

Unaudited Statement of Accounts



Year ended 31 March 2022

In May 2020 ReLondon was reclassified from a Class 1 to a Class 2 authority under the audit regulations. 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

Unaudited Statement of Accounts for the year ended 31 March 2022

ReLondon
The White Collar Factory
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Contents

Narrative statement.....	3
Comprehensive income and expenditure statement	11
Balance sheet	13
Cash flow statement	14
Notes to the accounts	15
Glossary of terms	26

Name

The London Waste and Recycling Board
Formed Greater London Authority Act 2007 and the London Waste and Recycling
Board Order No 2038 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 this document.

Primary statements

The primary statements in these accounts and their purposes 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 operating as ReLondon

The London Waste and Recycling board 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).

The London Waste and Recycling Board rebranded as ReLondon in March 2021 and has operated under this name throughout the year of this report.

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.

Aims and objectives

We are living through a climate emergency, where our actions and behaviours are having a devastating impact on the planet. If unchecked, the damage will be irreversible; our actions now will have a fundamental impact upon us and future generations. ReLondon believes that we can drastically reduce CO₂e emissions through a circular economy and aims to effect a transformational change in how we make, consume and dispose of stuff in London.

In order to achieve this ReLondon focuses its efforts and resources in three key work areas:

- supporting local authorities to show leadership in transitioning to a circular economy and improving waste and recycling services to reduce CO₂ emissions;
- supporting small and medium sized enterprises (SMEs) to transition to circular models or scale circular businesses; and
- delivering citizen campaigns to help Londoners act on the climate emergency and change behaviours that contribute to consumption based emissions.

Activities in 2021/22

Local authority support

The local authority support team provides expert advice and support to London waste authorities and boroughs to embed circular economy principles and practices, reduce waste and recycle more. The team delivered a range of borough support, as well as research, innovation and demonstration projects across the year, with the following highlights.

Reduction and Recycling Plans:

ReLondon provides individual tailored support to London boroughs to help them develop and deliver their Reduction and Recycling Plans. Towards the end of the financial year the team worked with GLA colleagues to establish the protocol for the second round of borough Reduction and Recycling Plans and communicate that effectively to boroughs. This was then followed with a comprehensive borough support process from ReLondon, including monthly surgeries to help boroughs develop their new plans, which were then submitted in September 2022.

Flats Recycling Project 2.0:

In June, ReLondon went live with its Flats Recycling Project 2.0. Delivered in partnership with the London Borough of Lambeth and Peabody, and jointly funded by ReLondon and the Ecosurety Exploration Fund, this research-based project built on the learnings of ReLondon's Flats Recycling Package toolkit (published in 2020) by introducing new dry recycling services and three additional materials (textiles, food and small electricals) to four estates. The 'live' phase of the project lasted until February 2022 and demonstrated an average 152% increase in the estates' recycling rate, rising from a low baseline of 11% to a rate of 27%. The revised Flats Recycling Package toolkit was then published in the 2022-23 financial year.

Supplementary planning guidance for flats recycling:

Building on the work with existing purpose build flats (detailed above), ReLondon worked with the London Borough of Tower Hamlets to develop supplementary planning guidance (SPG) for the provisions of reuse, recycling and waste facilities in new build purpose-built flats. London is seeing significant growth in the number of new flats being developed. The SPG was adopted in July, and ReLondon worked to ensure the learnings were disseminated to all other London boroughs.

Putney Pedals:

In 2020 ReLondon supported Positively Putney business improvement district (BID) to launch a first-of-its-kind, and now award-winning, waste consolidation scheme: 'Putney Pedals'. The project went live in early 2021 and involves the collection of recycling and waste from local businesses by e-cargo bike, to increase recycling rates and improve air quality. ReLondon published a project case study in October 2021 to share Positively Putney's experience and learnings with other London BIDs.

Tackling household food waste locally:

ReLondon funded and began an exciting new project in partnership with food waste apps OLIO (food sharing) and Kitche (food shopping /meal planning), and the London Borough of Bexley in early 2021. The pilot measured household food waste reduction resulting from targeted local promotion of the two food waste prevention apps. Baseline waste

composition analysis was conducted in January and the campaign went live at the end of February, with results being produced in the subsequent financial year.

