



WEST LONDON WASTE AUTHORITY

***STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2010***



<p style="text-align: center;">STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2010</p>
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This statement has been prepared in accordance with the provisions of Section 23 of the Local Government Finance Act 1982, Sections 41 and 42 of the Local Government and Housing Act 1989 and the Accounts and Audit Regulations 2003.

The Statement of Accounts for the year ended 31 March 2010 were considered and approved by the Authority on 23 June 2010

Councillor Bassam Mahfouz
Chair of the Authority
29 September 2010

I certify that the accounts set out in this Statement present a true and fair financial position of the West London Waste Authority as at 31 March 2010 and its income and expenditure for the year.

Myfanwy Barrett CPFA
Treasurer to the Authority
29 September 2010

WEST LONDON WASTE AUTHORITY

STATEMENT OF ACCOUNTS 2009-2010

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SECTION 1: EXPLANATORY FORWARD

1. Introduction

Details of the Authority's statutory functions and duties are set out in the Annual Report, together with information on the Authority's objectives and policies and on the main issues that currently affect the Authority's circumstances.

Financial Statements

The WLWA is primarily financed by an annual levy on the constituent boroughs. Other income is generated from sources such as charges paid by the boroughs and businesses for the disposal of non-household waste. For the levy, boroughs' tonnages are the basis for the majority of the apportionment, with some costs allocated according to Council Taxbase. The new levy apportionments are now fully implemented. Authority expenditure is primarily related to waste disposal contracts with the private sector which, together with landfill tax costs, accounts for some 80% of gross Authority expenditure.

At 31 March 2010 assets held by the Authority comprised land and buildings valued at £11.315m (£11.968 in 2008-2009) and fixed plant and equipment valued at £0.886m (£1.070m in 2008-2009). The Authority's capital expenditure is financed by an arrangement with the London Borough of Harrow; the outstanding sum totals £3.297m (£3.415m in 2008-2009). The Authority has also entered into lease arrangements in respect of essential waste transfer station equipment. Operational stocks valued at £0.314m (£0.314m in 2008-2009) are held at the transfer stations.

The Authority approved a net 2009-2010 budget of £45.118m (£39.000m in 2008-2009) in January 2009. It was funded by a levy of £43.718m (£37.500m in 2008-2009) and use of £1.400m (£1.500m in 2008-2009) of balances. A sum of £0.570m remained as earmarked reserves for the implementation costs of the waste strategy.

The Authority's 2009-2010 net expenditure was £39.483m (£39.085m in 2008-2009) prior to adjustment for the effects of the Landfill Allowances Trading Scheme (LATS) and retirement benefits under FRS17 as reflected in the Income and Expenditure Account. This was £5.635m less than the original net approved budget, thereby eliminating the call on balances originally approved to support the levy (there was an overspend £1.581m in 2008-2009). After the technical adjustments for LATS and FRS17, end-of-year general balances stand at £7.384m (£3.150m in 2008-2009, excluding LATS and FRS17).

The following table summarises the 2009-2010 revenue outturn position of the Authority compared to the original budget approved in January 2008.

Expenditure area: significant variations	Original Budget 2009-2010	Outturn 2009-2010	Variance to Original Budget
(1)	(2) £000	(3) £000	(4) £000
EMPLOYEE COSTS			
<u>Employee Costs</u> Higher superannuation costs and agency spend	3,682	3,666	(16)
PREMISES			
<u>Premises</u> Unscheduled essential maintenance and repairs, mitigated by an underspend on electricity	2,928	2,644	(284)
PLANT AND EQUIPMENT			
<u>Plant & Equipment</u> Additional hire charges on equipment in trials to improve landfill diversion	353	802	449
SUPPLIES & SERVICES			
<u>Supplies & Services</u>	378	393	15
WASTE DISPOSAL AND RECYCLING COSTS			
<u>Transport & Tipping Costs</u> Significant reductions in waste tonnages	24,022	17,905	(6,117)
<u>Landfill Tax</u> Reduced tonnages to landfill because of more recycling and reduced tonnages overall	18,404	16,928	(1,476)
<u>Recycling Credits (COWSLOPS)</u> Tonnages collected for composting higher than originally estimated levels	2,040	2,101	61
<u>Section 52(9) income</u> Reduced income from boroughs because of lower tonnages	(5,804)	(3,610)	2,194
<u>Trade Waste Income</u> Due to the recession and lower tonnages, income was affected	(1,601)	(1,167)	434
OTHER INCOME AND EXPENDITURE			
<u>Agency – General Costs</u>	412	408	(4)

Expenditure area: significant variations	Original Budget 2009-2010	Outturn 2009-2010	Variance to Original Budget
(1)	(2) £000	(3) £000	(4) £000
<u>End of Life Vehicles</u>	56	21	(35)
Fewer vehicles abandoned			
<u>Capital Financing</u>	872	644	(228)
Lower leasing payments			
<u>Support Boroughs</u>	203	142	(61)
<u>Agency Income</u>	(628)	(632)	(4)
<u>Other Income</u>	(81)	(502)	(421)
Sales of equipment			
<u>Interest on Cash Flow</u>	(118)	(259)	(141)
Additional interest on cash flow			
Total	45,118	39,483	(5,635)
Levy	(43,718)	(43,718)	-
	1,400 **	(4,235)	(4,607)

** approved use of balances to support the 2009-2010 levy

Note 1: The Authority's net expenditure was £39.483m prior to adjustment for the net effects of the Landfill Allowances Trading Scheme (LATS) and retirement benefits under FRS17 as reflected in the Income and Expenditure Account.

Statement of Accounts 2009-2010

The financial statements on the following pages set out the financial results of the Authority for the year ended 31 March 2010 and were approved by the Chair of Authority on 29 September 2010. The statements have been prepared in accordance with the provisions of Section 23 of the Local Government Finance Act 1982, Sections 41 and 42 of the Local Government and Housing Act 1989 and the Accounts and Audit Regulations 2003.

