

LONDON COMMUNITY RECYCLING NETWORK

Financial Statements  
for the year ended  
31 March 2007

BROOKFIELD & CO  
18 CONCANON ROAD  
LONDON  
SW2 5TA

# LONDON COMMUNITY RECYCLING NETWORK

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# LONDON COMMUNITY RECYCLING NETWORK

## FINANCIAL STATEMENTS for the year ended 31 March 2007

<b>Status</b>	London CRN is a charitable company (registered as a charity with effect from 31 March 2007). It is limited by guarantee and does not have a share capital.
<b>Trustees</b>	Maria Chenoweth (Chair) Andy Bond (Secretary and Treasurer) Andrew Bernard Jim Carling Peter Kenyon (appointed 22nd March 2006) Richard Anderson (appointed 22nd March 2006) Diye Wariebi (appointed 14 March 2007) Cam Matheson (appointed 14 March 2007) Austin Willett (Chair) (resigned 30 April 2006) Ray Barwick (resigned 30 November 2006) Hilary Vick (resigned 14 March 2007)
<b>Secretary</b>	Andy Bond
<b>Company registration no.</b>	4323551
<b>Charity no.</b>	1118616
<b>Registered Office</b>	The Grayston Centre 28 Charles Square London N1 6HT
<b>Bankers</b>	The Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP  Unity Trust Bank Nine Brindley Place Birmingham B1 2HB
<b>Auditors</b>	Brookfield & Co 18 Concanon Road London SW2 5TA

# **LONDON COMMUNITY RECYCLING NETWORK**

## **REPORT OF THE MANAGEMENT COMMITTEE for the year ended 31 March 2007**

The Board of Trustees presents its report and the financial statements of London Community Recycling Network for the year ended 31 March 2007.

### **STRUCTURE AND ORGANISATION**

London CRN is a Company Limited by Guarantee, and, in March 2007, registered as a charity. The company is governed by a Memorandum and Articles of Association and the directors of the company serve as Trustees of the charity. The Board of Trustees meets regularly to manage its affairs, with the day-to-day delivery and administration being performed by fifteen full-time staff and a network of associates and consultants.

### **VISION**

Our vision is to make community based sustainable waste management the preferred solution – financially, socially and environmentally – for the people of London.

### **MISSION**

London CRN is dedicated to the promotion and strategic development of community-based sustainable waste management in Greater London.

### **ACTIVITIES**

London CRN protects the environment and reduces poverty by working with others to develop the sustainable use of resources. We are a network of voluntary and community groups, social enterprises and determined citizens who tackle waste by creating recycling and reuse solutions.

Our mission is to make community-based sustainable resource management the first choice for the people of London and we are dedicated to the promotion and strategic development of community-based sustainable resource management in Greater London.

Our support work is in four main areas:

- Winning resources: brokering funding, contracts, gifts in kind and business support for our members
- Informing: disseminating relevant news and knowledge about composting, reuse and recycling
- Championing: advocacy and policy representation to decision-makers, wider marketing of our sector
- Developing: catalysing and incubating new projects, providing networking and training opportunities

## **LONDON COMMUNITY RECYCLING NETWORK**

### **REPORT OF THE MANAGEMENT COMMITTEE (cont.) for the year ended 31 March 2007**

#### **ACTIVITIES (cont.)**

In the last year we have therefore continued in our role as London's leading support organisation for social purpose reuse and recycling organisations in London, and have worked in strategic partnership with a range of important regional and national organisations. We have collaborated with London Remade, the North London Waste Authority, Community Composting Network, Furniture Reuse Network and Community Recycling Network UK. We have been active members of the Green Alliance, the Social Enterprise Coalition, Social Enterprise London and the North London Recycling Forum amongst other networks. We joined the Associate Parliamentary Sustainable Waste Group in the year, and launched our exciting Procuring Social Enterprise programme in January with their support. This new programme, funded by the Esmee Fairbairn Foundation, is helping local authorities commission services from third sector organisations in recycling, reuse and composting.

We have worked hard to collaborate with local authorities in other areas also - to raise public awareness and further community engagement in recycling and reuse. Throughout the year we have delivered community composting workshops and events across the capital, and have delivered thousands of our popular email news bulletins - tailored to a variety of audiences including local authority officers, councilors, and grassroots groups. We are grateful for the support of the London Councils and the City Bridge Trust that has enabled us to deliver these core services.