Single-use plastics:

During the first six months of the 2021 calendar year, ReLondon conducted research to map activity across London tackling single-use plastics and to assess COVID-19 impacts as well as learning from other cities. The report “Reducing single-use plastic consumption: a review of action and opportunities for London” was then published in June, setting out findings and ‘action opportunities’ to support and strengthen existing activity and accelerate efforts to reduce consumption of single-use plastic in London. ReLondon has since developed London’s Low-plastic Community Network to coordinate and connect all the different stakeholders tackling single-use plastic across London, sharing news and resources across the community.

One World Living programme:

ReLondon worked closely with the London Borough of Harrow and other lead boroughs and waste authorities as part of London Council’s One World Living programme (one of its seven climate programmes), to develop the One World Living action plan. Staff members from across ReLondon were nominated to sit on the working groups for the four sectors which form the core of that plan: food, textiles, plastics and electricals. Senior team members also sit on the steering group and have been active participants in the management and planning of the programme, including the development of sector-specific action plans.

Business and sector support

The business and sector support team is focused on the needs of business and other non-consumer stakeholder groups (such as higher education or the health sector). Their aim is to promote the benefits of a transition to a circular economy and support partners in delivering circular initiatives in their organisations. The team runs research projects, material-specific initiatives and an award-winning EU-funded business support programme for start-ups and SMEs in London. During 2021-22 the team delivered a range of innovative and high impact initiatives.

Business Transformation:

Funded by the European Regional Development Fund (ERDF) and the Mayor of London’s Green New Deal, ReLondon’s Business Transformation programme supports London-based small and medium-sized businesses (SMEs) as they transition to, or scale up, circular business models.

In 2021-22 the team supported 181 businesses with £590k of grants given to 20 circular businesses to help them cope with the impacts of COVID-19; and to 34 businesses delivering circular pilots. One-to-one advice was delivered to 51 businesses to ‘build back better’ after the pandemic, as well as to the 34 businesses delivering circular pilots and to five businesses to validate their circular business models; and an online matchmaker platform was launched to connect SMEs with potential partners or buyers. The platform also supported a circular construction matchmaking programme between the City of London, Westminster City Council, their tier-one suppliers and circular innovators in the built-environment.

Overall, the Green New Deal part of the programme, delivered between February 2021 and June 2022 (the majority of the activities were delivered during 2021-22 financial year), helped create or safeguard 630 jobs.

CIRCulT:

CIRCulT is a Horizon 2020-funded project aimed at accelerating the circular economy in the construction industry in London and three other cities and regions in Europe: Copenhagen, Hamburg and the Vantaa region in Finland. It aims to deliver demonstration projects and an evidence base to understand the current state of construction, with the goal of determining key leverage points to drive a city-wide transition to circular construction approaches.

In 2021-22 the ReLondon project team published a report exploring ways in which planning policies can drive a circular economy; a guide to sourcing reclaimed materials in London; a template for circular business cases in the built environment; and the business case for a material stocks and flows database. They also supported nine circular construction demonstrators in London, collaborated with Grimshaw Architects to develop an augmented reality app to engage citizens with circular buildings and ran a number of events including a CIRCulT summer school with Imperial College, London.

Food Flagship Initiative:

The Food Flagship Initiative, set up in 2020, is a key element in the strategic partnership between the Ellen MacArthur Foundation, the GLA and ReLondon. In late 2021, the initiative launched a new “circular food pioneer projects” stamp, to support and promote innovative projects driving London’s food system transition to a circular economy.

Five new ‘pioneer projects’ were launched and supported by ReLondon during this financial year:

- **The Felix Project:** London’s largest food redistribution charity who opened its own professional kitchen in Tower Hamlets to provide ready cooked meals for vulnerable Londoners made from food surplus.
- **Toast Ale:** the waste-busting beer company who scaled the use of surplus bread over and above their own operations, by creating a pre-prepared brewer’s ingredient that other brewers can buy ready-to-use.
- **LEAP Micro AD:** Micro-scale anaerobic digestion on the Poplar HARCA estate, processing food waste from nearby residential estates to support food growing for local consumption.
- **Circular food innovation in London’s hospitality sector:** food business Roots began collecting citrus waste and turning it into cordials; and Caiger and Co. Catering developed a zero-waste menu using surplus ingredients and began monitoring food waste in their kitchen.