The Statement includes:

- The Income and Expenditure Account that summarises the Authority's income and expenditure for the year and the amount of funding from levies on the six constituent boroughs;
- A Statement of the Movement on the General Fund Balance - this statement reflects those amounts in addition to the Income and Expenditure Account surplus, or deficit, required by statutory and non-statutory proper practices to be charged or credited to the General Fund in determining the General Fund movement;
- A Statement of Total Recognised Gains and Losses in the year (STRGL) – not all gains and losses are reflected in the Income and Expenditure Account. This statement considers all gains and losses recognised for the accounting period;
- The Balance Sheet that shows the balances and reserves at the Authority's disposal at the year-end, together with the net current assets employed in its operations and information on the fixed assets held.
- A Cash Flow statement summarising the cash movement arising from both revenue and capital transactions with third parties
- Notes to the core financial statements set out disclosure requirements of the Statement of Recommended Practice (the SORP) for accounts preparation.

From 2009-2010 onwards the levy has been raised wholly on a three part levy arrangements.

The Waste and Emissions Trading Act 2003 aims to achieve the requirements of the EU Landfill Directive by progressively reducing the amount of biodegradable municipal waste that waste disposal authorities may send to landfill. The Act provides the legal framework for the Landfill Allowances Trading Scheme (LATS), which commenced on 1 April 2005. The Statement of Accounts reflects the accounting requirements of the LATS scheme and follows guidance issued by CIPFA. The Authority landfill allowances for 2008-2009 were not sold and these have been written off to revenue in 2009-10, as it is a target year for LATS. The Authority had sufficient allowances in 2009-10 and the surplus was offered through LATS for sale at the prevailing market price (before 30 September 2010).

SECTION 2: STATEMENT OF ACCOUNTING POLICIES

1. General

The accounts have been prepared in accordance with the CIPFA / LASAAC Code of Practice on Local Authority Accounting in Great Britain that is recognised by Statute as representing proper accounting practices.

2. Debtors and Creditors

The accounts are prepared on an income and expenditure basis. Outstanding debtors and creditors are brought into the accounts at the year-end. Estimated amounts are used where exact amounts due to or by the Authority at 31 March are unknown at the time of closing the accounts.

3. Depreciation

Depreciation is provided for on all fixed assets with a finite useful life (which can be determined at the time of acquisition or revaluation) and calculated using the straight-line method over the estimated useful life of the asset.

4. Financing Asset Acquisitions

The Authority has entered into operating leases since 1998-1999 for the acquisition of transfer station equipment. New operating leases were actioned in 2009-2010. The annual costs are charged to revenue. Where fixed assets are financed by capital grants, the amount of grant is deferred and transferred to the Income and Expenditure account in line with the relevant depreciable life of the asset.

5. Fixed Assets

The asset values used in the accounts are based on a certificate issued by consultant surveyors, Dunlop Heywood. The properties were inspected and a report prepared on the valuation by Mr. Paul Lidgley BSc (Hons) MRICS, a director of Dunlop Heywoods. The Authority assets were valued at 1 April 2005 and again at 31 March 2006 either on the basis of Depreciated Replacement Cost, where the properties are specialised and particular to the Authority's operating activities, or on the basis of Open Market Value, where appropriate, in accordance with the Practice Statements and Guidance Notes set out in the RICS Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors. The SORP Code of Practice requires valuations at intervals of not more than five years.

6. Investments

Surplus WLWA balances invested through the London Borough of Harrow are shown in the debtor balances in the Balance Sheet.

7. Landfill Allowances Trading Scheme (LATS)

The Waste and Emissions Trading Act 2003 aims to achieve the requirements of the EU Landfill Directive by progressively reducing the amount of biodegradable municipal waste that waste disposal authorities may send to landfill. The Act also provides the legal framework for the Landfill Allowances Trading Scheme (LATS), which commenced on 1 April 2005. The Income and Expenditure Account reflects the accounting requirements of the LATS scheme in accordance with the SORP 2010.

Allowances allocated by Defra are initially recognised at their fair value as deferred income, and subsequently recognised as income on a systematic basis over the compliance year for which the allowances were allocated.

As landfill is used, a liability is recognised for actual BMW landfill usage. The liability is discharged by using allowances to meet the liability. The liability is measured at the estimated cost to meet the obligation at the balance sheet date.

Re-measurement of the value of the allowances after initial recognition is carried out so that they are held at the lower of cost and net realisable value.

8. Minimum Statutory Provision

Under Part IV of the Local Government and Housing Act 1989 the Authority is required to set aside a minimum statutory provision (MSP) as part of the means to finance capital expenditure. The MSP was £0.118m based on 4% of the capital financing requirement.

9. Other Accounts

These include:

- The Revaluation Reserve Account, which for the WLWA is zero;
- The Capital Adjustment Account (which set out amounts set aside from revenue resources, or capital receipts, to finance expenditure on fixed assets or for the repayment of external loans and certain other capital financing transactions).

10. Pensions

- (i) The WLWA does not manage its own pension scheme but is an admitted body in the London Pensions Fund Authority. This enables all WLWA staff to participate in the London Pensions Fund Authority (LPFA) Pension Fund, which is a defined benefit statutory scheme, administered in accordance with the Local Government Scheme Regulations 1997.

The scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. For a defined benefit scheme changes in actuarial deficits or surpluses arise because:

- Events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses); or

- The actuarial assumptions have changed.

The liabilities of a defined benefit scheme reflect the estimated outgoings due after the tri-annual valuation date. The WLWA is committed to provide for service benefits up to the valuation date.

- (ii) The Accounting Code of Practice requires the Authority to apply accounting principles and to make disclosures under Financial Reporting Standard 17, Retirement Benefits (FRS17) in respect of retirement benefits. Disclosures have changed this year to align with international reporting standards. Details are provided to the Authority by the Actuary via the LPFA. The notes to the Core Accounts provide details of how the Authority has met these requirements.

11. Provisions

As part of the WLWA prudent accounting policies, bad debts provisions are included within the accounts where there is uncertainty regarding bad and doubtful debts.

