

Company no. 2649156
Charity no. 1005417

Waste Watch
Report and Financial Statements
31 March 2003

Sayer Vincent



Waste Watch

Legal and administrative details

For the year ended 31 March 2003

Status	The organisation is a charitable company limited by guarantee, incorporated on 26 September 1991 and registered as a charity on 1 November 1991	
Governing document	The organisation was established under a memorandum of association which established the objects and powers of the organisation and is governed under its articles of association.	
Company number	2649156	
Charity number	1005417	
Registered office and operational address	96 Tooley Street London SE1 2TH	
Honorary officers	Jane Stephenson Sue Duckworth Sylvia Levi	Chair Vice Chair Treasurer
Principal staff	Barbara Herridge	Executive Director
Principal bankers	Royal Bank of Scotland Plc London Belgravia Branch 24 Grosvenor Place London SW1X 7HP	
Auditors	Sayer Vincent Chartered accountants and registered auditors 8 Angel Gate City Road London EC1V 2SJ	

Waste Watch

Report of the council of management

For the year ended 31 March 2003

The council of management presents its report and the audited financial statements for the year ended 31 March 2003.

Legal and administrative information set out on page 1 forms part of this report. The financial statements comply with the current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities.

Introduction

In the financial year 2002/2003 a considerable amount of change occurred in Waste Watch's operating environment, which created some uncertainty for the organisation as a result. However, it was also a year of consolidation and improved stability in terms of organisational structure and management. This meant that the organisation is well on target to respond to these changes.

The most significant external event was the publication of the Strategy Unit review of the government's waste strategy, 'waste not want not' and the government's subsequent response. The report made a series of welcome recommendations to ensure that the UK improves its performance on waste recycling and reduction. Of particular relevance to Waste Watch was the resultant change to the landfill tax credit scheme. Had the initial proposals been implemented as planned, this would have resulted in the cessation of the majority of the organisation's Schools Waste Action Clubs, (SWACs) at the end of the year, all of which are funded through the scheme. The subsequent introduction of a one-year legacy fund was, from a financial perspective, most appreciated.

During the year, the work of Waste Watch Services Ltd., (WWSL) the wholly owned trading subsidiary of the charity, continued to expand and make a valuable contribution to both the organisation's financial stability, via covenanted profits coming back into the charity, and through a broadened range of skills and projects. A licencing agreement between the charity and the trading company was signed to ensure that the work of the trading company also contributed to the whole organisation's values and aspirations.

In addition to audits from ENTRUST, the regulator of the landfill tax credit scheme and project audits by Department for the Environment, Food and Rural Affairs, (DEFRA) for the organisation's DEFRA funded work, we also had a review visit by the Charities Commission. The charity was selected at random for a review visit which considered the following aspects of our management and administration:

- Legal framework
- Trusteeship and governance
- Activities and standards
- Financial management and controls
- Trading

The Charity Commission report concluded that:

"Overall, we obtained the impression that this is a well-run charity, with appropriate governance and management structures in place. We are aware that the charity has undergone, and may still be undergoing, a period of substantial growth and change. The charity's trustees and managers appear to be handling these challenges effectively."

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Introduction (continued)

Improved internal stability was also supported by the appointment of a Human Resources Officer. As a result we were able to produce an updated staff handbook, a new health and safety policy and set of procedures and a training policy and manual. We also entered into a one year agreement for the provision of an employees' assistance programme, a confidential telephone and face-to-face support service. Health and Safety became a standard agenda item for all meetings.

In accordance with Charity Commission guidance, we produced a risk register for the organisation which resulted in the prioritisation of actions to minimise risk. Linked to this, after a period of six months during which the necessary work was carried out on our London Tooley Street office, we were finally able to return to the top floor of the building when a fire certificate was obtained. However, we also outgrew the Tooley Street office during the year, which resulted in a move of WWSL and Rethink Rubbish Western Riverside project staff to a nearby office in Borough.