Research and data:

ReLondon launched the ‘London’s Food Footprint’ report at COP26 in Glasgow, a material flow analysis exploring the mass of food flowing into, through and out of London and its waste and carbon impacts. The report tracks food-related emissions across the entire supply chain and identifies key leverage points to tackle London’s food system-based consumption-based emissions. This report has since been a critical input to the One World Living programme working group on food, who created a London food action plan to tackle those emissions. The actions within that plan are being delivered in partnership with the wider Food Flagship Initiative.

Commercial proposition development:

The commercial strategy was reviewed and revised in June 2021, with the help of ReLondon board members, and resulted in a renewed focus on developing commercial offers for boroughs, including the Training Academy. In 2021 a range of circular economy courses for

local authorities was developed and tested with boroughs, including a CEIOI webinar, a circular economy action plan workshop and a circular procurement course. The first of those were delivered on a paid-for basis early 2022.

ReLondon delivered a number of recycling and circular economy consultancy contracts with boroughs during the year; and a full review of the offer in autumn 2022 further professionalized the consultancy offering.

Communications and behaviour change campaigns

The communications and behaviour change team continued to support London's efforts to help citizens waste less and reuse, repair, share and recycle more by running the following campaigns during the year, aimed at changing behaviours that contribute to climate change.

London Recycles:

The core London Recycles campaign developed and maintained its website and social media channels, providing educational and motivational information about what residents in every borough can – and cannot – recycle. Followers and engagement grew steadily through the year, reflecting how useful and authoritative the campaign is for Londoners seeking information about recycling.

A new pan-London campaign to help boost recycling rates was also developed and launched: 'Be that person' is a media campaign designed to motivate younger Londoners (18-34 year olds are the primary target audience) to recycle as part of their self-identification and behaviour as people concerned about the climate crisis. The campaign reached 26% of our target audience across 19 boroughs and showed that residents who had seen the campaign were significantly (30 percentage points) more likely to say that they were recycling more than they were six months ago than those who had **not** seen it. The campaign continues during 2022-23.

Recycle Week took place nationally from 21st to 26th September 2021 and London Recycles funded 21 boroughs to run localised social media campaigns using Recycle Now assets as part of the week. The team also ran a smaller London-wide element of the campaign using social media advertising. The London-wide adverts reached almost 3 million people and the video ads were viewed almost 4 million times, with the messaging 'Step it up this Recycle Week'. The campaign aimed to make the link explicit between climate change and recycling.

Repair Week:

Following a successful Repair Week campaign in November 2020, London's second Repair Week took place from 14th-20th March 2022. Uptake and interest was even higher than in 2020, with over 40 events engaging more than 800 people taking place during the week. We secured commercial sponsorship from both Primark and Currys, with Primark running nine repair and upcycling events in London stores through the week; and Currys offering a special discount on their in-store repair services. Engagement with the digital campaign and communications to support the week was very high and feedback showed that both event organisers and attendees found the week to be of genuine interest and use.

Love Not Landfill:

The third Love Not Landfill charity pop-up shop took place in a donated space in Angel Central in November 2021, sponsored by Vanish and Oxwash. The pop-up featured collections from four charities as well as Love Not Landfill itself, in partnership with our

textile recycling partner GOOD. Footfall in the shop over the four days was c.1,300; and the charities took revenues of c.£16.5k.

The core Love Not Landfill campaign grew engagement and following on social media channels during the year; and a number of the campaign's clothing banks were refurbished and found new homes in high footfall locations around London.

Food Wave:

The Food Wave project aims to engage 15-35 year olds 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. Led by the City of Milan and involving 29 city partners (including ReLondon) across 17 countries, the project focuses on healthy, sustainable diets; local and seasonal food; food waste prevention; and growing food in the city.

In the 2021-22 financial year, the campaign co-created a digital campaign with illustration and graphic design students from a number of different London universities; worked with young people to make films documenting how they tackled various sustainable food challenges, with film screenings taking place virtually in Milan and in-person at the LSE; and commissioned a package of work to provide young people on low incomes with sustainable food and campaigning skills. The first round of classes and workshops in this work package took place between January and March 2022.