12. Service Boroughs Costs

Administrative costs charged to the Authority by constituent boroughs are based on the time spent in respect of services rendered (e.g. financial, legal and technical).

13. Stocks

The Balance Sheet shows the closing balances at 31 March. Stock is valued on an average cost basis.

14. Financial Instruments

With effect from 1 April 2008, local authorities have had to comply with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom – the Statement of Recommended Practice 2008, issued by the Chartered Institute of Public Finance and Accountancy/LASAAC Joint Committee.

New “fair value” disclosure requirements have been introduced. Fair value is defined as the amount for which an asset could be exchanged or a liability settled, assuming that the transaction was negotiated between parties knowledgeable about the market in which they are dealing and willing to buy/sell at an appropriate price, with no other motive in their negotiations other than to secure a fair price.

SECTION 3: STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority is required:

To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In the West London Waste Authority, that officer is the Treasurer.

To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Treasurer's Responsibilities:

The Treasurer is responsible for the preparation of the Authority's statement of accounts which, in terms of the CIPFA / LASAAC Code of Practice on Local Authority Accounting in Great Britain ('the Code of Practice'), is required to present a true and fair financial position of the Authority at the accounting date and its income and expenditure for the year (ended 31 March 2010).

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code;
- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

SECTION 4: INCOME AND EXPENDITURE ACCOUNT

	Notes	2009-2010		2008-2009	
		£000	£000	£000	£000
<u>Gross Expenditure</u>					
Employees		3,611		3,639	
Premises		2,644		2,496	
Waste Transport and Disposal		36,934		37,813	
Other Supplies and Payments		3,129		3,145	
			46,318		47,093
<u>Gross Income</u>					
Trade Waste		(1,167)		(1,496)	
Agency		(632)		(618)	
Miscellaneous Income		(502)		(356)	
Section 52 (9) non-household waste		(3,610)		(4,084)	
			(5,911)		(6,554)
NET COST OF SERVICES					
			40,407		40,539
Interest income					
Interest income		(259)		(338)	
Deferred charges		(28)		(28)	
Pension interest cost and expected return on Pension Assets		315		132	
			28		(234)
NET OPERATING EXPENDITURE					
			40,435		40,305
<u>Landfill Allowances (LATS)</u>					
Landfill Allowances usage		54		957	
Landfill Allowances grant		(33)		(39)	
			21		918
			40,456		41,223
<u>Levies on Constituent Councils</u>					
Brent		(8,410)		(6,994)	
Ealing		(8,717)		(7,313)	
Harrow		(6,284)		(5,306)	
Hillingdon		(7,134)		(6,247)	
Hounslow		(7,024)		(6,105)	
Richmond upon Thames		(6,149)		(5,539)	
			(43,718)		(37,504)
(Surplus) / Deficit for the year					
			(3,262)		3,719

SECTION 5:

5a: STATEMENT OF THE MOVEMENT ON THE GENERAL FUND BALANCE

	2009-2010	2008-2009
	£000	£000
(Surplus) / Deficit for year on the Income and Expenditure Account	(3,262)	3,719
Adjustment for Landfill Allowances	(21)	(918)
	(3,283)	2,801
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Fund Balance for the year (see note 10a)	(951)	(2,027)
Change in General Fund Balance for the Year	(4,234)	774
General Balances brought forward	(3,150)	(3,924)
General Balances carried forward	(7,384)	(3,150)
Amount of General Balances generally available for new expenditure	(7,384)	(3,150)

5b: STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (STRGL)

	2009-2010	2008-2009
	£000	£000
Deficit on the Income and Expenditure Account for the year	(3,262)	3,719
Actuarial gains/losses on pension fund assets and liabilities	5,531	1,818
Total recognised (gains) / losses for the year	2,269	5,537

SECTION 6: BALANCE SHEET

	Notes	2009-2010		2008-2009	
		£000	£000	£000	£000
Fixed Assets					
<u>Tangible fixed assets</u>					
<u>Operational Assets</u>					
Land & buildings		11,315		11,968	
Fixed plant and vehicles		886		1,070	
	1		12,201		13,038
<u>Current assets</u>					
Stock	2	314		314	
Debtors (net of bad debts provision)	3	13,858		10,487	
Cash		1		4	
Intangible current assets:					
Landfill usage allowances	9	33		177	
			14,206		10,982
Total Assets			26,407		24,020
<u>Current liabilities</u>					
Creditors	4	(5,816)		(6,682)	
Liability for landfill allowance usage	9	(33)		(156)	
			(5,849)		(6,838)
Total assets less current liabilities			20,558		17,182
Long Term Borrowing	5	(3,297)		(3,415)	
Government Grants - deferred		(28)		(56)	
Pension Liability	8	(9,802)		(4,011)	
			(13,127)		(7,482)
Total assets less liabilities			7,431		9,700
<u>Financed by:</u>					
Capital Adjustment Account	6a		(9,279)		(9,970)
Revaluation Reserve	6a		0		-
Earmarked Reserves	7		(570)		(591)
Pension Reserve	8		9,802		4,011
General Balances			(7,384)		(3,150)
Total Net Worth			(7,431)		(9,700)

