manage the budget. The forecast figures at Q3 were based on actual cash receipts and as such skew the figures, but this will cease to be an issue.

The key element of project funding is to ensure funds are drawn down to cover salary costs. These are broadly on track for all projects except for the ERDF project, which has been due to reduced capacity in the team (senior business advisor role not filled following promotion) for which an appointment has been made. Underspend on project costs will be carried forward into the next financial year but will have minimal net impact on the budget.

## **Communications & Behaviour change**

Expenditure is £34k over budget (5%) predominantly due some additional costs to deliver unbudgeted but fully funded Food Wave project.

## **Central costs**

Cost savings of nearly £50k have been achieved overall. The restructure of the team and office move have meant increased or unexpected costs incurred for dilapidations, professional fees and temporary staffing, whilst salaries and rents reduced. Central costs and planning will stabilise in the new financial year.

## **Investment income**

We continue to received interest income from GLA of approx. £11k per quarter on our loan balance. In Q3 we sent payment request for the sale of Oakleaf of £180k.

## **Investment expenditure**

There have been no drawn downs in the financial year so investment commitments will be carried forward into next year. A payment of £1.4m was made in April 2022 to the Greater London Investment Fund.

Due to personnel changes in the finance team no adjustments have been made to the value of the investments in the balance sheet at this point.

Note: Detailed management accounts are provided as an appendix at the end of this report.

## Balance Sheet

### London Waste and Recycling Board As at 31 March 2022

	31 Mar 2022	31 Mar 2021
<b>Tangible assets</b>		
Investment: Circularity European Growth Fund 1 LLP	1,356,770	915,089
Investment: Foresight Environmental Fund LP	745,473	745,473
Investment: Greater London Investment Fund (GLIF)/MMC	4,988,652	3,588,652
Investment: Seeders/ Project equity Sustainable accelerator	300,001	300,001
Total Tangible Assets	7,390,896	5,549,215
<b>Total Fixed Assets</b>	<b>7,390,896</b>	<b>5,549,215</b>
<b>Current Assets</b>		
Total Cash at bank and in hand	10,425,171	14,889,508
Debtors and prepayments	358,768	1,140,309
<b>Total Current Assets</b>	<b>10,783,939</b>	<b>16,029,816</b>
Total Creditors: amounts falling due within one year	997,136	464,812
<b>Net Current Assets (Liabilities)</b>	<b>9,786,804</b>	<b>15,565,004</b>
<b>Total Assets less Current Liabilities</b>	<b>17,177,700</b>	<b>21,114,219</b>
Total Creditors: amounts falling due after more than one year	55,035	996,391
<b>Net Assets</b>	<b>17,122,665</b>	<b>20,117,827</b>
<b>Capital and Reserves</b>		
Current Year Earnings	(2,995,163)	(3,679,254)
Profit and Loss Account	18,402,781	22,082,034
Unusable reserves - Accumulated absences account	0	(18,034)
Unusable reserves - Capital adjustment fund	5,776,644	5,776,644
Usable reserves - General fund	(4,061,598)	(4,043,564)
<b>Total Capital and Reserves</b>	<b>17,122,665</b>	<b>20,117,827</b>

Current net assets stand at £9.8m.