Corporate communications:

ReLondon's flagship Circular Economy Week was delivered for the fourth time in June 2021, with 65 events taking place during the week. Event partners included the Mayor of London, UKRI, London & Partners and the Ellen MacArthur Foundation; and the week secured commercial sponsorship for the first time.

Corporate communications continued to engage stakeholders and promote ReLondon achievements during the year via the podcast, social media, website, PR, events and publication support, building connections, followers and engagement across a variety of channels.

Financial performance

In the year ended 31 March 2022 ReLondon generated £1.6m income compared to £660k in the previous year. This was made up of grant income (80%) for projects, commercial income (6%) and returns on investments (14%).

ReLondon spent £4.6m in the year to deliver activities compared to £3.3m in the previous year this reflects the additional activity funded through grants. These included £834k from Greater London Authority, £171k from European Union sources, £158k from Islington Council grant, £145k from Ecosurety and £31k from the C&A Foundation

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
Joe Murphy	Individual
Cllr Krupa Sheth	London Borough of Brent
Cllr Claire Holland	London Borough of Lambeth.

Board Member Committee and Board Meeting Attendance 2021/22

Board member	Board	Audit Committee
Total meeting in year	5	4
Liz Goodwin	5/5	
Shirley Rodrigues	3/5	
Cllr Guy Senior	4/5	4/4
Cllr Nesil Caliskan	3/5	
Chantelle Nicholson	5/5	4/4
Joe Murphy	3/5	4/4
Cllr Krupa Sheth	3/5	3/4
Cllr Claire Holland	3/5	1/4

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 meetings held while a member”.

Comprehensive Income and Expenditure Statement

Comprehensive Income and Expenditure Statement for the year ended 31 March 2022

	Note	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Project Expenditure	4	(1,723)	(1,723)	(587)	(587)
Administrative Expenditure	4	(2,943)	(2,943)	(2,731)	(2,731)
Total Gross Expenditure		(4,666)	(4,666)	(3,318)	(3,318)
Commercial Income		77	77	-	-
Other Income		18	18	13	13
Total Gross Income		95	95	13	13
Net Income / (Expenditure) from Continuing Operations		(4,572)	(4,572)	(3,305)	(3,305)
Financing and Investment Income	6	229	229	184	184
Financing and Investment Expenditure	6	-	-	(1,021)	(1,021)
Net Financing and Investment Income / (Expenditure)		229	229	(837)	(837)
Non-Specific Grant Income	7	1,339	1,339	463	463
Surplus / (Deficit) on the Provision of Services		(3,003)	(3,003)	(3,679)	(3,679)
Corporation tax	8	-	-	-	-
Total Comprehensive Income and Expenditure		(3,003)	(3,003)	(3,679)	(3,679)

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 2021	14,592	-	14,592	5,549	(23)	5,526	20,118
Total comprehensive income and (expenditure)	(3,003)	-	(3,003)	-	-	-	(3,003)
Adjustments between accounting basis and funding basis under regulations	(1,834)	-	(1,834)	1,842	(8)	1,834	-
Net increase / (decrease) in the year	(4,837)	-	(4,837)	1,842	(8)	1,834	(3,003)
Balance as at 31 March 2022	9,755	-	9,755	7,391	(31)	7,360	17,115

Balance Sheet

Balance Sheet as at 31 March 2022

	Note	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Long-term Assets					
Investments	14	7,391	7,391	5,549	5,549
Total Long-term Assets		7,391	7,391	5,549	5,549
Current Assets					
Debtors	9	359	359	1,156	1,156
Cash and cash equivalents	14	10,425	10,425	14,890	14,890
Total Current Assets		10,784	10,784	16,046	16,046
Current Liabilities					
Creditors falling due within one year	10	(317)	(317)	(173)	(173)
Deferred income	11	(702)	(702)	(308)	(308)
Provisions for liabilities and charges	12	(41)	(41)	(996)	(996)
Total Current Liabilities		(1,060)	(1,060)	(1,477)	(1,477)
Net Current Assets		9,724	9,724	14,569	14,569
Long-term Liabilities				-	-
Net Assets		17,115	17,115	20,118	20,118
Reserves					
<i>Usable Reserves</i>					
General Fund	13	9,755	9,755	14,592	14,592
Capital Grants Unapplied Account	13	-	-	-	-
Total Usable Reserves	13	9,755	9,755	14,592	14,592
<i>Unusable Reserves</i>					
Capital Adjustment Account	13	7,391	7,391	5,549	5,549
Accumulated Absences Account	13	(31)	(31)	(23)	(23)
Total Unusable Reserves	13	7,360	7,360	5,526	5,526
Total Reserves		17,115	17,115	20,118	20,118

