



Annual Report & Financial Statements
for the year ended 31 March 2009



CONTENTS

	page
Executive Summary	2
Chairman's Welcome	4
Chief Executive's Foreward	5
Corporate Overview	6
Operational Overview	16
Financial Report	34

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EXECUTIVE SUMMARY

During 2008/09, significant progress was made on a number of fronts associated with the work of arc21.

Governance & Organisation

The level of scrutiny applied to performance was enhanced through the commencement of a number of initiatives:

- Substitute Members from constituent Councils nominated to the Joint Committee
- Focussed approach to Risk Management
- Establishment of an Audit Committee
- Establishment of a Residual Waste Treatment Project Board



Staff changes and relocation of premises also took place during the year to ensure the growing programme of work was delivered effectively and efficiently.

Operations

The programme of work is primarily reflected in arc21's Corporate Plan. 2008/09 coincided with the expiry of the first Corporate Plan (2006 - 2009) which set out six Strategic Objectives underpinned by 35 prescribed actions. Progress was made in all of these actions, 31 of which were fully delivered.

Achievements included:

- Recycling Rate increased to 33.9% - the Recycling Rate in 1999/00 was 7.5%.
- Average annual amount of waste produced by each household reduced to 1.18 tonnes - the amount produced in 1999/00 was 1.4 tonnes.
- Landfill diversion target met for the fourth consecutive year.
- Savings to local councils in excess of £4m per annum.
- Strategic Waste Infrastructure Fund established by Government with £106m available to arc21.
- Preparatory work commenced on application for external accreditation as a Centre for Procurement Excellence.
- Contract for processing of organic waste (garden and food waste) was awarded in the summer of 2008. The service commenced in December 2008 and has a value in excess of £70m over 15 years.
- 400,916 tonnes of waste managed through the three established core infrastructure contracts i.e. Landfill, Materials Recovery Facility and Bring Site collection.



- Existing Landfill contracts extended to September 2010.
- Key Performance Indicators associated with the three established core infrastructural contracts developed.
- Considerable engagement throughout the year with all stakeholders including contractors, Government, professional bodies, voluntary sector and the waste industry.
- Participation in various National Strategic Forums continued throughout the year.
- Awareness session for Elected Members held in September 2008.
- Chief Executives from constituent councils received monthly bulletins and an annual briefing session.
- A number of reports produced including 'Model Policy on Enforcement of Contaminated Bins' and 'Strategic Review on Optimal Kerbside Recycling Collection Scheme(s)'.
- Media Plan implemented to raise awareness of the 3Rs (Reduce, Reuse and Recycle).
- Quarterly 'Wastedataflow' reports continue to be returned to the Department of the Environment.
- Website revamped and refreshed.
- Third edition of arc21's magazine 'Wasteline' produced.
- Mobile Education Vehicle visited over 200 locations throughout the arc21 area.

The Residual Waste Treatment Project

The Residual Waste Treatment Project (RWTP) is one of the largest public procurement processes ever undertaken in Northern Ireland, with an estimated life-time value in excess of £1bn. The project entails the provision of facilities involving two generic technologies - Mechanical Biological Treatment (MBT) and Energy from Waste (EFW). During the year an Outline Business Case was approved by the Department of the Environment, a favourable report was received following a 'Gateway Review', the formal procurement process commenced with the publication of a European Journal notice and six consortia were invited to participate in dialogue from the pre-qualification phase. A parallel land assembly exercise has also been progressed.

Finance

Another year of financial growth was experienced with over £27m in annual turnover compared with just over £23m last year. The three established core infrastructure contracts accounted for 87% of the income received. The annual savings to councils accruing from the economies of scale reflected in the various contracts is estimated to be in excess of £4m.

The capital investment programme for the Materials Recovery Facility proved to be timely and enabled the facility to avoid stockpiling material despite the severe global market downturn which occurred in November 2008. arc21 enjoyed support from the Department of the Environment amounting to £820,000.

The accounts were unqualified following scrutiny from the Local Government Auditor who was assured that they were free from material misstatement.

In summary, the cash position remained strong throughout the year and arc21 has been able to increase its level of reserves at the end of the year leaving the organisation in a better position to meet the financial challenges ahead.

CHAIRMAN'S WELCOME



Alderman Hubert Nicholl

arc21's vision is "To Be a Beacon of Successful Waste Management Through Partnership Working". Judging our 2008 / 09 activities against that benchmark, I can confidently state that arc21 has achieved much during the course of the past year which contributes to the realisation of this vision.

Our focus has always been, and will remain, on the '3Rs' of 'Reduce, Reuse and Recycle' - the 'golden rule' of a modern and effective waste management strategy. One decade on since we adopted the concept of a multi-council joint approach to waste, recycling rates have increased more than fourfold across the region to record levels.

We've achieved that by collectively investing in promoting recycling messages and providing the means by which householders can dispose of their waste in a sustainable and environmentally friendly manner. The key, though, has been

the public's response to the challenge and as a Joint Committee we have all been impressed at how quickly attitudes towards waste have changed.

This success reflects the individual choices which tens of thousands of households across the region are making to adopt the '3Rs'. This is evidenced by a fall of 7% in the average amount of waste produced per household to a record low of 1.18 tonnes and a 7.1% increase in household recycling rates which now stand at a record 33.9%.

This is a tremendous achievement, ensuring that arc21 remains on course to reach its recycling / composting target of at least 50% by 2020. It also means that as a region we are on course to meet ongoing EU targets to reduce the amount of waste going to landfill.

More, of course, remains to be done, not least the development of new waste infrastructure such as Mechanical Biological Treatment and Energy from Waste, tried and tested technologies used throughout Europe which will further boost recycling rates and allow us to recover clean, green energy from non-recyclable waste.

With a lifetime project value in excess of £1bn, arc21's Residual Waste Treatment Project to deliver this new waste infrastructure is one of the largest public procurement exercises ever undertaken in Northern Ireland. To date progress has been relatively smooth with significant international interest expressed by specialist waste operators. That is due in large part to the work of those public representatives who make up arc21's Joint Committee and the dedication and skill of arc21's officer team.

On a wider note, we continue to engage with the Review of Public Administration (RPA) which has set out plans to reorganise Local Government in Northern Ireland.

For the foreseeable future, waste will remain an integral part of day-to-day life and we will continually need to adapt and review our approach to its management.

I am pleased to note, though, that the excellent progress achieved during 2008 / 09 has created a sound foundation upon which to build.

CHIEF EXECUTIVE'S FOREWORD

2009 has been highly significant for arc21, marking the completion of our first Corporate Plan (2006 -2009) and the production of the 2009 - 2012 Plan. Operationally we continue to successfully deliver a number of contracts on behalf of participating councils for various waste streams.

In addition to longstanding contracts for Landfill, a Materials Recovery Facility (MRF) and Bring Sites, arc21 also concluded an Organics contract and commenced its Residual Waste Treatment Project (RWTP) procurement process during 2008/09. The Organics contract, the largest awarded so far by arc21, will provide capacity to significantly enhance recycling rates for materials such as food and kitchen waste. RWTP, meanwhile, will deliver modern new waste management facilities to recover value from non-recyclable waste whilst minimising its environmental impact.

It's estimated that procuring waste management projects on a partnership basis between arc21's constituent councils is already delivering annual savings of £4m for ratepayers. This figure is anticipated to increase given the improved capacity now available for organic material and even more so when RWTP's facilities come on-stream.

While achieving economies of scale was a key rationale for establishing arc21, the group is equally committed to delivering waste solutions which benefit the environment and support sustainable development.

I am delighted, therefore, to note the record levels of recycling now taking place across the region and the significant reduction (7%) in the amount of material being landfilled. The new Organics contract (operational from December 2008) and RWTP facilities (due for completion from 2012 onwards) will further boost these figures, help the region meet EU landfill reduction targets and avoid potentially heavy infraction fines should those targets not be met.