Our gratitude and thanks go to our colleagues – the staff, volunteers, president and vice presidents and council of management members in working so hard during the year to support our plan. Growth and change always creates both opportunities and challenges – we faced both in the period. Our thanks in particular go to the management team and our chair, Jane Stephenson, for their hard work and constant desire and input to make improvements. The staff and council continue to demonstrate real enthusiasm and commitment to the organisation which is impressive. We could not have achieved the enormous range of activities outlined in this report, without this support and that of our business, central government, other funders and members and supporters, who provide the time, commitment, enthusiasm and money to make a difference.

Basis and values

Waste Watch is a charity whose inspiration and values derive from a desire to protect the environment by ensuring the sustainable use and disposal of scarce resources, primarily by advocating waste reduction, reuse and recycling of materials – the 3Rs. These values provide the basis of our work with community and voluntary organisations, local authorities, educational institutions, businesses and individual members of the public, all of whom share our desire for an improved environment and the reduction of waste.

Objects of the charity

The objects of Waste Watch as defined by the Memorandum of Association are:

To advance public education about all aspects of waste generation, waste management and waste recycling, and;

To preserve and protect the physical and natural environment for the public benefit through the promotion of waste reduction, reuse, reclamation and recycling of waste materials.

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Highlights of the year 2002-2003

National Reth!nk Rubbish campaign launched

The national Rethink Rubbish campaign was launched in May incorporating the support of a giant six foot motorised dustbin, which then went on tour across the UK with 31 roadshows in different locations. Rethink Rubbish was the first campaign for the national waste awareness initiative, (NWA) and was co-managed by Waste Watch and SWAP.

New waste education support programme

Following several successful years of developing and running SWACs across the country and faced with increasing demand for the programme, we decided to develop a training programme to share our expertise. Aimed at enabling locally employed people to deliver effective curriculum based waste education combined with practical action on waste in schools, the programme started in January 2003 with 20 new recruits who are currently working with 140 schools.

Three new robots

Launched on 26th March 2003 at the House of Commons by then Environment Minister, Michael Meacher with Waste Watch president Baroness Hooper in attendance, three new 'Cycler' robots entertained and educated an invited audience about the 3Rs. During the year 107,000 children saw a Cycler show at 526 schools, all of whom were left a 'three point challenge' to carry out three actions to reduce, reuse and recycle in the school once Cycler had left.

Launch of Reth!nk Rubbish Western Riverside

January 2003 saw the official launch of this 5 year, £5 million waste awareness campaign. The campaign is a Western Riverside Waste Authority initiative within the London boroughs of Hammersmith and Fulham, Lambeth, the Royal Borough of Kensington and Chelsea and Wandsworth. Incorporating education, marketing and communication and community outreach work, Waste Watch took on a team of 7 to deliver this ambitious plan.

Waste Watch report highlights resource use in the public sector.

On 27th November 2002 we published a cutting edge report on resource flows through the UK public sector, *Adding Value to Public Services – Analysis of Public Sector Resource Use*. The report highlighted the need for better data regarding resource use in the public sector and concluded that in order to improve the efficiency of resource use in local government there needs to be an overarching initiative similar to central Government's "Framework for Sustainable Development in Government"

Waste sector grouping writes to PM in response to Waste Study

Led by Waste Watch, a grouping of organisations representing a large portion of the waste sector wrote to the Prime Minister in response to the Cabinet Office's Strategy Unit report. Showing broad support for change to the way we manage resources, the collective response included environmental organisations and groups representing local authorities, the community sector and academics writing to the PM to outline areas of collective agreement with the study. Led by Waste Watch, the grouping included Friends of the Earth, the Local Government Association and the Community Recycling Network.

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Environmental reporting award

Waste Watch also received recognition for its environmental reporting in the Awards for Sustainable Reporting given by the Association of Chartered Certified Accountants (ACCA). The charity's first ever environmental report was named best small and medium-sized enterprise (SME) report in the UK Environmental Reporting category of the ACCA awards.

The reporting process was carried out by Waste Watch's environmental consultancy Wastebusters – with which Waste Watch merged the previous year. Wastebusters' own environmental report was named best SME report in the 2000 awards.