Cash Flow Statement

Cash Flow Statement for the year ended 31 March 2022

	Note	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Cash flows from operating activities					
Net surplus / (deficit) on the provision of services		(2,672)	(2,672)	(3,038)	(3,038)
Cash flows from investing activities					
Interest received on cash and cash equivalents		49	49	87	87
Proceeds from sale of investments		-	-	171	171
Purchase of investments		(1,841)	(1,841)	(867)	(867)
Net cash flows from investing activities		(1,792)	(1,792)	(609)	(609)
Net increase / (decrease) in cash and cash equivalents in the reporting period		(4,464)	(4,464)	(3,647)	(3,647)
Cash and cash equivalents at the beginning of the reporting period		14,890	14,890	18,537	18,537
Cash and cash equivalents at the end of the reporting period		10,425	10,425	14,890	14,890

Reconciliation of net expenditure to net cash outflow from operating activities

Net expenditure for the reporting period	(3,003)	(3,003)	(3,679)	(3,679)
Interest received on cash and cash equivalents	(49)	(49)	(87)	(87)
(Increase) / decrease in debtors	797	797	(662)	(662)
Increase / (decrease) in creditors	538	538	(348)	(348)
Increase / (decrease) in provisions	(955)	(955)	814	814
Investment impairments	-	-	1,021	1,021
Gain/ (loss) on investments	-	-	(97)	(97)
Net cash outflow from operating activities	(2,672)	(2,672)	(3,038)	(3,038)

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 2022

I. 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 I4 – 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 I4 – Financial instruments

Note I2 – 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: I3305957)

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 or 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.I.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 2022.

Expenditure

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Project Expenditure				
Grants	(1,421)	(1,421)	(543)	(543)
Professional fees	(302)	(302)	(44)	(44)
Total Project Expenditure	(1,723)	(1,723)	(587)	(587)
Administrative Expenditure				
Staff Costs	(2,392)	(2,392)	(2,011)	(2,011)
Professional fees	(91)	(91)	(81)	(81)
Rent and Serviced Accommodation	(308)	(308)	(378)	(378)
Other overheads	(152)	(152)	(261)	(261)
Total Administrative Expenditure	(2,943)	(2,943)	(2,731)	(2,731)

Included in professional fees is an amount of £3,840 (2021: £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 2022 was as follows:

	Remuneration	Expenses	Total
Liz Goodwin	20,000	16	20,016
Shirley Rodrigues	-	-	-
Cllr Guy Senior	10,500	-	10,500
Cllr Nesil Caliskan	6,000	-	6,000
Chantelle Nicholson	9,000	-	9,000
Joe Murphy	9,000	-	9,000
Cllr Krupa Sheth	9,000	-	9,000
Cllr Claire Holland	9,000	-	9,000

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 2022 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	
£		£	2022	2021
50,000	-	54,999	4	3
55,000	-	59,999	3	3
60,000	-	64,999	4	1
65,000	-	69,999	2	4
75,000	-	79,999	-	1
80,000	-	84,999	1	1
85,000	-	89,999	1	-
90,000	-	94,999	-	1
95,000	-	99,999	1	-
130,000	-	134,999	-	1
135,000	-	139,999	1	0

There were no employees earning over £150,000

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Employee remuneration (officers and members)	2,032	2,032	1,725	1,725
Employer pension contributions	67	67	59	59
Employer National Insurance Contributions	216	216	193	193
Annual leave carry over accrual/(release)	(23)	(23)	5	5
Staff consultancy costs	100	100	30	30
Total Staff Costs	2,393	2,393	2,012	2,012

6. Financing and Investment Income and Expenditure

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Interest income on loans and receivables				
Interest income on bank deposits	49	49	87	87
Other investment income	180	180	97	97
Total finance and investment income	229	229	184	184
Loan impairments	-	-	(1,021)	(1,021)
Total finance and investment costs	-	-	(1,021)	(1,021)
Net finance income / (costs) recognised in Surplus / (Deficit) on the Provision of Services	229	229	(837)	(837)