In particular, RWTP has been recognised by HM Treasury as a strategically important project, not just for Northern Ireland, but the UK as a whole. In addition to meeting European waste targets, RWP's facilities will help Northern Ireland meet its renewable energy commitments and provide cheap, green energy that has the potential to stimulate economic activity and attract related investments.

RWTP is a complicated, multi-disciplined project and I would like to thank arc21's Joint Committee and officer team for helping keep the project focussed. Such efforts have already been noted by an independent 'Gateway Review' which found that the project "is well structured, well managed and informed by a good, detailed awareness of issues that impact on its successful delivery". Our aim is to maintain these standards as the project continues.

During the year arc21 moved to new premises at Fortwilliam Business Park and welcomed several new staff, primarily to help progress RWTP. We also enhanced our communications programme, refreshing arc21's website and 'Wasteline' magazine, as well as supporting a dedicated education outreach vehicle and high profile public events such as 'Waste Week'.

This has been a busy year, but the challenges of managing the region's waste are, if anything, set to become more demanding. Waste management has a role to play in issues as wide ranging as energy diversification and economic regeneration. If we can view it in that wider policy context, it is clear that waste isn't so much a challenge, but an opportunity.



John Quinn



CORPORATE OVERVIEW

History & Constitution

arc21's origins can be traced back to 1999 when a number of council representatives agreed that a joint approach was the most effective way to deliver a successful waste management strategy for the region. By 2000, 11 councils had joined together to form the Eastern Region Waste Management Group, which was eventually renamed arc21.

The arc21 Councils

- | | |
|---------------------------|------------------------------|
| Antrim Borough Council | Ards Borough Council |
| Ballymena Borough Council | Belfast City Council |
| Carrick Borough Council | Castlereagh Borough Council |
| Down District Council | Larne Borough Council |
| Lisburn City Council | Newtownabbey Borough Council |
| North Down Council | |





The purpose of the collaboration was firstly to produce a Waste Management Plan in compliance with Article 23 of the Waste and Contaminated Land (NI) Order 1997, and then establish administrative arrangements to maintain and implement it with particular emphasis on developing a network of cost effective regional waste management facilities.

The original Waste Management Plan was ratified by the councils in 2003 and updated in 2006 following a comprehensive review.

In July 2003, the 11 member councils of arc21 agreed - for the purposes of implementing the policies set out in the Waste Management Plan for the disposal and recovery of waste - to form a Joint Committee pursuant to the provisions of Section 19 of the Local Government Act (NI) 1972.

Consequently, the arc21 Joint Committee became a Body Corporate established under the Local Government (Constituting a Joint Committee a Body Corporate) Order (Northern Ireland) 2004 and became the first organisation of its kind in UK Local Government.

arc21's activities are governed by a Collaboration Agreement signed by its constituent councils in July 2003 which includes a Statement of Principles providing the overarching operating framework. The operations are presided over by a Joint Committee comprising of two elected members from each of arc21's 11 constituent councils.

The individual elected members of the Joint Committee are bound by the codes of conduct from their own council. In addition the members are bound by Standing Orders in relation to the regulation of business at the formal Joint Committee meetings.



CORPORATE AND GOVERNANCE DEVELOPMENTS 2008/09

1. Joint Committee

Changes were made to the Standing Orders to facilitate the incorporation of Substitute Members to the Joint Committee. The Substitute Members may attend meetings when the main nominated members are in attendance and are eligible to vote in the absence of the main nominated member. This enhances the operational arrangements for the governing body and also widens and strengthens engagement with constituent councils.

Full list of Joint Committee members (31 March 2009)

Antrim Borough Council	Alderman Mervyn Rea
Antrim Borough Council	Councillor Oran Keenan
Antrim Borough Council (Substitute)	Councillor Danny Kinahan
Ards Borough Council	Councillor Robin Drysdale
Ards Borough Council	Alderman Robert Gibson
Ards Borough Council (Substitute)	Councillor Jim McBriar
Ballymena Borough Council	Alderman James Alexander
Ballymena Borough Council	Alderman Hubert Nicholl (Chair)
Ballymena Borough Council (Substitute)	Councillor James Currie
Belfast City Council	Councillor Ian Adamson
Belfast City Council	Councillor Cathal Mullaghan
Belfast City Council (Substitute)	Councillor David Rodway
Belfast City Council (Substitute)	Councillor Chrissie Mhic Giolla Mhin
Carrickfergus Borough Council	Councillor Darin Ferguson
Carrickfergus Borough Council	Alderman Patricia McKinney
Carrickfergus Borough Council (Substitute)	Councillor James Brown
Carrickfergus Borough Council (Substitute)	Councillor Isobel Day



Castlereagh Borough Council	Councillor Jack Beattie
Castlereagh Borough Council	Councillor Gareth Robinson
Castlereagh Borough Council (Substitute)	Councillor John Norris
Castlereagh Borough Council (Substitute)	Councillor Brian Hanvey

Down District Council	Councillor William Clarke
Down District Council	Councillor Edward Rea
Down District Council (Substitute)	Councillor Micky Coogan
Down District Council (Substitute)	Councillor Robert Burgess

Larne Borough Council	Councillor John Mathews
Larne Borough Council	Councillor Winston Fulton (Vice-Chair)
Larne Borough Council (Substitute)	Councillor Michael Lynch

Lisburn City Council	Councillor James Tinsley
Lisburn City Council	Alderman Paul Porter
Lisburn City Council (Substitute)	Councillor Betty (Elizabeth) Campbell
Lisburn City Council (Substitute)	Councillor James Dillon MBE

Newtownabbey Borough Council	Councillor Barbara Gilliland
Newtownabbey Borough Council	Councillor Jackie Mann
Newtownabbey Borough Council (Substitute)	Councillor Etta Mann
Newtownabbey Borough Council (Substitute)	Councillor Janet Crilly

North Down Borough Council	Councillor James McKerrow
North Down Borough Council	Councillor Alan Graham

Alderman Hubert Nicholl and Councillor Winston Fulton were re-elected to the posts of Chairman and Vice Chairman respectively, at the arc21 AGM in October 2008.



2. Supplementary Agreement

Although the Collaboration Agreement signed by all councils in July 2003 has proven sufficient in enabling the existing list of contracts to be successfully awarded and operated, it was considered that contractors and funders of future major waste infrastructure contracts would require more robust contractual arrangements. These would cover both the internal relationship between councils and arc21, and also between councils and the contractors and funders.

These arrangements are articulated in a Supplementary Agreement which was produced by the arc21 legal team and agreed by the Joint Committee in October 2008.

3. Risk Management

Significant progress has been made in implementing a focussed approach to risk management within arc21 in terms of:

- The identification and evaluation of the organisation's key risks
- The inclusion of these risks into a corporate risk register
- The implementation of risk action plans for each of the identified risks
- The implementation of a system of assurance reporting by Directors within arc21, whereby Directors sign statements testifying to their arrangements for managing risk and ensuring effective internal control
- The dedication of part of the independent annual audit plan to facilitate the development of risk management. This plan was produced by Belfast City Council's Audit Governance and Risk Services (AGRS).
- The establishment of an Audit Committee

AGRS provides an independent assurance and advisory service to help arc21 achieve its objectives and improve the effectiveness of its risk management, control and governance processes. It produces an annual audit plan and the head of AGRS provides an annual assurance statement on the internal control environment within that annual statement.

In October 2008, Internal Audit issued a report on internal financial control within arc21. A follow-up report was produced in August 2009 which highlighted that six of the seven recommendations were partially implemented at the time of the review. arc21 continues to address these matters to fully complete implementation. Internal Audit has confirmed that the risk status remains 'amber', i.e. risks are controlled to an acceptable level by a robust system of controls.