## Budget April 2022-March 2023

	Proposed budget carried forward from 2021/22	2022/23 Approved budget figure	Total revised budget
<b>Income</b>			
Revenue programme		£165,000	£165,000
Investment income		£753,000	£753,000
<b>Total income</b>		<b>£918,000</b>	<b>£918,000</b>
<b>Core programme activity expenditure</b>			
<b>Local Authority Support</b>			
Staff costs		£455,000	£455,000
Research, innovation & development (RID)		£160,000	£160,000
Behaviour Change Campaigns (BCC)		£230,000	£230,000
Focus area projects (RL; FAP)	£155,000	£60,000	£215,000
Capacity building (CB)		£30,000	£30,000
Service advice & support (SA&S)	£25,000	£150,000	£175,000
Circular directory (CD)		£50,000	£50,000
<b>Total Local Authority Support</b>	<b>£180,000</b>	<b>£1,135,000</b>	<b>£1,315,000</b>
<b>Business sector &amp; support core activity</b>			
Staff costs		£397,000	£397,000
CE Week (CEW)		£40,000	£40,000
Commercialisation (Commerc)		£20,000	£20,000
Investment in knowledge (iik)	£30,000	£0	£30,000
<b>Total core Business support &amp; transformation</b>	<b>£30,000</b>	<b>£457,000</b>	<b>£487,000</b>
<b>Business sector and support restricted grant projects</b>			
CIRCuiT Staff costs	£35,000	£149,000	£184,000
CIRCuiT Project expenditure	£40,000	£195,000	£235,000
CIRCuiT Funding	-£75,000	-£344,000	-£419,000
GND Staff costs	£25,000	£0	£25,000
GND Project expenditure	£47,000	£3,000	£50,000
GND Funding	-£72,000	-£3,000	-£75,000
AL / ERDF Staff costs	£60,000	£462,000	£522,000
AL / ERDF Project expenditure	£10,000	£138,000	£148,000
AL / ERDF Funding	-£35,000	-£300,000	-£335,000
ISLINGTON staff costs	£0	£0	£0
ISLINGTON Project expenditure	£42,000	£0	£42,000
ISLINGTON Funding	-£42,000	£0	-£42,000
<b>Total Business support &amp; transformation restricted grant projects</b>	<b>£35,000</b>	<b>£300,000</b>	<b>£335,000</b>
<b>Central Costs</b>			
Staff and board (central)		£662,000	£662,000
Staff costs (comms and marketing)		£350,000	£350,000
Office expenses		£35,000	£35,000
Office Rent		£186,000	£186,000
Other overheads		£150,000	£150,000
Marketing and communications (Com)		£70,000	£70,000
Training		£50,000	£50,000
Professional fees		£21,000	£21,000
<b>Total Central Costs</b>		<b>£1,524,000</b>	<b>£1,524,000</b>
<b>NET PROGRAMME EXPENDITURE</b>	<b>£245,000</b>	<b>£2,498,000</b>	<b>£2,743,000</b>

Increase of £245k to budget expenditure is made up of £210k contracted in 2021/22 but not yet spent and £35k net increase to ReLondon's match funding on ERDF project.

## **Treasury Management**

Currently the majority of ReLondon's assets are held by the GLA where they generate a modest 0.6% return. Given the rate of inflation is now higher, our cash is decreasing in value. The board are asked if there is any appetite to consider moving or splitting funds in order to maximise potential returns.