SECTION 7: CASH FLOW STATEMENT

	Notes	2009-2010 £000	2008-2009 £000
Revenue Activities			
<u>Cash outflows</u>			
Cash paid to and on behalf of Employees		3,623	3,639
Other operating costs		42,621	39,226
<u>Cash inflows</u>			
Cash received for goods and services		(2,539)	(5,739)
Levy income		(43,718)	(37,504)
Revenue Activities – net cash flow	(i)	(13)	(5)
Servicing of Finance			
<u>Cash outflows</u>			
Interest paid		157	164
Purchase of (capital) assets		-	-
<u>Cash inflows</u>			
Interest received		(259)	(338)
Net cash inflow before financing		(115)	(123)
Financing			
<u>Cash outflows</u>			
Repayments of amounts borrowed		118	123
Decrease in cash	(ii)	3	0
Note (i) Reconciliation to Net Cash Flow			
Deficit per the Income & Expenditure Account		(3,262)	3,719
<u>Non Cash Transactions</u>			
Capital Financing		(157)	(164)
Depreciation		(837)	(838)
Deferred charges		28	28
Interest Received		259	338
FRS17		(260)	(161)
Landfill Allowances Trading Scheme (LATS) (net)		(21)	(918)
<u>Items On An Accrual Basis</u>			
Movement in Stock		-	(13)
Movement in Debtors		3,372	846
Movement in Creditors		865	(2,836)
Movement in Provisions		-	23
Net cash flow from Revenue Activities		(13)	(5)
Note (ii) Movements in Cash			
	2008-2009 £000	2009-2010 £000	Movement £000
Cash	4	1	(3)
Net Cash Inflow / Outflow	4	1	(3)

SECTION 8: NOTES TO THE CORE FINANCIAL STATEMENTS

Being a single purpose authority (i.e. to undertake the waste disposal functions set out in the Waste Regulation and Disposal (Authorities) Order 1985 made under the Local Government Act 1985 Section 10) the Income and Expenditure Account is not set out using the Service Expenditure Analysis but details the major areas of expenditure for the Authority.

Note (1) Fixed Assets

(a) Movements in fixed assets were as follows:

	2009-2010			
	Land & Buildings (Freehold) £000	Land & Buildings (Leasehold) £000	Fixed Plant & Vehicles £000	Total £000
Gross Book value as at 1 April 2009	4,230	10,351	1,739	16,320
Additions	-	-	-	-
Gross Book Value as at 31 March 2010	4,230	10,351	1,739	16,320
Accumulated Depreciation b/f	(248)	(2,365)	(669)	(3,282)
Depreciation	(62)	(591)	(184)	(837)
Accumulated Depreciation c/f	(310)	(2,956)	(853)	(4,119)
Net Book Value as at 31 March 2010	3,920	7,395	886	12,201
Net Book Value as at 31 March 2009	3,982	7,987	1,069	13,038

Note (2) Stock

	2009-2010	2008-2009
	£000	£000
Stock is held at two locations as follows:		
Transport Avenue	100	100
Victoria Road	214	214
Balance as at 31 March 2009	314	314

The main type of stock held by the Authority includes protective clothing and replacement parts for fixed plant and equipment.

Note (3) Debtors

	2009-2010	2008-2009
	£000	£000
Trade Waste	113	158
Agency	120	-
London Borough of Harrow	11,522	8,824
Other Local Authorities	1,016	1,036
Other	1,104	486
	13,875	10,504
Less provision for bad debts	(17)	(17)
	13,858	10,487

Note (4) Creditors

	2009-2010	2008-2009
	£000	£000
Transport and Tipping	(3,365)	(3,115)
Landfill Tax	(1,527)	(1,432)
Other	(924)	(2,135)
	(5,816)	(6,682)

Note (5) Long Term Borrowing

The Authority's capital expenditure is financed by an arrangement with the London Borough of Harrow. The sum outstanding as at 31 March 2010 totals £3.297m (£3.415m in 2008-2009). The interest rate charged was 4%.

	2009-2010	2008-2009
	£000	£000
Source of Loan:		
London Borough of Harrow	(3,297)	(3,415)
Analysis of loan by maturity:		
1 to 2 years	(151)	(156)
2 to 5 years	(361)	(374)
5 to 10 years	(602)	(624)
10 years +	(2,183)	(2,261)
	(3,297)	(3,415)

Note (6a) Capital Adjustment Account

	2009-2010	2008-2009
	£000	£000
Balance Brought Forward	(9,970)	(10,656)
Financing capital expenditure from revenue	-	-
Deferred Charges Written Out	(28)	(28)
Capital receipts use	-	-
Minimum Revenue Provision (M.R.P.) (less provision for depreciation)	719	714
	(9,279)	(9,970)

Note (6b) Revaluation Reserve Account

	2009-2010	2008-2009
	£000	£000
Balance as at 1 April	-	-
Surplus on revaluation and restatement of fixed assets	-	-
Balance as at 31 March	-	-

Note (7) Earmarked Reserves

Earmarked reserves were maintained in 2009-2010 for the costs of the waste strategy, contractor costs and stage 2 procurement costs, totalling £0.570m (£0.570m in 2008-2009). These funds are designed to cover one-off costs of external advisors for the procurement of new infrastructure and treatment contracts, due to be tendered in early 2011.

Since 2009-10 was a LATS target year, any surplus landfill allowances were written off to revenue (£0.021m). The legislation also states that any surplus within a target year cannot be carried forward, so for 2009-2010, there is no earmarked LATS reserve (£0.021m in 2008-09).

Note (8) Financial Reporting Standard 17, Retirement Benefits (FRS17)

The accounts conform to the accounting and disclosure requirements of Financial Reporting Standard 17 (FRS17), as adapted for local authorities by CIPFA. For the financial year ended 31 March 2010 this requires inclusion of relevant amounts as well as disclosure of FRS17 figures in the accounts. The Authority's actuary, Barnett Waddingham, was instructed, via the LPFA, to undertake the FRS17 calculations on behalf of the Authority as at 31 March 2010.

All permanent staff may participate in a defined benefit statutory scheme, administered by the London Pensions Fund Authority (LPFA) Pension Fund on behalf of the Authority, in accordance with the Local Government Scheme Regulations 1997. Although pension benefits will not actually be payable until employees retire, the authority has a commitment to make the payments that need to be made at the time that employees earn their future entitlement.