The need for an overall risk management strategy was also identified. This was developed in line with best practice and approved and implemented by the Audit Committee in December 2008.





4. Audit Committee

The Audit Committee was established during 2007/08, meeting for the first time in April 2008. The operation of the Audit Committee is laid out in prescribed Terms of Reference and it agreed a programme of work to be undertaken.

The Audit Committee provides an independent assurance on the adequacy of arc21's risk management framework and associated control environment. It provides an independent scrutiny of the organisation's financial and non-financial performance to the extent that it exposes them to risk and weakens the control environment.

In view of the nature and scope of the work of the Audit Committee, steps were taken to increase its complement from three to five members.

A review of the effectiveness of Internal Audit has been completed against Chartered Institute of Public Finance Accountancy (CIPFA) best practice standards and has been reported to the Audit Committee along with an action plan for their consideration.

In addition, a review of the effectiveness of the Audit Committee was completed against CIPFA guidance 'Audit Committees: Practical Guidance for Local Authorities'. The results of this review were also reported to the Audit Committee for their consideration.

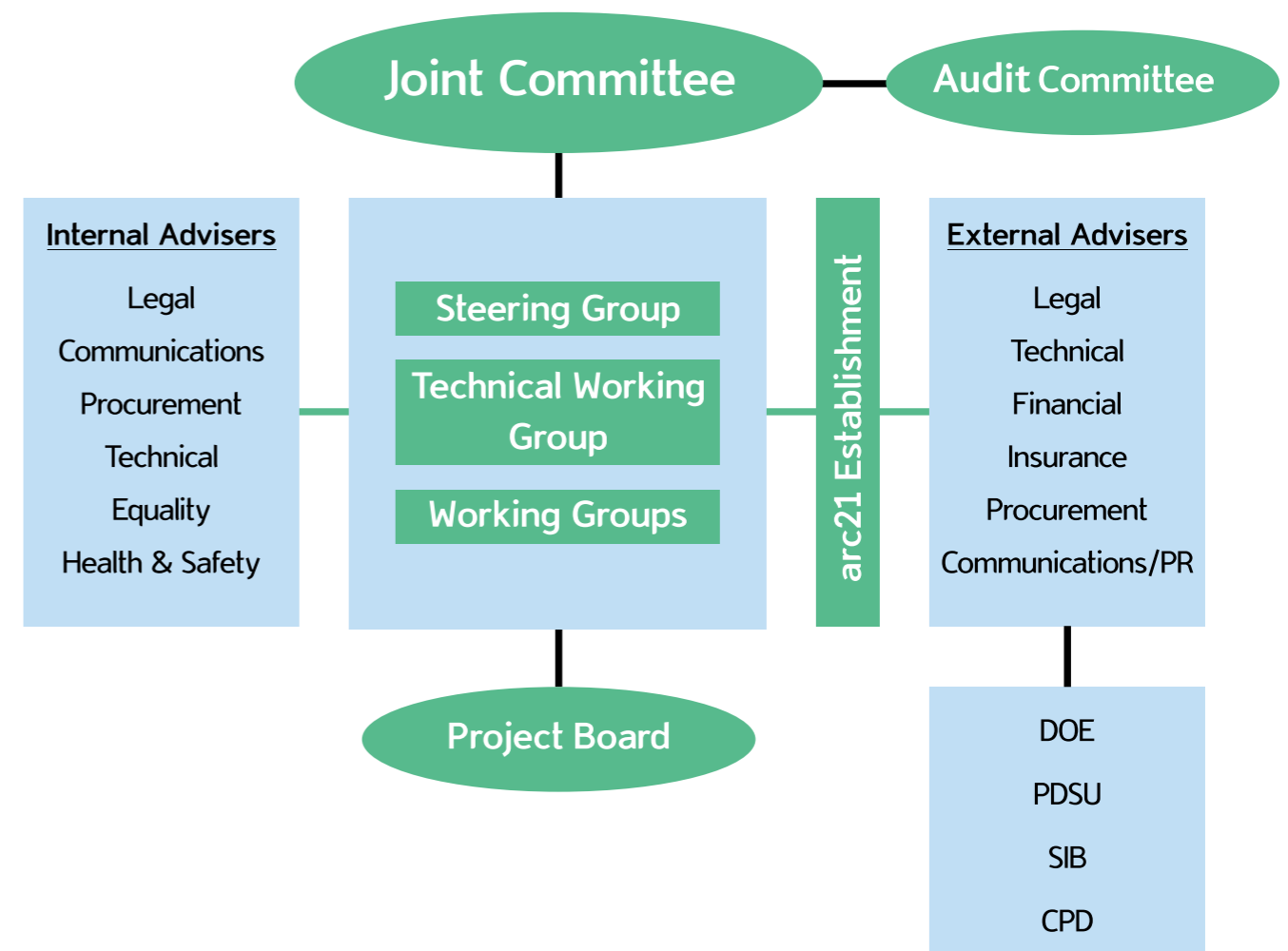


5. Residual Waste Treatment Project Board

This Board was specifically established to oversee the delivery of the Residual Waste Treatment Project. The Board is chaired by arc21's Chief Executive and is comprised of arc21 officers, relevant external advisers, officers from the Programme Delivery Support Unit (PDSU), a representative from the Strategic Investment Board (SIB) and officers from both the Department of the Environment (DoE) and the Department of Finance and Personnel (DFP).

arc21 Governance Arrangements

arc21's Governance and Operational structure is detailed below:

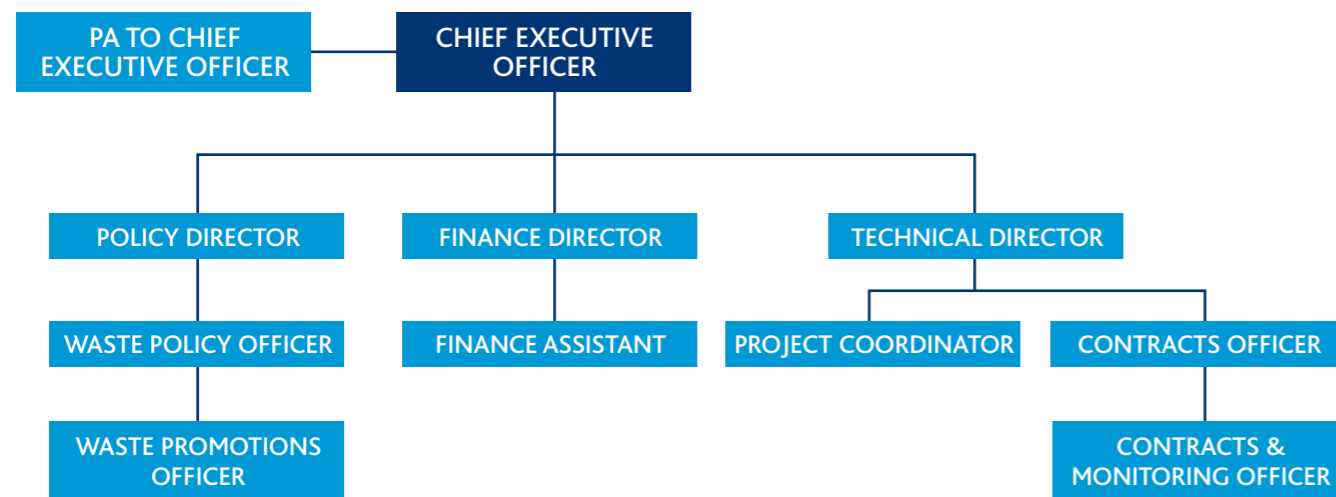




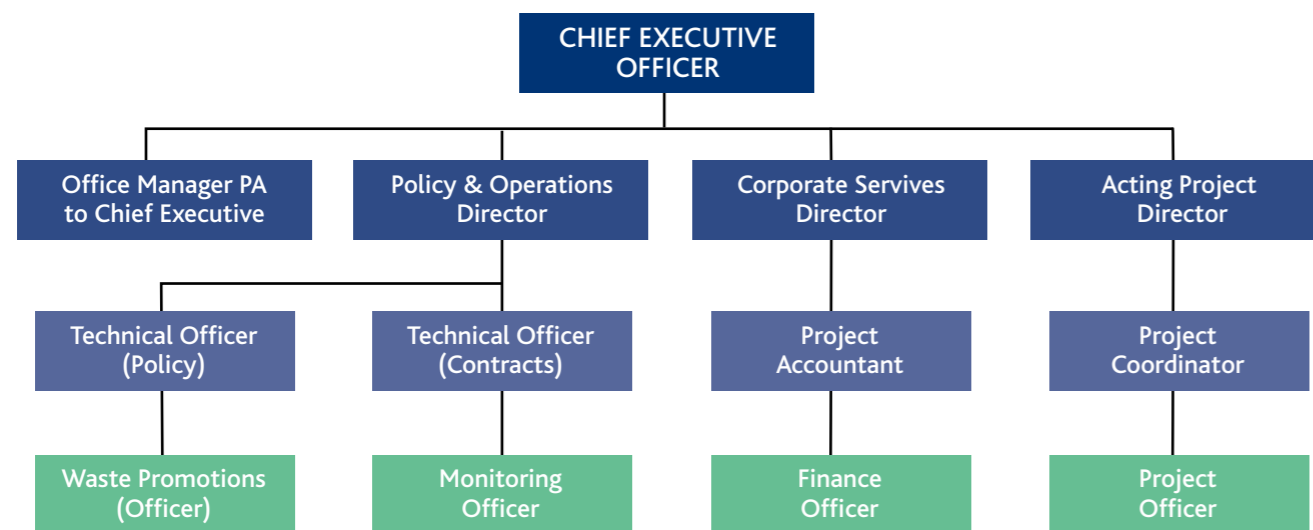
6. Establishment Structure and Staff

A Gateway Review into the Residual Waste Treatment Project in August 2008 led to a resource assessment and organisational review. The process was overseen by the Audit Committee and, following an initial independent capacity review, a more detailed structural review was conducted involving the Local Government Staff Commission. During this process, arc21's Technical Director left to take up a post within SIB. The outcome of the review resulted in changes to the staffing structure.

Previous arc21 Organisational Structure:



Current arc21 Organisational Structure:



The posts of Acting Project Director, Project Coordinator, Project Officer and Project Accountant were filled via secondment from various organisations associated with the project.

It is recognized that a further phase of the organisational review will be necessary to take account of future developments in the project including funding support from Government.

7. Office Accommodation

In summer 2008, arc21 moved office from the Duncrue Complex, Belfast, to Fortwilliam Business Park, Dargan Road, Belfast. This move not only increased overall office capacity to accommodate more staff, but it also provided a number of dedicated meeting facilities required by arc21's operational needs.

The new accommodation was named Walsh House in memory of John Walsh, inaugural Secretary to the Group from 2000-2004. Walsh House was formally opened by the serving Minister of the Environment, Sammy Wilson MP MLA, in December 2008.



Above top and right: arc21 Chair Ald. Hubert Nicholl and CEO John Quinn welcome the then Environment Minister, Sammy Wilson MP MLA, to the organisation's new premises.



operational overview

PROGRESS AGAINST CORPORATE PLAN

This was the final year of the first arc21 Corporate Plan (2006-09). The Corporate Plan outlines the organization's vision, mission and values. It set out six Strategic Objectives, each with a planned outcome underpinned by 35 prescribed actions.

Progress against each of these actions is characterised as follows:

- Action Fully Achieved
- Action Partially Achieved
- Action Not Delivered

OBJECTIVE 1

To enable member councils to comply with their waste management responsibilities by providing access to infrastructure which demonstrates best value by delivering quality services, achieving economies of scale, managing risk and complying with environmental legislation.

Planned Outcome

To provide an integrated network of equitably distributed facilities and services which contribute to the delivery of targets.





Actions For The Period 2006-09

- 1. Review and agree the technical solutions and capacity requirements for the sub-region in order to inform the next tranche of the procurement process.
- 2. Review the procurement process for the next tranche of contracts including financing, risk management, contractual and partnership arrangements, and initiate action.
- 3. Continue with the procurement process for relevant service-specific contracts in accordance with the current arc21 Procurement Plan for the range of facilities and services not under review.
- 4. Work with Government and other strategic partners to alleviate barriers and constraints to the development of facilities, in particular, site availability and planning.
- 5. Work with Government and other strategic partners to maximise funding support, Central Government subvention and develop equitable and robust financial arrangements.
- 6. Manage significant contractual risks associated with arc21 activities.

Commentary

Well established contracts associated with major infrastructure, i.e. Landfill, a Materials Recycling Facility (MRF) and Bring Site Collection all continued to offer value-for-money services.

The quantity of waste processed through these facilities during 2008/09 was:

Landfill - 351,520 tonnes: 27,566 tonnes less than 2007/08 (7.3% reduction)

MRF - 40,007 tonnes: 369 tonnes more than 2007/08 (1% increase)

Bring Sites - 9,389 tonnes: 755 tonnes more than 2007/08 (8.7% increase)

Following a robust analysis of prevailing market conditions, it was agreed by the Joint Committee and constituent councils to extend the Landfill contracts for a further 18-month period until September 2010.

Other service and supplies contracts managed by arc21 include haulage, Certificate of Technical Competence (COTC), NVQ training and assessment, wheeled bins, kitchen caddies and liners.

The contract for the processing of Organic Material was awarded and signed in summer 2008. This was the largest contract awarded to date by arc21 with whole life costs in excess of £70m over a 15-year period. The actual service commenced in December 2008, concentrating on composting garden waste whilst preparing for the introduction of infrastructural capacity required to process organic waste such as food waste.

Progress was also made in connection with the Residual Waste Treatment Project and this is described in more detail on page 32.



arc21 worked closely with various representatives from Government and this was hugely influential in waste being recognized in the Investment Strategy for Northern Ireland 2008-2018. The Programme for Government established a funding package to support the waste management groups. The fund became known as the Strategic Waste Infrastructure Fund (SWIF) and was provided by way of a capital grant to meet capital related expenditure with around £106m of the available £200m being allocated to arc21.

Although considerable efforts were extended towards alleviating the barriers and constraints to the development of facilities, progress in this regard proved to be sporadic. One particular example was a disappointing return to the first trawl of our land assembly exercise for land to be made available to arc21 for the purposes of the Residual Waste Treatment Project.

In regard to planning, it remains the most significant barrier to overcome with significant reform of the system still awaited. It is hoped the introduction of the Pre-Application Discussion process (PAD) will help, but it is too early for any assessment of benefit to be made.





OBJECTIVE 2

To ensure the status of the Waste Management Plan remains current, complete and compliant.

Planned Outcome

- Compliance with relevant legislative framework, particularly relating to Waste Management Planning.
- Ability to undertake regular monitoring, review and rectification relative to performance.

Actions For The Period 2006-09

- 1. Review of the Waste Management Plan and incorporation of revisions for determination by the DoE.
- 2. Prepare and submit supporting documentation to the DoE relating to the Procurement and Implementation Action Plans.
- 3. Comply with arrangements in respect of implementing the arc21 Waste Management Plan including involvement in relevant working groups.
- 4. Complete financial model arising from final Implementation Action Plan.
- 5. Assess compatibility with the Northern Ireland Waste Management Strategy 'Towards Resource Management' and Northern Ireland Best Practicable Environmental Option.
- 6. Submit relevant annual reports to the DoE including monitoring, review and intervention procedures.