Our collaboration with London Remade has seen the enhance programme go from strength to strength and London CRN is proud of our business development achievements within the social economy which our work and the support of the LDA has made possible. In the year we have created and safeguarded over 40 jobs in as many social enterprises and our team of expert advisors and consultants have delivered over two hundred advice sessions to improve the performance of a wide range of resource-focused organisations.

This was the year that the government appointed its first ever Minister for the Third Sector and the raised profile of the social economy presents our network with some interesting opportunities. The challenge will be in fulfilling our potential in line with the commitments in the Public Service Delivery and Social Enterprise Action Plans. London CRN's new chief executive has been engaging with the Cabinet Office of the Third Sector to link these important policy frameworks with the Defra Waste Strategy review.

With Third Sector and Social Enterprise matters taking centre stage in public policy, and with closer working between the various community recycling, reuse and composting networks demonstrating real progress, we have every reason to believe that there is an exciting future for our charity and for its members.

## **LONDON COMMUNITY RECYCLING NETWORK**

### **REPORT OF THE MANAGEMENT COMMITTEE (cont.) for the year ended 31 March 2007**

#### **RESERVES POLICY**

The Board of Trustees consider it prudent to maintain free reserves at three months of resources expended which equates to £138,000 in general funds. At this level, the organisation would be able to continue its current level of activity for a corresponding period in the event of a significant drop in funding whilst replacement funding was sought. At present the free reserves do not reach this level and the Board of Trustees will be seeking to raise additional unrestricted funds.

#### **RESPONSIBILITIES OF THE BOARD OF TRUSTEES**

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of its profit or loss for that period. In preparing those financial statements, the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **TRUSTEES**

The Trustees who served during the year are shown on page 2 to these statements. Every Trustee is also a Director of the company.

#### **FIXED ASSETS**

Details of movements in fixed assets during the year are set out in note 4 to the financial statements.

#### **AUDITORS**

Brookfield & Co have expressed their willingness to continue in their capacity as the company's auditors. A resolution proposing their re-appointment will be put to the Annual General Meeting.

This report was approved by the Management Committee on

for and on behalf of the Management Committee

**INDEPENDENT AUDITORS' REPORT  
to the Management Committee of London Community Recycling Network**

We have audited the financial statements for the year ended 31 March 2007 on pages 8 to 16 which have been prepared on the basis of the accounting policies set out on page 12.

This report is made solely to the company's members, as a body, in accordance with s. 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, or for the opinions we have formed.

**Respective responsibilities of the Management Committee and auditors**

The Management Committee is responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards. It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Accounting Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Management Committee's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed. We also read the Management Committees Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of opinion**

We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Management Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the charitable company's affairs at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Brookfield & Co  
Registered Auditors

Date:

# LONDON COMMUNITY RECYCLING NETWORK

## BALANCE SHEET at 31 March 2007

	Notes	2007		2006	
		£	£	£	£
<b>Tangible Fixed Assets</b>	5		2011		5235
<b>Current Assets</b>					
Other Assets		-		2297	
Debtors and prepayments	6	118479		161274	
Cash at bank and in hand		35189		89573	
		153668		253144	
<b>Creditors: Amounts falling due within one year</b>	7	(94345)		(166637)	
<b>Net Current Assets</b>			59323		86507
<b>Total assets less current liabilities</b>		£ 61334		£ 91742	
 <b>Represented by:</b>					
Unrestricted funds	10		41182		83371
Restricted funds	10		20152		8371
<b>Total Funds</b>			£ 61334		£ 91742

The financial statements have been prepared in accordance with the special provisions of part V11 of the Companies Act 1985 relating to small companies.

Approved by the Management Committee and signed on its behalf

.....  
Committee Member

Date .....

.....  
Committee Member

Date .....

The notes on pages 12 to 16 form part of these accounts

# LONDON COMMUNITY RECYCLING NETWORK

## STATEMENT OF FINANCIAL ACTIVITIES SUMMARY INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2007

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2006 Total £
<b>Incoming resources</b>				
From generated funds				
Investment income	687	-	687	338
From charitable activities				
Grants	3000	434321	437321	534084
Consultancy income	163596	-	163596	137895
Other	541	-	541	(13)
<b>Total incoming resources</b>	167824	434321	602145	672304
<b>Resources Expended</b>				
Charitable activities	(209752)	(420994)	(630746)	(635434)
Governance costs	(627)	(1180)	(1807)	(2206)
<b>Total resources expended</b>	(210379)	(422174)	(632553)	(637640)
<b>Net incoming resources</b>	(42555)	12147	(30408)	34664
<b>Total funds brought forward</b>	83739	8003	91742	57078
<b>Total funds carried forward</b>	£ 41184	20150	61334	91742

All the above results derive from continuing charitable grants and activities and there were no recognised gains or losses other than those stated above.