Waste Watch nets recycled products

On 3rd September we re-launched the Waste Watch Recycled Products Guide. This invaluable online database was improved to allow suppliers to update their product information from the convenience of their own offices. The relaunched guide also included hundreds more recycled products, ideal for any buyer eager to exercise their purchasing power in the interests of a greener planet and their customers.

New Year's honours for Waste Watch Chair

Jane Stephenson, Executive Director of The Recycling Consortium in Bristol and Chair of Waste Watch was named in the New Year's Honours List. She received an MBE for services to community recycling.

Jane has worked in the community recycling sector since 1983, is one of the founder members of Waste Watch and has been Chair of the charity since 1997.

Focus of Waste Watch work in 2002-2003

During 2002-2003, Waste Watch's work covered the following areas:

- Communication campaigns
- Education services
- Environmental consultancy
- Policy, research and information work

Policy, research and information

As a leading national organisation campaigning on issues around waste reduction, reuse and recycling, Waste Watch places great importance on effective and innovative research which advances the policy making agenda, together with dialogue with policy makers. Due to the rapid changes and developments in the sector during the year our input on policy work in particular increased. As a result we agreed some additional targets in terms of further influencing the policy debate.

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For the year ended 31 March 2003

Policy & Research Objectives

- To develop a research programme to inform the policy debate and to publish 2 research reports during the year.
- To inform policy makers and hold 3 events/presentation to distribute the findings of the research.
- To maximise the number of policy consultations to which Waste Watch responds and meetings with government departments.
- To engage in the policy debate - including participation in various cross-sectoral groups.

Policy & Research Achievements

- 2 research reports were produced during the year - *Adding value to public services: Analysis of public sector resource use* for which we teamed up with professional management services company Ernst and Young and a report on variable charging, *Waste Collection: To Charge or not to Charge?* which was produced by Eunomia Research and Consulting, but for which Waste Watch carried out some of the research.
- Work also continued on two ongoing research projects and additional funding was secured for a third new project:
 - ♦ Plastics Mass Balance – in a similar vein to the public sector project this mass balance project aims to map plastics use throughout the UK economy.
 - ♦ Wastebusters work also continued on The Environmental Footprint of the Financial Sector
 - ♦ Wastebusters also secured funding from Biffaward and the Rufford Foundation for a new 'mass balance' project focussed on the education sector.

All three projects are part of a Biffaward funded series of research projects, being co-ordinated by Forum for the Future and expected to be completed in the next financial year.

In addition a research project entitled Planning Affordable Recycling continued during the year which aims to produce a classification and performance evaluation methodology for recycling schemes.

- We only attended 1 event to publicise the findings of the public sector report, but plan to do more in the next financial year, when the other projects are completed.
- The amount of policy work in the period was extensive and included: speaking engagements at the ACRR (Association of Cities and Regions for Recycling) conference in Italy and at the Associate Parliamentary Sustainable Waste Group; attendance at an exhibition for MPs on recycling as a precursor to the second reading of the kerbside recycling bill which Waste Watch supported; oral and written evidence given to the Environmental Audit Committee review of the current waste strategy and to the Environmental, Food & Rural Affairs Committee on future waste strategy; and written evidence to the House of Lords Sub-Committee B inquiry into the costs to industry associated with Directive 94/62/EC on packaging and packaging waste. This was in addition to the joint response from a number of organisations which we organised to the Prime Minister on the Strategy Unit report.

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- We continued to be involved in 12 cross-sectoral groups, including London Waste Action, the National Resource & Waste Forum, the SEED (Social, Environmental and Economic Development) programme and the Best Value Waste Network.
- We were also involved in the strategic direction setting for a new New Opportunities Fund programme called CRED (Community Recycling and Economic Development) programme which was launched on 27th January 2003. The programme supports the development of community recycling, composting and reuse projects.

Waste Watch is committed to providing information and advice of the highest quality to all sectors of the community. A key component of this is the Waste Watch Wasteline, a telephone and web-based helpline run from the Waste Watch offices. Since the development of the website, the number of people using this service has increased dramatically from 38,500 in 1998 to over 450,000 users 5 years later in 2002/3.