Commentary

The original Waste Management Plan (2003) underwent a comprehensive review process which resulted in an updated Plan being determined by the DoE in December 2006. Ratification by all arc21's councils was completed in February 2007. This also addressed matters pertaining to implementation and procurement.

The Waste Management Plan clearly states that the ultimate solution for residual waste treatment will be subject to the outcome of a Business Case and Procurement Process which may affect its detail. The processes associated with the Business Case and the Procurement process have made significant progress during 2008/09 (see page 32 for more detail).

The outcome of arc21's land assembly exercise for the Residual Waste Treatment Project may be the subject of a future amendment to the Waste Management Plan. Preparatory work to facilitate this began during 2008/09.

Although some returns and reports continued to be made to DoE during 2008/09, such as 'Wastedataflow', the transfer of function relating to the regulation of Waste Management Plans from the Northern Ireland Environment Agency to the PEPG section of DoE, created a void which prevented progress on the development and submission of Annual Performance Reports and Implementation Action Plans.



OBJECTIVE 3

To develop the organisation and its activities in a way which enhances and reinforces collective working and gains the support of stakeholders.

Planned Outcome

Improve performance and best value through the forging and reinforcement of strategic partnerships with the public, private and other sectors.

Actions For The Period 2006-09

- 1. Provision of a central conduit for interaction with government departments, particularly the DoE, on issues of mutual importance.
- 2. Improve governance arrangements for arc21 regarding the streamlining of the decision-making process and reinforcing confidence of private sector partners.
- 3. Provision of an interface for working with other Local Government groups, such as the Northern Ireland Local Government Association (NILGA), the Society of Local Authority Chief Executives (SOLACE), other waste management groups and other Administrations.
- 4. Development of robust relationships with private sector partners including existing and potential service providers.
- 5. Submit collective arc21 responses to consultation documents as appropriate.
- 6. Develop and implement a range of Key Performance Indicators (KPIs) to drive continuous improvement throughout the organisation.





Commentary

Throughout 2008/09, arc21's officers met with DoE representatives on a regular basis, including the Minister and Senior Managers with an overarching role in the Department. Additionally, numerous meetings were held with other Government Officers, e.g., DETI, the Planning & Environmental Policy Group (PEPG), DFP, the Northern Ireland Environment Agency and the Planning Service.

Various members of arc21 also represent the Waste Management Group on a number of strategic forums associated with the implementation of the National Waste Strategy, including the Strategic Waste Board, the Waste Programme Steering Group and the Waste Prevention Forum.

arc21 regularly inputs to business conducted by other Local Government groups such as NILGA's Waste Working Group and Land Use Planning Group. arc21 representatives are recognized as Technical Advisers to NILGA and SOLACE, which on occasion entails representing Northern Ireland's Local Government interest at a UK level, such as in relation to the Waste Electrical and Electronic Equipment Directive (WEEE).

arc21 also attended UK stakeholder meetings in connection with the revision of the Waste Framework Directive.

arc21 holds regular meetings with its contractors, not only to ensure the service is provided in accordance with obligations, but also to explore improvements, such as the capital investment programme at the MRF to enhance the high quality material produced.

arc21 representatives attend waste industry events such as those organized by the Chartered Institution of Wastes Management (CIWM) and regularly engages with the business community. For instance, in June 2008 arc21 took the opportunity to hold a Residual Waste Treatment Project market engagement event at the UK's premier waste conference and exhibition at Torbay.

arc21 representatives also accepted invitations to speak and share experiences at conferences, seminars and events held locally and elsewhere such as Belfast in December 2008, London in March 2009 and Inverness, also in March 2009.

arc21 responded to appropriate consultation papers including the revision of the Waste Framework Directive, Draft Planning Policy Statement (PPS18), a review of the Northern Ireland Landfill Allowance Scheme (NILAS), Draft Local Government (Contracts & Compulsory Purchase) Bill and the Northern Ireland Renewable Obligation (NIRO) Order (NI) 2009.

In addition to the KPIs produced through the 'Wastedataflow' reporting mechanism, waste management KPIs associated with the three core infrastructural contracts were developed in 2008 and are reported monthly to the Steering Group and Joint Committee. It is acknowledged that further work developing corporate KPIs is required.



OBJECTIVE 4

To promote and enable communication, education and awareness programmes, and to advise on waste reduction, recovery and recycling measures, both directly and in partnership with others.

Planned Outcome

Measurable increase in awareness and buy-in to the Waste Management Plan by stakeholders, an understanding of technical solutions and evidence of behavioural change, with respect to the application of sustainable waste management practices.

Actions For The Period 2006-09

- 1. The provision of a central interface with DoE on collective education and awareness issues.
- 2. The provision of a central policy resource for education and awareness policy and procedures.
- 3. The provision of central resources / facilities for education and awareness programmes including the provision of signposting facilities to other sources of information for arc21 councils.
- 4. Participation in regional and national initiatives in conjunction with partners.
- 5. Develop interactive web-based education and awareness facilities for arc21.
- 6. Procurement and use of a mobile information resource / classroom.
- 7. Complete, develop and implement an overarching three-year Communications, Education and Awareness Strategy.





Commentary

arc21 is represented and contributes to the Learning & Communication Forum established by DoE as part of the implementation of the National Waste Strategy.

In February 2009, arc21 participated in a Local Government waste awareness session for MLAs facilitated by NILGA and held in the Long Gallery at Stormont.

arc21 also invested £33,000 in a communications strategy to raise awareness of the 3Rs (Reduce, Reuse and Recycle). Coverage was secured throughout the year in various media outlets including print, radio and television. The equivalent advertising value of the coverage has been estimated in excess of £250,000.

arc21 assisted councils in the development of ideas to promote 'Waste Week' in June 2008, including a 'Green Butler' service which proved popular with the councils and received media coverage.

The arc21 website was revamped and refreshed during the early part of 2009 and included links to other useful sites including one that enables householders to prevent junk mail being delivered to their home, the DoE website, 'Kids Against Waste', and others that act as a gateway for further information on the 3Rs. The website also has a contact function which allows visitors to direct any queries to arc21.

The third edition of arc21's magazine, 'WasteLine', was also produced in February 2009.

The mobile education vehicle continued to be very popular and visited over 200 locations throughout the arc21 area. All of arc21's councils made use of the vehicle at schools, shopping centres and community facilities as well as ad hoc events such as the Green Living Fair or the Balmoral Show. The vehicle is equipped with various waste promotion material including a computer-based interactive quiz programme.



OBJECTIVE 5

To promote the development of processing capacity and market outlets for secondary resources.

Planned Outcome

To achieve sustainability in arc21's collection, treatment and disposal activities by enhancing the opportunities for market outlets from materials produced.

Actions For The Period 2006-09

- 1. Contribute to the development of a Northern Ireland / All-Island market development programme.
- 2. Continue to work with the Waste and Resources Action Programme (WRAP) and the UK Market Development Forum to examine synergies and market opportunities.
- 3. Continue to structure contracts and specifications in a way which enhances the value of recyclates and incentivises end markets.
- 4. Continue to give advice to member councils on collection schemes which are appropriate to downstream market outlets and processing capacity.
- 5. Encourage member councils in the use of environmental management systems and green procurement policies.
- 6. Continue to work with Government to create green procurement opportunities across the public sector.

Commentary

arc21 was represented on the Market Development Forum, established in connection with the implementation of the National Waste Strategy, and continued to meet regularly with WRAP to examine synergies etc.

Where appropriate, tender documentation encourages the use of recycled material, i.e. the use of recycled material in wheeled bins. arc21 is also examining the most beneficial method of incorporating sustainability into the Residual Waste Treatment procurement process.