Jo Rogers

07/06/2022

## Appendix 1: Management accounts for the period ended 31 March 2022

Account	Actual				Actual vs Q3 forecast				vs Original Budget		
	Q1	Q2	Q3	Q4	Actual	Forecast	Variance	% Variance	Budget	Variance	% Variance
<b>Revenue programme</b>											
Consultancy services	0	0	18,477	(3,360)	15,117	18,477	(3,360)	-18%	40,000	(24,883)	-62%
CE directory	0	0	0	(14)	0	0	0		10,000	(10,000)	-100%
Training Academy	0	0	(90)	1,920	1,830	4,000	(2,170)	-54%	10,000	(8,170)	-82%
Fundraising	8,291	26,426	12,816	0	47,533	34,717	12,816	37%	25,000	22,533	90%
Sponsorship	6,000	0	32,000	19,000	57,000	38,000	19,000	50%	10,000	47,000	470%
Foodwave funding	49,470	0	0	51,173	100,643	53,309	47,334	89%	0	100,643	0%
Ecosurety funding	23,768	69,145	25,286	26,747	144,946	144,946	0	0%	0	144,946	0%
Other income	2,510	480	14,779	0	17,769	18,172	(403)	-2%	0	17,769	0%
<b>Total Revenue programme</b>	<b>90,039</b>	<b>96,051</b>	<b>103,268</b>	<b>95,466</b>	<b>384,838</b>	<b>311,621</b>	<b>73,217</b>	<b>23%</b>	<b>95,000</b>	<b>289,838</b>	<b>305%</b>
<b>Local Authority Support (LAS)</b>											
Staff costs	86,401	97,165	112,238	123,263	419,067	408,042	11,025	3%	478,000	(58,933)	-12%
Research, innovation & development (RID)	8,475	2,707	318	30,513	42,013	56,182	(14,169)	-25%	125,000	(82,987)	-66%
Focus area projects (RL; FAP)	4,623	0	15,009	23,135	42,767	187,906	(145,139)	-77%	76,000	(33,233)	-44%
Capacity building (CB)	0	0	1,980	(396)	1,584	9,000	(7,416)	-82%	50,000	(48,416)	-97%
Service advice & support (SA&S)	84,377	47,641	482	22,847	155,348	207,501	(52,153)	-25%	284,000	(128,652)	-45%
Circular directory (CD)	0	0	15,673	6,500	22,172	38,314	(16,141)	-42%	50,000	(27,828)	-56%
Other project expenses	0	0	0	5,000	5,000	0	5,000		0	5,000	0%
<b>Total Local Authority Support (LAS)</b>	<b>183,877</b>	<b>147,513</b>	<b>145,700</b>	<b>210,862</b>	<b>687,951</b>	<b>906,944</b>	<b>(218,993)</b>	<b>-24%</b>	<b>1,063,000</b>	<b>(375,049)</b>	<b>-35%</b>
<b>Core business sector support &amp; transformation</b>											
Staff costs	107,129	113,064	119,455	140,777	480,425	440,012	40,413	9%	464,000	16,425	4%
CE Week (CEW)	34,381	1,728	0	0	36,109	36,109	0	0%	40,000	(3,891)	-10%
Research	25,026	0	38,456	40,769	104,251	112,794	(8,543)	-8%	100,000	4,251	4%
Commercialisation (Commerc)	12,000	0	12,000	2,351	26,351	24,000	2,351	10%	20,000	6,351	32%
Investment in knowledge (iik)	0	0	3,098	0	3,098	3,098	0	0%	40,000	(36,902)	-92%
Corporate engagement (Corp Eng)	0	348	0	0	348	348	0	0%	5,000	(4,652)	-93%
<b>Total core Business support &amp; transformati</b>	<b>178,536</b>	<b>115,140</b>	<b>173,008</b>	<b>183,898</b>	<b>650,582</b>	<b>616,360</b>	<b>34,222</b>	<b>6%</b>	<b>669,000</b>	<b>(18,418)</b>	<b>-3%</b>

## Business sector and support restricted grant projects

CIRCuiT Staff costs	31,431	32,724	31,655	23,986	119,796	120,686	(890)	-1%	154,000	(34,204)	-22%
CIRCuiT Project expenditure	15,240	6,091	2,604	12,607	36,542	48,935	(12,393)	-25%	175,000	(138,458)	-79%
CIRCuiT Funding	(38,709)	(61,316)	(39,698)	(16,613)	(156,336)	(179,741)	23,405	-13%	(329,000)	172,664	-52%
GND Staff costs	36,143	34,388	27,746	23,586	121,863	132,563	(10,700)	-8%	115,000	6,863	6%
GND Project expenditure	306,299	292,500	52,615	152,685	804,099	841,567	(37,468)	-4%	737,000	67,099	9%
GND Funding	(305,000)	(292,500)	0	(328,462)	(925,962)	(974,130)	48,168	-5%	(851,000)	(74,962)	9%
AL / ERDF Staff costs	68,515	66,303	78,652	77,573	291,044	292,036	(993)	0%	467,000	(175,956)	-38%
AL / ERDF Project expenditure	2,077	3,769	24,520	10,418	40,784	40,153	630	2%	119,000	(78,216)	-66%
AL / ERDF Funding	(87,507)	0	(139,972)	62,182	(165,298)	(323,698)	158,401	-49%	(328,000)	162,702	-50%
ISLINGTON Project expenditure	0	0	6,417	151,552	157,968	179,000	(21,032)	-12%	0	157,968	0%
ISLINGTON Funding	0	0	0	(157,968)	(157,968)	(179,000)	21,032	-12%	0	(157,968)	0%
<b>Total Business sector support (BSS) &amp; Transformation (BT)</b>	<b>28,489</b>	<b>81,958</b>	<b>44,540</b>	<b>11,545</b>	<b>166,532</b>	<b>(1,628)</b>	<b>168,160</b>	<b>-10327%</b>	<b>259,000</b>	<b>(92,468)</b>	<b>-36%</b>