The Income and Expenditure Account reflects the current service costs (£0.317m in 2009-2010 and £0.336m in 2008-2009), the net return on assets (£0.315m in 2009-2010 and -£0.132m in 2008-2009) and changes to the Pension Reserve (-£0.260m in 2009-2010 and -£0.161m in 2008-2009) as advised by the Fund's Actuary. The Fund's Actuary, based on triennial actuarial valuations, determines the contribution rate (employer's rate of 18.0% until March 2010). The Fund was valued at 31 March 2004, and again at 31 March 2007. The next valuation is due as at 31 March 2010. In addition, the Authority is responsible for pension payments relating to added years benefits awarded, together with the related increases (£0.012m in 2009-2010 and £0.011m in 2008-2009). There were no approvals to new pension augmentation payments in the year and therefore no capital values of estimated payments for employees were required.

The Funds Actuary estimates that the Net Pension Asset as at 31 March is a liability of £9.802m (£4.011m in 2008-2009), an increase of £5.791m as set out in the FRS17 notes to the Balance Sheet.

The objectives of FRS17 are to ensure that:

- Financial statements reflect at fair value the assets and liabilities arising from an employer's retirement obligations and any related funding;
- The operating costs of providing retirement benefits to employees are recognised in the accounting period(s) in which the benefits are earned by the employees, and the related finance cost and any other changes in value of the assets and liabilities are recognised in the accounting periods in which they arise, and
- The financial statements contain adequate disclosure of the cost of providing retirement benefits and the related benefits and the related gains, losses, assets and liabilities

The table below summarises the membership data by the actuary for the last formal valuation from which the FRS17 results are rolled forward. The last valuation was as at 31 March 2007.

	Numbers	Salaries / Pensions	Average Age
Employees	74	1,817	56
Deferred Pensioners	28	64	53
Pensioners	59	273	67

An actuarial valuation showing the potential pensions liability for the year ended 31 March 2010 in accordance with FRS17 is set out below.

Fair value of Scheme Assets:

	31 March 2010 £000		31 March 2009 £000	
Equities	7,328	70%	4,405	57%
Target Return Portfolio	1,047	10%	773	10%
Alternative Assets	1,466	14%	1,932	25%
Corporate Bonds	105	1%	-	
Cash	523	5%	618	8%
	10,469		7,728	

The above asset values as at 31 March 2010 are at bid value as required under FRS17. In previous accounting periods, the value of assets may have been reported at mid-market value. If the assets were valued at mid-market prices last year, the move to bid value will result in an actuarial loss in the revenue accounts.

Details of the difference between mid market and bid value of assets for the Fund as a whole by the Administering Authority have not been provided. Accordingly, there has been an estimation of the bid value of assets by applying an adjustment of -0.47% to the Employer's mid market value asset share as at 31 March 2010.

Relevant Balance Sheet entries are as follows:

	31 March 2010 £000	31 March 2009 £000
Fair Value of Scheme Assets	10,469	7,728
Present Value of Funded Liabilities	(20,094)	(11,573)
Net (under) /overfunding in Funded Plans	(9,625)	(3,845)
Present value of Unfunded Liabilities	(177)	(166)
Unrecognised Past Service Cost	-	-
Net Assets / (Liabilities)	(9,802)	(4,011)
Amount shown in Balance Sheet		
Liabilities	9,802	4,011
Assets	-	-
Net Assets / (Liabilities)	(9,802)	(4,011)

Notes to the Core Financial Statements

The LPFA Active Fund (in which the WLWA participates) amended its investment strategy over the last few years. The expected returns on assets reflect the underlying benchmarks.

Liabilities have been assessed on an actuarial basis using the “projected unit method”, an estimate of pensions that will be payable in future years dependent on actuarial and financial assumptions. The main assumptions used by the actuary in these calculations are as shown below.

Assumptions as at	31 March 2010	31 March 2009	31 March 2008	31 March 2007
	% per annum	% per annum	% per annum	% per annum
Price / Pension increases	3.9%	3.1%	3.6%	3.2%
Salary increases	5.4%	4.6%	5.1%	4.7%
Expected return on assets	6.8%	6.4%	7.0%	7.2%
Discount rate	5.5%	6.9%	6.9%	5.4%

Mortality

Life expectancy is based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non pensioners and 2017 for pensioners. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	19.6 years	22.5 years
Future Pensioners	20.7 years	23.6 years

Note an additional liability loading of 3.5% for prospective pensioners and 1.7% for current pensioners has been applied.

Historic Mortality

Life expectancy for each of the year ends below is based on the PFA92 and PMA92 tables. The allowance for future life expectancy used for FRS17 purposes is shown in the following table:

Year ending	Current Pensioners	Prospective Pensioners
31 March 2010	Calendar year 2017	Calendar year 2033
31 March 2009	Calendar year 2017	Calendar year 2033
31 March 2008	Calendar year 2017	Calendar year 2033
31 March 2007	Calendar year 2004	Calendar year 2017
31 March 2006	Calendar year 2004	Calendar year 2004
31 March 2005	Calendar year 2004	Calendar year 2004

Age ratings are applied to the above tables, based on membership profile.

Notes to the Revenue Account in relation to FRS17 are shown on the next page.

Notes to the Core Financial Statements

The service cost figures include an allowance for administration expenses of 0.5% of payroll. The Past Service Cost figures only relate to 2008-2009, in respect of retrospective changes to member benefits that came into effect on 1 April 2008.

Recognition in the profit or loss:

	31 March 2010	31 March 2009
	£000	£000
Current Service Cost	317	336
Interest Cost	823	819
Expected return on Employer Assets	(508)	(687)
Past Service Cost	-	140
Losses / (Gains) on Curtailments and Settlements	-	-
Total	632	608
Actual Return on Scheme Assets	(2,315)	(2,050)

The movement in the surplus / deficit for the year to 31 March 2010 is as follows:

	Year to	Year to
	31 March 2010	31 March 2009
	£000	£000
Deficit at beginning of year	(4,011)	(2,043)
Current Service Cost	(317)	(336)
Employer contributions	360	447
Contributions in respect of Unfunded Benefits	12	11
Past Service Costs	-	(140)
Net return on assets	(315)	(132)
Actuarial losses	(5,531)	(1,818)
Deficit at end of year	(9,802)	(4,011)

Reconciliation of present value of scheme liabilities:

	31 March	31 March
	2010	2009
	£000	£000
Opening present value of scheme liabilities	11,739	11,857
Current Service Cost	317	336
Interest Cost	823	819
Contribution by Members	132	125
Actuarial Losses / (Gains)	7,339	(955)
Past Service Costs	-	140
Estimated Unfunded Benefits Paid	(12)	(11)
Estimated Benefits Paid	(67)	(572)

Closing present value of scheme liabilities	20,271	11,739
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Notes to the Core Financial Statements

Reconciliation of fair value of scheme assets:

	31 March 2010	31 March 2009
	£000	£000
Opening Fair Value of Scheme Assets	7,728	9,814
Expected Return on Assets	508	687
Contribution by Members	132	125
Contribution by the Employer	360	447
Contributions in respect of Unfunded Benefits	12	11
Actuarial Gains / (Losses)	1,808	(2,773)
Unfunded Benefits Paid	(12)	(11)
Benefits Paid	(67)	(572)
Closing Fair Value of Scheme Assets	10,469	7,728

Amounts for the current and previous accounting periods:

	31 March 2010		31 March 2009	
	£000		£000	
Fair Value of Employer Assets	10,469		7,728	
Present Value of Defined Benefit	(20,271)		(11,739)	
Surplus / (Deficit)	(9,802)		(4,011)	
Experience Gain /(Losses) on Assets	1,808	17.3%	(2,773)	(35.9)%
Experience Gain on Liabilities	22	0.1%	4	0.0%

	31 March 2008		31 March 2007		31 March 2006	
	£000		£000		£000	
Fair Value of Scheme Assets	9,814		9,237		8,605	
Present Value of Scheme Liabilities	(11,857)		(12,066)		(11,958)	
Deficit	(2,043)		(2,829)		(3,353)	
Experience Gain on Assets	325	3.3%	82	0.9%	1,085	12.6%
Experience Losses on Liabilities	(685)	5.8%	(9)	0.1%	(4)	0.0%

The following table sets out an analysis of the amount recognised in the Statement of Total Recognised Gains and Losses (STRGL)

	31 March 2010	31 March 2009
	£000	£000
Actuarial Losses	(5,531)	(1,818)
Cumulative Actuarial Losses	(6,849)	(1,318)

Analysis of projected amount to charged to operating profit for the year to 31 March 2011:

Year Ended:	31 March 2011
	£000
Projected Current Service Cost	663
Interest on Obligation	1,135
Expected Return on Plan Assets	(728)
Total	1,070
Employers Contributions	506

Note (9) Landfill Allowances Trading Scheme (LATS)

The Waste and Emissions Trading Act 2003 aims to achieve the requirements of the EU Landfill Directive by progressively reducing the amount of biodegradable municipal waste that waste disposal authorities may send to landfill. The Act provides the legal framework for the Landfill Allowances Trading Scheme (LATS), which commenced on 1 April 2005. The Authority had sufficient landfill allowances for 2009-2010 and unused allowances (subject to audit/reconciliation by DEFRA for 2008-2009) were offered for sale under the scheme. However, since 2009-2010 is a target year, any unused allowances must be traded by September 2010. Any unsold allowances are lost as they cannot be carried forward to 2010-2011.

The financial statements reflect the accounting requirements of the LATS scheme and follow guidance issued by CIPFA and the SORP 2007. The recognition as income of the allowances made by DEFRA is shown, together with the liability of landfill allowances used. The Income and Expenditure Account net deficit includes £0.21m loss (£0.918m in 2008-2009) on unused Landfill Allowances. The loss arises from the writing off of surplus allowances, valued at £0.021m in 2008-2009 (£0.938m in 2007-2008).

	31 March	31 March
	2010	2009
	£000	£000
LATS balances	-	(21)

Note (10) Other Income and Expenditure Notes

(a) Breakdown of reconciling items in the Statement of the Movement on the General Balance

	2009-2010	2008-2009
	£000	£000
Amounts included in the Income and Expenditure Account but required by statute to be excluded		
Depreciation	(837)	(837)
Government Grants Deferred	28	28
Contribution from the Pension Reserve	(260)	(161)
	(1,081)	(970)
Amounts not included in the Income and Expenditure Account but required by statute to be included		
Statutory provision for repayment of debt	118	123
Capital expenditure charged to General Balances	-	-
	118	123
Transfer to / from Balances		
Transfer to / from earmarked reserves	-	(1,180)
	-	(1,180)
Net additional amount to be (credited)/debited to General Balances for the year	(951)	(2,027)

(b) Members Allowances

Members do not receive allowances from the Authority.

(c) Leasing

Plant & Equipment

The Authority uses plant and equipment financed under the terms of operating leases. The amount charged to revenue in respect of operating leases was £0.442m in 2009-2010 (£0.344m in 2008-2009). There were undischarged obligations in respect of these leases of £1.021m at 31 March 2010 (£0.972m at 31 March 2009). The Authority is committed to making payments for the undischarged obligations as follows:

	Annual Costs £000
2010-2011	580
2011-2012	434
2012-2013	397
2013-2014	357
2014-2015	276
2015-2016	143
2016-2017	131
Total	2,319

Premises

Of the four premises occupied by the Authority, one (Twyford Waste Transfer Station) is owned by the Authority freehold whilst the other three premises are occupied under leases, as follows:

(a) Mogden Office

The two leases for office accommodation at Mogden for the Authority's management and administrative functions run until 31 August 2012 unless terminated by twelve months' notice by either side.

(b) Transport Avenue Waste Transfer Station, Brentford

Following the expiry of its 30-year lease for this rail transfer station on 24 December 2004, the Authority's continued occupancy has been protected by a statutory right to renew the lease for up to 15 years. The opportunity was taken to negotiate an entirely new lease that will meet the Authority's long-term waste strategy needs. Agreement on the rent under the new lease was reached during the course of 2006-2007 and payment of the rent at the new level is incorporated into these accounts. The rent will be subject to five-yearly reviews with the next review date being 14 September 2010.