Paper used by arc21, such as, letters, photocopying, etc., is not sourced from virgin material, but is produced from recycled paper. In April 2008, arc 21 produced an updated Model Policy on Enforcement of Contaminated Bins which was endorsed by the Joint Committee.

During 2008, arc21 commissioned WRAP to undertake a strategic review of the optimal kerbside recycling collection scheme(s) which the arc21 partnership could have in place by 2015, the aim being to maximise diversion of selected dry recyclables and organic wastes from landfill. The report was produced in November 2008 and provides a useful base for further detailed work to be undertaken.

In September 2008, the Joint Committee endorsed an arc21 guidance report in connection with Organic Waste and Storage associated with the household management of food waste linked to its incorporation into a kerbside organic collection service.



OBJECTIVE 6

To build the capacity of arc21 and its member councils to manage the sub-region's waste in a sustainable manner.

Planned Outcome

To ensure that staff, Elected Members and officers continue to recognise the part they play individually and collectively in the success of arc21.

To ensure that the resources applied to arc21's processes are adequate to deal with the sub-region's waste in a competent and professional manner.

Actions For The Period 2006-09

- 1. Ensure that the arc21 staff complement matches the requirements of the 2004-2006 Operational Plan and any subsequent business plans as approved by the Joint Committee.
- 2. Ensure that arc21 staff continue to be capable of meeting the ongoing needs of the job.
- 3. Ensure that the Elected Members of the Joint Committee are kept apprised of relevant issues within their remit in arc21.
- 4. Ensure that the officers of member councils are kept apprised of issues relevant to their remit in arc21.



Commentary

As detailed on page 14, a review process was undertaken during 2008/09 which resulted in additional personnel and changes to the organisation's structure.

All arc21 employees have an annual training and development plan to enhance their individual skills and capability.

arc21 held an awareness session for Elected Members from its 11 constituent councils in September 2008. It included visits to the landfills and the MRFs operating under contract to arc21.

The Joint Committee met on 12 occasions throughout 2008/09 to consider reports submitted by arc21 in connection with its activities.

The Steering Group met on 16 occasions throughout 2008/09 to discuss strategic and technical issues associated with arc21-related activities.

The Audit Committee met on five occasions throughout 2008/09 to progress its programme of work.

The Project Board met on 11 occasions throughout 2008/09 to consider matters pertinent to the Residual Waste Treatment Project.

arc21 held an annual briefing session for constituent Council Chief Executives in February 2009. During 2008/09, these Chief Executives were also e-mailed monthly bulletins addressing matters to be considered by the Joint Committee.

Preparatory work commenced with a view to applying for accreditation as a Centre of Procurement Expertise (COPE). If successful, arc21 will become the first Local Government COPE in Northern Ireland.





OPERATING STATISTICS

The key aims of arc21's Waste Management Plan are:

- To meet strategic targets (set by the EU, UK and Northern Ireland's DoE for the reduction, recycling and recovery of waste
- Provide and maintain sufficient disposal capacity to deal with waste produced in the arc21 region

During the 2008 / 09 period arc21 made significant advances in fulfilling these aims by operating contracts to provide landfill capacity and recycling facilities, including a Materials Recovery Facility (MRF) and a number of Bring Sites.

arc21 is pleased to note strong progress in improving recycling / composting rates and reducing the amount of waste sent to landfill from the region.

The improved performance was the result of ongoing investment by arc21 and its constituent councils in improved waste infrastructure, high profile waste awareness campaigns and the slowdown in economic activity which has reduced general consumption.

The amount of municipal waste handled by arc21 councils in 2008/09 was 553,054 tonnes, down 4.8% from the previous year.

Annual Amount of Municipal Waste handled by arc21 Councils

arc21	2006/07	2007/08	2008/09
Annual Amount of Municipal Waste (Tonnes)	583,746	580,981	553,054

Organisational KPIs have been developed to address waste management performance.

The primary targets are:

1. Household Recycling Rates
2. Average Waste per Household
3. Compliance with the Northern Ireland Landfill Allowance Scheme (NILAS)



1. Household Recycling Rates

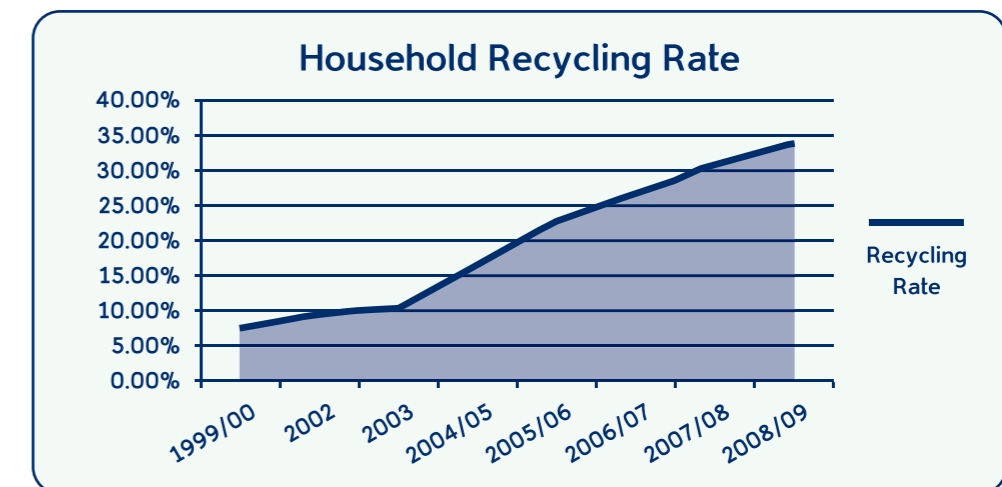
This is a measure of the amount of household waste that is recycled and composted.

Individual Council Performance

Council	2006/07 Recycling Rate	2007/08 Recycling Rate	2008/09 Recycling Rate
Antrim Borough Council	47.1%	48.7%	48.3%
Ards Borough Council	22.5%	27.6%	33.9%
Ballymena Borough Council	28.2%	26.5%	36.2%
Belfast City Council	19.0%	23.2%	26.3%
Carrickfergus Borough Council	21.9%	33.2%	32.9%
Castlereagh Borough Council	34.8%	37.7%	38.1%
Down District Council	32.2%	31.6%	32.6%
Larne Borough Council	31.6%	37.4%	40.5%
Lisburn City Council	25.1%	31.9%	33.1%
Newtownabbey Borough Council	24.8%	30.3%	34.9%
North Down Borough Council	30.2%	38.1%	40.4%

Combined arc21 Performance

	1999/00	2002	2003	2004/05	2005/06	2006/07	2007/08	2008/09
arc21	7.5%	9.7%	10.6%	16.7%	22.9%	26.8%	30.9%	33.9%





2. Average Waste per Household

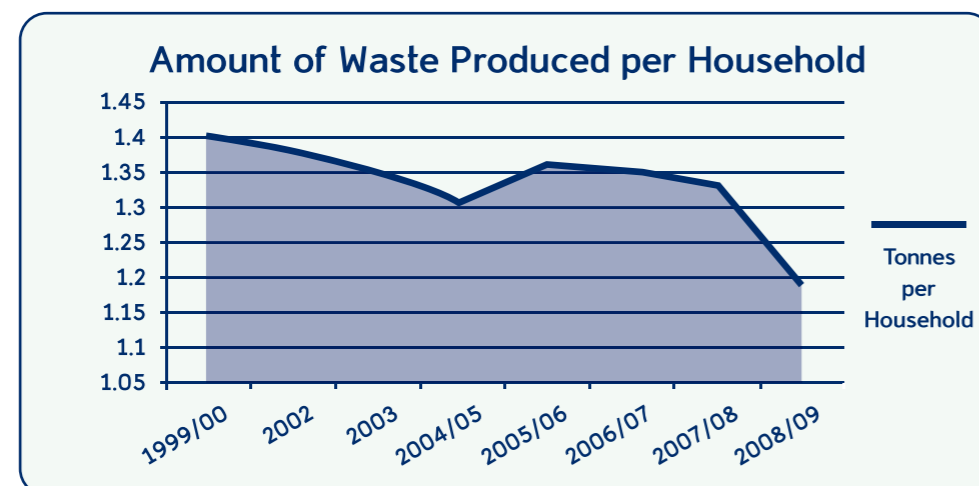
This is a measure of the average amount of waste generated by each household annually. Overall there has been a marked downward trend during the past decade.