7. Grants

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Grant income from European Union	171	171	396	396
Grant income from C&A Foundation	31	31	36	36
Grant income from Greater London Authority	834	834	31	31
Other Grant Income	303	303	-	-
	1,339	1,339	463	463

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

	2022 £'000	2021 £'000
Taxable investment income	229	87
Taxable other income	18	-
Taxable profits/(tax loss)	247	87
Utilisation of rolled forward tax losses	(247)	(87)
Corporation Tax Expense	-	-

Components of the tax expense/credit

	2022 £'000	2021 £'000
Current tax:		
Current year	-	-
Prior year reclaim	-	-
Movement in deferred tax asset	-	-
Corporation Tax (Expense)/Credit	-	-

Tax losses

	2022 £'000	2021 £'000
Brought forward tax losses	(16,655)	(15,735)
Tax losses incurred during the year	-	(1,008)
Utilised against current year taxable profits	247	87
Carried forward tax losses	(16,408)	(16,655)

At the balance sheet date, ReLondon has unused tax losses of £16,408k (2021 - £16,655k) available for offset against future profits.

9. Debtors

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Trade and other receivables	311	311	1,134	1,134
Prepayments	47	47	22	22
Staff loans	-	-	-	-
Total	359	359	1,156	1,156
Non-current			-	-
Current	359	359	1,156	1,156
Total	359	359	1,156	1,156

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

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Trade creditors	128	128	70	70
Accrued employee annual leave entitlement	31	31	23	23
Accruals	75	75	80	80
Other (HMRC)	83	83	-	-
Total	317	317	173	173

II. Deferred income

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Project related deferred income (advance payments)	702	702	308	308

12. Provisions for liabilities and charges

Provisions for Committed Project Grants and Loans

ReLondon has entered into the following grant agreements

Grant agreements	2021 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Balance at 1 April	996	996	182	182
Grants/Loans awarded during the year	-	-	974	974
Invoiced	(955)	(955)	(146)	(146)
Written back*	-	-	(14)	(14)
Balance at 31 March	41	41	996	996
Non Current	-	-	-	-
Current	41	41	996	996

*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:

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Equity instruments	7,391	7,391	5,549	5,549
Cash and cash equivalents	10,425	10,425	14,890	14,890
Total	17,816	17,816	20,439	20,439

At the balance sheet date ReLondon 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 2022.

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 2022.

Categories of Financial Instruments

	2022 ReLondon £'000	Group £'000	ReLondon £'000	2021 Group £'000
Long-term Assets				
Financial assets at FVTPL	7,391	7,391	5,549	5,549
Total Long-term Assets	7,391	7,391	5,549	5,549
Current Assets				
Financial assets at amortised costs	359	359	1,156	1,156
Cash and cash equivalents	10,425	10,425	14,890	14,890
Total Current Assets	10,784	10,784	16,046	16,046
Current Liabilities				
Financial liabilities at amortised costs	1,060	1,060	1,477	1,477
Total creditors	1,060	1,060	1,477	1,477

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, the Director of operations and Governance, and the Head of Finance were asked to declare any direct financial relationship through outside bodies or companies with ReLondon for the financial year 2021/22.

Related parties in 2021/22 are listed in the table below:

Related party	Individual with influence	Relationship to ReLondon	Relationship to related party
London Borough Lambeth	Claire Holland	ReLondon Board Member	Leader of the Council
London Councils	Claire Holland	ReLondon Board Member	Lambeth Council is a member of the London Councils
London Councils	Nesil Caliskan	ReLondon Board Member	Member of London Councils Leader's Committee
London Councils	Krupa Sheth	ReLondon Board Member	Member of London Councils Transport and Environment Committee
Greater London Authority	Shirley Rodrigues	ReLondon Board Member	Deputy Mayor, and Environment & Energy

Related party transactions

	Transaction value	
	2022 £'000	2021 £'000
Greater London Authority	(203)	(1,005)
Lambeth Council	2	-
London Councils	8	-
LB Wandsworth	-	1

There was no outstanding balance to pay at the end of the financial year 2021/22.

16. Events after the Balance Sheet date

There was no post Balance Sheet events.

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