The notes on pages 12 to 16 form part of these accounts

## LONDON COMMUNITY RECYCLING NETWORK

### DETAILED ANALYSIS OF INCOMING RESOURCES for the year ended 31 March 2007

	Unrestricted Funds £	Restricted Funds £	2007 Total £	2006 Total £
<b>Incoming resources</b>				
Generated funds				
Investment income - bank interest received	687	-	687	338
Charitable activities - grants				
London Development Agency Enhance Programme	-	141071	141071	115923
Community Recycling and Economic Development (CRED) Programme - London FRN	-	106539	106540	79935
Association of London Government (ALG)	-	60000	60000	60000
Bridge House Estates Trust	-	27400	27400	26600
Western Riverside Environment Fund - Aardvark Promotion	-	25000	25000	37391
Community Recycling and Economic Development (CRED) Programme - post business support programme	-	21743	21743	32970
Esmeee Fairbairn Charitable Trust - Procuring Social Enterprise programme	-	30000	30000	-
North London Waste Authority - small capital grants fund	-	12568	12568	-
North London Waste Authority - community composting grant	-	10000	10000	35475
Community Recycling and Economic Development (CRED) Programme Consortium	3000	-	3000	3720
London Recycling Fund - Building Partnership Project	-	-	-	17212
NLWA Small Capital Grant Fund	-	-	-	25000
DEFRA Waste Partnership Fund - Building Partnerships project	-	-	-	42009
DEFRA Waste Partnership Fund - Havering & Redbridge Composting project	-	-	-	32902
DEFRA Waste Partnership Fund - Tower Hamlets Composting project	-	-	-	24447
Defra Regional Steering Group	-	-	-	500
Consultancy income	163596	-	163596	137895
Other Income	541	-	541	(13)
<b>Total Incoming Resources</b>	<b>£ 167824</b>	<b>434321</b>	<b>602145</b>	<b>672304</b>

**LONDON COMMUNITY RECYCLING NETWORK**

**DETAILED ANALYSIS OF RESOURCES EXPENDED  
for the year ended 31 March 2007**

		Unrestricted	Restricted	2007	2006
		Funds	Funds	Total	Total
	Notes	£	£	£	£
<b>Charitable Activities</b>					
Salaries	8	135248	310961	446209	427931
Other staff costs		9333	4531	13864	15444
Travel and subsistence		5307	3831	9138	7178
Consultancy fees		11802	1414	13216	36384
Recruitment costs		2966	943	3909	2336
Event expenses		12316	9436	21752	20859
Grants distributed		-	37568	37568	25000
Premises expenses		11619	36940	48559	49445
Telephone		3144	3280	6424	4734
Insurance		-	3440	3440	3052
Depreciation		1601	2102	3703	4054
General office costs		12808	2693	15501	11436
Office IT and software		3584	3855	7439	7960
Promotion		-	-	-	15968
Professional fees		-	-	-	3247
Bank charges		24	-	24	117
Gifts and donations		-	-	-	289
		<hr/>	<hr/>	<hr/>	<hr/>
		209752	420994	630746	635434
<b>Governance costs</b>					
Auditors remuneration		544	1180	1724	2206
Statutory filing fees		83	-	83	-
		<hr/>	<hr/>	<hr/>	<hr/>
		627	1180	1807	2206
<b>Total resources expended for the year</b>		<b>£ 210379</b>	<b>422174</b>	<b>632553</b>	<b>637640</b>
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# LONDON COMMUNITY RECYCLING NETWORK

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2007

### 1. Basis of Accounting

#### a) Accounting Convention

The financial statements have been prepared under the historical cost convention and on a going concern basis, which is dependent upon the availability of adequate continued funding. The nature of the company's funding is inherently uncertain as it is only agreed by the funding bodies each year. Should grant funding be discontinued in future years, the company would have to find other sources of funding, or significantly curtail its activities.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities, the Charities Act 2003, Accounting and Reporting by Charities - Statement of Recommended Practice (SORP 2005) and Financial Reporting Standards for Smaller Enterprises (FRSSE).

#### b) Change in basis of accounting

There has been no change to the accounting policies (valuation rules and methods of accounting) since last year.

#### c) Changes to previous accounts

No changes have been made to accounts for previous years.