Individual Council Performance

Council	2006/07 Tonnes per H/H	2007/08 Tonnes per H/H	2008/09 Tonnes per H/H
Antrim Borough Council	1.73	1.74	1.59
Ards Borough Council	1.46	1.39	1.26
Ballymena Borough Council	1.54	1.33	1.30
Belfast City Council	1.22	1.16	1.05
Carrickfergus Borough Council	1.38	1.29	1.21
Castlereagh Borough Council	1.15	1.11	1.06
Down District Council	1.21	1.16	1.16
Larne Borough Council	1.42	1.29	1.21
Lisburn City Council	1.36	1.28	1.19
Newtownabbey Borough Council	1.46	1.35	1.30
North Down Borough Council	1.43	1.39	1.20

Combined arc21 Performance

	1999/00	2002	2003	2004/05	2005/06	2006/07	2007/08	2008/09
arc21	1.40 tonnes	1.37 tonnes	1.34 tonnes	1.33 tonnes	1.36 tonnes	1.31 tonnes	1.28 tonnes	1.18 tonnes



3. Compliance with the Northern Ireland Landfill Allowance Scheme

This is a measure of compliance against annual statutory targets for landfilling biodegradable municipal waste. (BMW) This is the fourth year the scheme has been in operation, with arc21 meeting its target each year.

Individual Council Performance

District Council/ Waste Management Group	2008/09 Allocation	BMW sent to landfill for scheme year 2008/09 (as reported)	BMW sent to landfill as % of 2008/09 allocation
Antrim Borough Council	18,138	11,911	65.67%
Ards Borough Council	27,695	21,156	76.39%
Ballymena Borough Council	21,849	15,197	65.55%
Belfast City Council	97,033	85,586	88.20%
Carrickfergus Borough Council	14,252	11,586	81.29%
Castlereagh Borough Council	24,097	13,369	55.48%
Down District Council	24,410	22,726	93.10%
Larne Borough Council	11,289	9,110	80.70%
Lisburn City Council	40,345	28,016	69.44%
Newtownabbey Borough Council	29,467	22,843	77.52%
North Down Borough Council	28,186	20,221	71.74%

Combined arc21 Performance

arc21	Allocation in Scheme year	BMW sent to landfill for scheme year	BMW sent to landfill as % of annual allocation
2005/06	380,427	316,732	83.2%
2006/07	353,773	295,622	83.6%
2007/08	345,244	280,735	81.3%
2008/09	336,761	261,721	77.7%



RESIDUAL WASTE TREATMENT PROJECT

Background

The Residual Waste Treatment Project (RWTP) is one of the largest public procurement processes ever undertaken in Northern Ireland. With an estimated life-time value in excess of £1bn, the project reflects the requirements set out in arc21's Waste Management Plan to establish new waste infrastructure to process waste which isn't physically or practically possible to recycle.

In common with best practice across Europe, arc21 has adopted an approach which, first, encourages the '3Rs' of 'Reduce, Reuse and Recycle (our aim is to boost recycling / composting rates to 50% by 2020) but, secondly, adopts Energy Recovery technology to turn the remaining waste into renewable electricity and heat for domestic or commercial/industrial application.

The solution outlined in the Waste Management Plan determines the utilisation of two generic technologies:

- 1) **Mechanical Biological Treatment (MBT) - a process which extracts recyclable material which has inadvertently been disposed of as black bin waste and pre-treats the remaining material for Energy Recovery**
- 2) **Energy from Waste (EfW) - a tried and tested, clean Energy Recovery technology that converts waste into heat and electricity**

Developments during 2008/09

As indicated earlier in the report, arc21 has established a 'Project Board' to oversee the project. In April 2008 the Board's client-side team of external advisers was completed with the appointment of PR consultants.

In May 2008 a project workshop was held in Lisburn involving arc21 officers, the client-side team and constituent council officers to clarify a number of issues and update the project risk register.

The project's Outline Business Case (OBC) was submitted to DoE in June 2008 and was duly approved in August 2008. It outlined a procurement strategy which would adopt the Competitive Dialogue Process. This is a relatively new procurement process and the project will be one of the first in the UK waste sector to use this process.

The Office of Government Commerce guidance on public sector procurement for major infrastructure requires formal reviews to be undertaken at key stages of the project and the first one applicable to arc21 was Gateway Review 2: 'Delivery Strategy', which was conducted in August 2008.

The primary purpose of the review was to confirm the OBC after the project had been fully defined, and to ensure that the procurement and delivery strategy was robust and appropriate.



The conclusion of the Gateway Review team was very encouraging:

"The Review Team finds a project that is well-structured, well-managed and informed by a good, detailed awareness of issues that impact on its successful delivery.

"The Project benefits from strong and effective governance arrangements, allied to the good use of a comprehensive range of external advice. We find a sound, well-developed approach to both internal and external communications and to stakeholder management and engagement. Consistent support exists for the arc21 Waste Management Plan and the Project's proposals for residual waste treatment. These factors suggest a Project that enjoys strong leadership."

The Gateway Review Team also found that the approach by arc21 to key areas of the project such as the Communications Strategy, the development of the Council Terms of Agreement and the proactive approach to sounding out the market, represented instances of significant good practice that may be transferable to other programmes and projects.

Successful completion of the review allowed the procurement process to continue with the publication of a formal notice in the Official Journal of the European Union (OJEU) in September 2008. Following receipt and evaluation of Pre-Qualification submissions, six consortia were invited in January 2009 to participate in dialogue at the next phase with a view to submitting outline solutions. This phase was scheduled to be concluded in May 2009.

Allied to the procurement process, arc21 has also conducted a Land Assembly exercise to secure sites that would be made available to the remaining consortia. Should they wish, the consortia may include them as part of their submissions during a later phase. Progress with this aspect of the project has continued and is likely to be concluded in late 2009.

Bearing in mind the difficult economic climate, there remains a high level of market confidence in the project. The partnership approach adopted by Local and Central Government has been well received and has made a significant contribution to maintaining this confidence.





financial report



Developments During 2008/09

arc21 achieved another year of substantial growth, in financial terms, due to the significant developments in contracting for waste facilities and the stepped increase in the procurement activity for the Residual Waste Treatment Project.

Income for the year was £27,122,893 compared to £23,548,095 in 2007/08, an increase of 15%. Expenditure for the same period was £27,030,535 compared to £23,517,724 in 2007/08, resulting in a surplus of £92,358 for the year to March 2009.

In addition, the sum of £80,916 was incurred funding capital expenditure with the acquisition of computer equipment and furniture/fittings associated with the move to new offices in July 2008.

After taking into account the charge for depreciation on fixed assets, there was a net increase to the General Reserves of £26,732 for the year bringing the cumulative reserves at 31 March 2009 to £591,753 or 2% of annual turnover.

All three major waste contracts, Landfill, Materials Recovery Facility and Bring Service, performed satisfactorily during the year, representing £23,481,130 (87%) of the total income for the year.