## Communications (Coms)

Staff costs	72,213	76,142	76,684	92,505	317,544	284,741	32,803	12%	299,000	18,544	6%
Behaviour Change Campaigns (BCC)	39,541	69,207	156,436	53,355	318,538	340,911	(22,372)	-7%	314,000	4,538	1%
Marketing and communications (Com)	22,447	23,935	24,362	10,375	81,119	80,459	660	1%	70,000	11,119	16%
<b>Total Communications (Coms)</b>	<b>134,201</b>	<b>169,284</b>	<b>257,482</b>	<b>156,235</b>	<b>717,202</b>	<b>706,111</b>	<b>11,091</b>	<b>2%</b>	<b>683,000</b>	<b>34,202</b>	<b>5%</b>

## Central Costs

Staff	110,963	137,857	114,954	118,987	482,761	484,406	(1,645)	0%	595,000	(112,239)	-19%
Other overheads	60,703	94,565	53,031	44,379	252,678	217,402	35,276	16%	200,000	52,678	26%
Office Rent	95,219	124,556	44,289	43,850	307,913	308,352	(439)	0%	360,000	(52,087)	-14%
Professional fees	18,104	19,233	9,324	36,782	83,443	61,981	21,462	35%	20,000	63,443	317%
<b>Total Central Costs</b>	<b>284,989</b>	<b>376,211</b>	<b>221,598</b>	<b>243,998</b>	<b>1,126,795</b>	<b>1,072,141</b>	<b>54,653</b>	<b>5%</b>	<b>1,175,000</b>	<b>(48,205)</b>	<b>-4%</b>

<b>NET PROGRAMME EXPENDITURE</b>	<b>720,051</b>	<b>794,055</b>	<b>739,059</b>	<b>711,072</b>	<b>2,964,223</b>	<b>2,988,307</b>	<b>(24,084)</b>	<b>-10363%</b>	<b>3,754,000</b>	<b>(789,777)</b>	<b>-21%</b>
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## Investments

Investment income	(11,354)	(11,116)	(191,645)	(15,210)	(229,324)	(225,114)	(4,210)	2%	0	(229,324)	0%
Investment expenditure	0	0	0	0	0	0	0		2,214,000	(2,214,000)	-100%
<b>Total Investments</b>	<b>(11,354)</b>	<b>(11,116)</b>	<b>(191,645)</b>	<b>(15,210)</b>	<b>(229,324)</b>	<b>(225,114)</b>	<b>(4,210)</b>	<b>2%</b>	<b>2,214,000</b>	<b>(2,443,324)</b>	<b>-110%</b>
<b>LWARB NET SPENT</b>	<b>708,698</b>	<b>782,940</b>	<b>547,414</b>	<b>695,862</b>	<b>2,734,899</b>	<b>2,763,192</b>	<b>(28,293)</b>	<b>-1%</b>	<b>5,968,000</b>	<b>(3,233,101)</b>	<b>-54%</b>