### 2. Accounting policies

#### a) Incoming resources

Incoming resources are included in the SOFA when the charity becomes entitled to the resources, the Trustees are virtually certain they will receive the resources and the monetary value can be measured with sufficient certainty.

Where incoming resources have related expenditure (as with fundraising or contract income), the incoming resources and related expenditure are stated gross in the SOFA. Grants and donations are only included in the SOFA when the charity has unconditional entitlement to the funds. The value of any volunteer help received is not included in the accounts, but is described in the Trustee's annual report. Investment income is included when receivable.

#### b) Resources Expended

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Resources expended include attributable VAT which cannot be recovered.

Governance costs include costs on the preparation and examination of statutory accounts, the costs of Trustee meetings and costs of any legal advice to the Trustees on governance or constitutional matters. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of the resources eg. Staff costs by the time spent and other costs by their usage

# LONDON COMMUNITY RECYCLING NETWORK

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2007

### 2. Accounting policies (cont.)

#### c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the cost of fixed assets less their estimated residual value over their expected useful life on a 33% per annum straight line basis.

#### d) Restricted and Unrestricted Funds

The accounts distinguish between restricted and unrestricted funds. Restricted funds are received from donors and are subject to restrictions on the purposes for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions. They include those freely available to the company for expenditure or appropriation to reserves for internally designated purposes.

### 3. Taxation

LCRN is a non profit making company with charitable objectives and is exempt from Income Tax and Corporation Tax on its normal activities..

### 4. Surplus for the period

The surplus of income over expenditure is stated after charging:

	2007	2006
	£	£
Depreciation	4550	4054
Audit and accountancy fee	1724	2206

## LONDON COMMUNITY RECYCLING NETWORK

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2007

#### 5. Tangible Fixed Assets

	Furniture and Equipment £
Cost	
Balance at 1 April 2006	23365
Additions	441
Balance at 31 March 2007	£ <u>23806</u>
Depreciation	
Balance at 1 April 2006	18130
Charge for the year	3665
Balance at 31 March 2007	£ <u>21795</u>
Net Book Value	
At 31 March 2007	£ <u>2011</u>
At 31 March 2006	£ <u>5235</u>

#### 6. Debtors and prepayments

	2007	2006
	£	£
Debtors	115234	161274
Prepayments	3245	205
	£ <u>118479</u>	<u>161479</u>

#### 7. Creditors and accruals

	2007	2006
	£	£
Taxes and Social Security costs	34926	60562
Sundry creditors and accrued expenses	56419	70802
Deferred income	3000	35273
	£ <u>94345</u>	<u>166637</u>

## LONDON COMMUNITY RECYCLING NETWORK

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2007

#### 8. Staff Numbers and Costs

The average number of salaried persons during the year was the equivalent of 17 (2006:15) full-time staff. Aggregate payroll costs were as follows:

	2007	2006
	£	£
Salaries	388353	368005
Pension	17730	17954
Social Security costs	40126	41972
	£ 446209	427931

#### 9. Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Fixed assets	-	2011	2011
Net current assets	-	59323	59323
Total net assets	£ -	61334	61334

## LONDON COMMUNITY RECYCLING NETWORK

### NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 March 2007

#### 10. Statement of funds

	Balance at 01/4/06	Incoming Resources	Resources Expended	Transfers	Balance at 31/3/07
		£	£	£	£
<b>Unrestricted funds</b>	83739	167823	(210380)	-	41182
<b>Restricted funds</b>					
Association of London Government (ALG)	-	60000	(60000)	-	-
Bridge House Estates Trust	4853	27400	(27769)	-	4484
London Development Agency Enhance Programme	591	141071	(141662)	-	-
WREF - Composting Project	290	-	(290)	-	-
Western Riverside Environment Fund - Aardvark Promotion	-	25000	(25000)	-	-
H&R Composting	531	-	(531)	-	-
Community Recycling and Economic Development (CRED) Programme - London FRN	1406	106540	(107278)	-	668
Community Recycling and Economic Development (CRED) Programme - post business support programme	-	21743	(21743)	-	-
North London Waste Authority - community composting grant	332	10000	(10332)	-	-
North London Waste Authority - small capital grants fund	-	12568	(12568)	-	-
Esmeee Fairbairn Charitable Trust - Procuring Social Enterprise programme	-	30000	(15000)	-	15000
<b>Total funds</b>	<b>£ 91742</b>	<b>602145</b>	<b>(632553)</b>	<b>-</b>	<b>61334</b>

The balance of each fund will be utilised in the forthcoming months to meet the delivery commitments made by the charity.