An important financial benefit of the Materials Recovery Facility (MRF) contract is the income earned from the sale of the materials to the market place. arc21 shares the revenue earned from the sale of the materials on a 50/50 basis with the MRF's operators, Bryson Recycling.

In line with the global economic downturn, the sale of materials from the MRF facility were dramatically affected during the latter part of the year, primarily due to the collapse in the previously strong Far Eastern markets. Overall though the revenue share earned is still up on the previous year, in spite of the downturn. This was due mainly to the very strong market conditions which prevailed until November 2008.

A key contributing factor to the higher prices received by Bryson Recycling for the materials has been the successful completion of a capital investment programme to upgrade the plant and enable better quality materials to be provided to the market. This capital investment programme (cost £860,000) is a joint venture between arc21 and Bryson Recycling and has significantly offset the impact of the severe downturn in the market place during the year.

This capital investment programme started in November 2006 and was completed, in three phases, by March 2008. It has strengthened the market position of Bryson Recycling, in turn benefitting arc21. Taking into account the severe downturn in the market conditions in late 2008, the capital investment has proved to have been timely. Bryson Recycling has continued to supply the market during the current global crisis due to the quality of its recyclate materials whilst other similar MRF facilities in the UK have had to stockpile materials due to lower quality.

The level of funding required for waste facilities has been recognised by Central Government as being beyond the means of Local Government.





During the year arc21 received significant financial support from DoE. Capital and revenue funding totalling £820,000 was received, the majority of which was directed towards the Residual Waste Treatment Project.

As can be seen from the Income and Expenditure table, investment income generated from bank interest has made a healthy contribution during the last two years, with interest earned exceeding £100,000 in each year. Given, however, the serious downturn in global financial markets, projected interest earnings for 2009/10 are likely to be significantly reduced. Once again the annual turnover has increased on the previous year as also indicated in the Income & Expenditure table.

In general, the 2008/09 year was challenging, but the financial results do reflect an overall satisfactory position. Once again the cash position remained strong throughout the year and arc21 has increased the level of reserves at the end of the year leaving the organisation in a better position to meet ongoing financial requirements.

Local Government Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARC21

I have audited the statement of accounts of arc21 for the year ended 31 March 2009 under the Local Government (Northern Ireland) Order 2005. The statement of accounts comprises the Income and Expenditure Account, Statement of Movement on the General Reserves Balance, Statement of Total Recognised Gains and Losses, Balance Sheet, and Cash Flow Statement. The statement of accounts has been prepared under the accounting policies set out within them.

This report is made solely to the Members of arc21 in accordance with Local Government (Northern Ireland) Order 2005 and for no other purpose, as specified in the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.

Respective Responsibilities of the Chief Financial Officer and the Independent Auditor

The Chief Financial Officer's responsibilities for preparing the statement of accounts in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2008 are set out in the Statement of Responsibilities for the Statement of Accounts.

My responsibility is to audit the statement of accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the statement of accounts present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of the local government body and its income and expenditure for the year.

I review whether the Annual Governance Statement reflects compliance with the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2008. I report if it does not comply with proper practices specified by the Department of the Environment or if the statement is misleading or inconsistent with other information I am aware of from my audit. I am not required to consider, nor have I considered, whether the Annual Governance Statement covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the local government body's corporate governance procedures or its risk and control procedures.



I read other information published with the statement of accounts and consider whether it is consistent with the audited statement of accounts. This other information comprises only the Explanatory Foreword. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the statement of accounts. My responsibilities do not extend to any other information.

Basis of Audit Opinion

I conducted my audit in accordance with the Local Government (Northern Ireland) Order 2005, the Local Government Code of Audit Practice issued by the Chief Local Government Auditor 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 statement of accounts. It also includes an assessment of the significant estimates and judgments made by the local government body in the preparation of the statement of accounts, and of whether the accounting policies are appropriate to the local government body's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the statement of accounts.

Opinion

In my opinion the Statement of Accounts presents fairly, in accordance with relevant legal and regulatory requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2008, the financial position of arc21 as at 31 March 2009 and its income and expenditure for the year then ended.

Certificate

I certify that I have completed the audit of the accounts arc21 in accordance with the requirements of the Local Government (Northern Ireland) Order 2005 and the Local Government Code of Audit Practice issued by the Chief Local Government Auditor.

*Local Government Auditor
106 University Street
Belfast
BT7 1EU*

Income and Expenditure for the Year To 31 March 2009

	2008/09	2007/08
	£	£
INCOME:		
Participating Councils	669,500	650,014
Government Grant	820,390	210,854
Bank Interest	102,699	102,932
Contract Income :		
Landfill Service	20,395,863	18,827,315
Materials Recovery Facility- MRF	1,638,180	1,576,800
MRF Revenue Share	1,230,635	1,176,807
Bring Service	216,452	191,662
Supply of Bins and Bring Banks	721,952	399,545
Other Contract Income	1,323,111	411,955
Other Income	4,111	211
TOTAL INCOME	27,122,893	23,548,095
EXPENDITURE:		
Employee Costs	453,585	406,904
Bank Interest	-558	1,123
Other Operating Costs	1,358,851	528,032
Contract Expenditure :		
Landfill Service	20,112,388	18,827,315
Materials Recovery Facility- MRF	1,638,180	1,576,800
MRF Revenue Share	1,230,635	1,176,807
Bring Service	216,452	191,662
Supply of Bins and Bring Banks	721,952	399,545
Other Contract Costs	1,299,049	409,535
Other Costs	1.00	
TOTAL EXPENDITURE	27,030,535	23,517,724
SURPLUS	92,358	30,371

Statement of Movement on the General Reserves Balance for the Year Ended 31 March 2009

	2008/09	2007/08
	£	£
Surplus for the year on the Income and Expenditure Account	92,358	30,371
Net additional amount required by statute and non-statutory proper practices to be debited or credited to the General Reserves Balance for the year	65,626	7,100
Movement on the General Reserves Balance for the year	26,732	23,271
Balance Brought Forward	565,021	541,750
Balance Carried Forward	591,753	565,021

Balance Sheet as at 31 March 2009

	2008/09	2007/08
	£	£
FIXED ASSETS		
Tangible Fixed Assets		
Operational Assets:		
Land & Buildings	0	0
Infrastructure Assets	0	0
Vehicles, Plant, Furniture and Equipment	72,726	7,100
Non-Operational Assets:		
Investment Properties	0	0
Assets under Construction	0	0
Surplus Assets held for Disposal	0	0
TOTAL FIXED ASSETS	72,726	7,100
Long Term Investments	0	0
Long Term Debtors	0	0
TOTAL LONG TERM ASSETS	72,726	7,100
CURRENT ASSETS		
Stocks	0	0
Debtors	2,951,543	4,034,236
Short Term Investments	2,709,329	2,173,237
Cash and Bank	4,460	65,936
	5,665,332	6,273,409
CURRENT LIABILITIES		
Borrowing repayable on demand or within 12 months	0	0
Creditors	5,073,579	5,708,388
Bank Overdraft	0	0
	5,073,579	5,708,388
TOTAL ASSETS LESS CURRENT LIABILITIES	664,479	572,121
LONG TERM LIABILITIES		
Borrowing repayable within a period in excess of 12 months	0	0
Deferred Liabilities	0	0
Government Grants - deferred	0	0
Provisions	0	0
NET ASSETS	664,479	572,121
RESERVES:		
Capital Adjustment Account	72,726	7,100
Financial Instruments Adjustment Account	0	0
Revaluation Reserve	0	0
Available-for-sale Financial Instruments Reserve	0	0
Pensions Reserve	0	0
Capital Receipts Reserve	0	0
Capital Fund	0	0
Renewal and Repairs Fund	0	0
Other Balances and Reserves	0	0
General Reserves	591,753	565,021
Net Worth	664,479	572,121





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