(c) Victoria Road Waste Transfer Station, South Ruislip

The Authority's lease for this rail transfer station runs until March 2008. The lease provides for six-yearly rent reviews and during the course of 2006-2007 agreement was reached on a new rent level to apply from the last review date of 29 September 2004. These accounts incorporate payment of the rent at the new level. The next rent review

date will be 29 September 2010. Negotiations are in hand with the landlord to modernise the lease, similarly to Transport Avenue, to allow redevelopment of the site to meet the Authority's long-term waste strategy needs.

The future annual commitments under operating leases were as follows:

Amounts payable	Annual Costs £000
Expiring within one year	-
Expiring between two and five years	-
Expiring after five years	1,100*

* Subject to change on completion of rent reviews in 2010

(d) Remuneration for Senior Employees

The number of employees whose salary during 2009-2010 was £50,000 or more was three, as per the table below:

Job Title	Salary		Employer Pension Contributions		Total	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Director	99,753	24,449	17,956	4,401	117,709	28,850
Senior Assistant Director (Operations)	82,610	80,991	14,626	14,340	97,236	95,330
Assistant Director (Resources)	69,278	11,320	12,470	2,038	81,748	13,358

(e) External Audit Fees

The Income and Expenditure Account includes external audit fees for services carried out under the Audit Commission's "Code of Audit Practice" in accordance with section 5 of the Audit Commission Act 1998. The Audit Commission appointed Deloitte & Touche LLP as the Authority's external auditors in respect of the audit of the accounts. The external auditor did not have to perform any work in respect of statutory inspections under section 10 of the Local Government Act. The following table sets out the audit fees reflected in the accounts.

	2009-2010 £000	2008-2009 £000
Annual audit: 2008-2009	0	29
Annual audit: 2009-2010	29	0

(f) Related Party Transactions

This disclosure has been prepared after considering the requirements of "related party transactions" in accordance with the Authority's interpretation and understanding of Financial Reporting Standard 8 (FRS8) and its applicability to the public sector utilising current advice and guidance. Any disclosure under FRS8 is designed to set out relationships with other parties that might materially affect the Authority. The Authority is composed of one Councillor from the six constituent boroughs, the London Boroughs of Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond-upon-Thames and is financed by an annual levy on the constituent boroughs. Details of the borough levies are set out in the Income and Expenditure Account. The Authority also received payments from the constituent boroughs in respect of section 52(9) charges for the disposal of non-household waste.

The Authority has sought and received declarations from Members, the advisors and senior officers of any "related party transaction" in which they, or their related parties, have been engaged in during 2009-2010. No related party transactions were declared. The officers in the post of Clerk to the Authority and the Chief Technical Officer are also Chief Officers at the borough of Hounslow and the Treasurer is from Harrow. The Authority pays for the services they give. The Authority also receives support services from Hounslow and Harrow. The costs of these services (set out below) are reflected in the Income and Expenditure Account.

Support Services	2009-2010	2008-2009
	£000	£000
Hounslow	105	102
Harrow	118	128

(g) Contingent Liabilities

There are no outstanding contingent liabilities.

Note (11) Financial Instruments

(a) Balance Sheet

Accounting regulations require the “financial instruments” (investment, lending and borrowing of the Authority) shown on the balance sheet to be further analysed into various defined categories. The investments, lending and borrowing disclosed in the balance sheet are made up of the following categories of “financial instruments”.

There are no significant differences between the carrying value and the fair value of these items, as they are cash related loans and receivables.

	Long-term		Current	
	2009-2010 £000	2008-2009 £000	2009-2010 £000	2008-2009 £000
Borrowings				
Financial liabilities at amortised cost	(3,297)	(3,415)	-	-
Investments				
Loans and receivables	-	-	11,522	8,828

(b) Gains and losses on financial instruments

The gains and losses recognised in the Income and Expenditure account and STRGL in relation to financial instruments are made up as follows:

	Financial Liabilities Liabilities at amortised cost		Financial Assets Loans and receivables		TOTAL	
	2009-2010 £000	2008-2009 £000	2009-2010 £000	2008-2009 £000	2009-2010 £000	2008-2009 £000
Interest expense	(157)	(164)	-	-	(157)	(164)
Interest income	-	-	259	338	259	338
Net gain for the year	(157)	(164)	259	338	102	174

SECTION 9: ANNUAL GOVERNANCE STATEMENT

1. Scope of Responsibility

The WLWA is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging its responsibilities the Authority ensures that there is a sound system of internal control, which facilitates the effective exercise of its functions, including arrangements for the management of risk.

The WLWA is a single purpose authority that was established on 1 January 1986 to undertake the waste disposal functions set out in the Waste Regulation and Disposal (Authorities) Order 1985 made under the Local Government Act 1985 Section 10. It is an Authority that:

- Facilitates the receipt and recycling or disposal of the waste collected by the six constituent boroughs;
- Transports and disposes of the waste which the constituent boroughs receive at their civic amenity sites; and
- Stores and disposes of abandoned vehicles that are removed by the constituent boroughs.

2. The System of Internal Control

Internal control systems are designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. Internal control systems are based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The main elements of a system of internal control have been in place during 2009-2010 and up to the date of approval of the annual accounts. The Authority has also a Risk Assessment Register, which is updated and reported on an annual basis.

3. The Internal Control Environment

The key elements of the internal control environment are summarised as follows:

Establishing and monitoring the Authority's objectives

The objectives of the Authority are set out in the Annual Report published in June of each year. The Board also receives regular financial and service related reports during the year on those objectives.

Policy and decision-making

The Authority is managed by six Members, one from each of the constituent

Boroughs. Standing Orders and Financial Regulations of the Authority govern the Authority. A directly employed Director together with Advisers from constituent boroughs also supports the Board. The Advisers are the Clerk to the Authority (who acts as the Monitoring Officer) from Hounslow, the Treasurer (the Chief Financial Officer) from Harrow, and the Chief Technical Adviser also from Hounslow.

Compliance

The WLWA has a duty to ensure that it acts in accordance with the law and various regulations, including European Commission Directives, in the performance of its functions. It has developed policies and procedures for its staff to ensure that, as far as possible, all staff understand their responsibilities both to the Authority and the public.

Economic, effective and efficient use of resources

The Authority strives to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness as required by the Best Value duty.

Financial Management

The Treasurer has the statutory responsibility under Section 73 of the Local Government Act 1985 for the proper administration of the Authority's financial affairs and for undertaking the responsibilities outlined in the Accounts and Audit Regulations. The systems of internal control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal control is based on a framework of regular management information, financial regulation, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. These were overhauled in 2009-2010.

The Director of the Authority is responsible for ensuring that an effective system of internal control is maintained and operated for Authority resources. The Director is also responsible for establishing, reviewing and maintaining effective internal controls, which include promotion of:

- compliance with Authority policy and regulations;
- probity and regularity, including accuracy in recording transactions; and
- high standards of conduct and accountability.

The Internal Audit service (provided by the London Borough of Harrow) independently appraises the adequacy of these systems and reports on strengths and weaknesses.

In addition the Director and Advisers will undertake development and maintenance of the internal control systems, which include:

- The setting of annual budgets for approval by the Board, including a three-year revenue budget forecast;
- Budget monitoring;
- Periodic and annual financial and services related reports to the Authority setting out financial performance against the approved budget; and
- Liaison and consultation maintained with the constituent boroughs on technical and financial matters via joint forums.

Performance Management

The Authority publishes Performance Indicators in the Annual Report.

4. Review of Effectiveness

The WLWA has responsibility for reviewing the effectiveness of the system of internal control. The effectiveness of the system of internal control was informed by:

- Work of managers within the Authority;
- Regular reports to the Authority;
- Work of Internal Audit; and
- The External Audit Annual Letter.

A risk-based approach is used in the development of the Internal Audit work over a multi-year plan for the Authority, with Internal Audit cover provided to defined standards. Internal Audit reports were provided to senior officers at the conclusion of audit reviews and did not indicate any fundamental weaknesses in control systems in the areas examined. Summaries of Internal Audit reports are made to the Authority. There were no system control issues that required to be reported in detail to the Authority. Further reviews will be conducted by Internal Audit during 2010-2011.

5. Conclusion

The Authority has considered the effectiveness of the system of internal control by the WLWA and plans to address any weaknesses that may be identified in future and to ensure continuous improvement of the systems is in place. Key to this for 2009-2010 was the review of internal controls and delegations of authority. The Authority has considered its risk management arrangements and these will assist the formalisation of the assurance framework covering the Authority's current risks and of the Managers review of controls effectiveness. The Authority will review these arrangements on a periodic basis.

Councillor
Chairman of the Authority

Terry Welsh
Clerk to the Authority

SECTION 10: INDEPENDENT AUDITOR OPINION ON THE STATEMENT OF ACCOUNTS

Independent auditors' report to the Members of West London Waste Authority

Opinion on the accounting statements

We have audited the Authority accounting statements and related notes of West London Waste Authority for the year ended 31 March 2010 under the Audit Commission Act 1998. The accounting statements comprise the Income and Expenditure Account, the Statement of Movement on the General Fund Balance, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. These accounting statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the members of West London Waste Authority in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in April 2008.

Respective responsibilities of the Chief Financial Officer and auditor

The Chief Financial Officer's responsibilities for preparing the accounting statements in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice are set out in the Statement of Responsibilities for the Statement of Accounts.

Our responsibility is to audit the accounting statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the Authority and its income and expenditure for the year.

We review whether the governance statement reflects compliance with 'Delivering Good Governance in Local Government: A Framework' published by CIPFA/SOLACE in June 2007. We report if it does not comply with proper practices specified by CIPFA/SOLACE or if the statement is misleading or inconsistent with other information we are aware of from our audit of the accounting statements. We are not required to consider, nor have we considered, whether the governance statement covers all risks and controls. Neither are we required to form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

We read other information published with the accounting statements, and consider whether it is consistent with the audited accounting statements. This other information comprises the Explanatory Foreword. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounting statements. Our responsibilities do not extend to any other information.

Independent auditors' report to the Members of West London Waste Authority (continued)

Basis of audit opinion

We conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes an assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority'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 accounting statements and related notes 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 accounting statements and related notes.

Opinion

In our opinion the Authority accounting statements give a true and fair view, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2009: A Statement of Recommended Practice, of the financial position of the Authority as at 31 March 2010 and its income and expenditure for the year then ended.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Authority's Responsibilities

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance and regularly to review the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

We are required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Authority for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you my conclusion in relation to proper arrangements, having regard to relevant criteria for other local government bodies specified by the Audit Commission and published in January 2009. We report if significant matters have come to our attention which prevent us from concluding that the Authority has made such proper arrangements. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

**Independent auditors' report to the Members of West London Waste Authority
(continued)**

Conclusion

We have undertaken our audit in accordance with the Code of Audit Practice and having regard to the criteria for other local government bodies specified by the Audit Commission and published in January 2009, and the supporting guidance, we are satisfied that, in all significant respects, West London Waste Authority made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2010.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Paul Schofield (Engagement Lead)
For and on behalf of Deloitte LLP
Appointed Auditor
St Albans, United Kingdom
30 September 2010

SECTION 11: FURTHER INFORMATION

The Authority has a policy of providing full information about its affairs. Interested parties have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection by the public is advertised in the local press each year.

Further information on the activities and accounts of the WLWA may be obtained from:

Operational Activities

The Director,
West London Waste Authority,
Mogden Works,
Mogden Lane,
Isleworth,
Middlesex,
TW7 7LP
info@westlondonwaste.gov.uk

Accounts

The Treasurer,
West London Waste Authority,
c/o London Borough of Harrow,
Corporate Finance Directorate,
PO Box 21,
Civic Centre,
Harrow, Middlesex,
HA1 2UJ

WEB: www.westlondonwaste.gov.uk