Waste Watch also delivers information and advice through training events and publications.

Information Objectives

- To have 1 new 'information section' on the Waste Watch website, by the end of the year.
- To place all Waste Watch's printed publications onto the website during the year.
- To gain 150,000 users of the website.
- To answer 7,000 postal and telephone enquiries.
- To have 40,000 information sheets accessed.
- To distribute 6 email bulletins to a minimum of 1,000 contacts during the year.
- To provide a monthly bibliographic bulletin to 400 members.
- To maintain and update the website and 33 information sheets as appropriate.
- To run 12 training events with 300 delegates during the year and for 85% of delegates on these training events to rate them good or above with 50% implementing action on the 3Rs as a result.

Achievements

- A new Rethink Rubbish Western Riverside section of the website was added during the year and the new National Recycling Directory also came online at the end of June 2002. During the year the Waste Watch website was also revamped and all the information parts of the website transferred to a new Waste Watch site - *wasteonline*, which was subsequently shortlisted for an Information Management Award.
- The digitisation programme (including the digitisation of all of Waste Watch's publications) was completed at the end of December with *wasteonline* going live, although more information will continue to be added as it becomes available.
- 306,737 users accessed our website including the recycled products guide site, or sent in an email enquiry.
- We answered 8,414 postal and phone enquiries.
- And, 129,889 information sheets were accessed. In total this means that the Wasteline service handled 445,040 enquiries.

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- We sent out 6 email bulletins to 1,569 contacts during the year and issued 13 bulletins to 400 members.
- Funding was secured and work started on a new edition of the Recycled Products Guide, although this was not completed. A 'Recycled Products for the Garden' leaflet was produced by the Consumer Association 'Which' in conjunction with the NWA and the Environment Agency and was branded with the new 'Rethink Rubbish' identity.
- We also continued to update the website and the 33 information sheets provided as part of the service.
- Training proved to be a more difficult target to reach during the year, as unfortunately some secured training for the Thames Gateway area of London failed to materialise due to difficulties in the partner organisation obtaining match funding for the work. We therefore had to substitute alternative training activities, mainly schools work, to try to reach our target, which given the problems we failed to meet. By the end of the year we had run 10 events for 103 people against a target of 12 events for 300 people. The quality of the training however exceeded expectations with 89% of the delegates rating the training as good or above. We were however unable to measure the actions that resulted as the training was different from that originally proposed.

Education services

Waste Watch runs a highly-regarded programme of work for teachers and children in primary and secondary schools in the UK. Work with schools aims to provide educational opportunities around the 3Rs, tied in to the National Curriculum. The work is primarily focussed around practical support for teachers in schools, but we also provide educational resources such as the Dustbin pack and the Wise up to Waste pack for primary and 16-18 year old pupils respectively.

ReCyclerbility features Cyclo the rapping robot which visits schools around the country with a recycling rap aims at entertaining children while teaching them about the 3Rs. Cyclo is actually three robots and their supportive education officers. During the year additional funding from Biffaward enabled us to order 3 new robots and to develop the programme further. We also appointed a coordinator for the programme and produced some new activity books for the project.

Schools Waste Action Clubs (SWACs) are based in local authority areas and promote waste activities in schools that meet National Curriculum targets in areas such as geography, maths, science and citizenship. The project encourages children to examine their own school's waste and find solutions such as waste free lunches and paper recycling to reduce the amount of waste going to disposal.

Finally, the education team delivers training for other people who work with schools on environmental issues. During the year we launched a new Waste Education Support Programme (WESP) to train others to deliver waste activities in schools and at the end of the year had 20 people on the programme.

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Objectives for education

- Develop the programme content for WESP.
- Launch WESP with 15 authorities and 20 people on the programme.
- Ensure WESP participants work with 200 schools and reduce waste in participating schools by 30%.
- Ensure that the Cyclor programme reaches 650 schools across the country and 100,000 young people.
- Give 100% of those visited by Cyclor a 3-point challenge to encourage action in the school and ensure that 50% of those visited take some action as a result.
- Give 100% of those visited an evaluation form and aim that 50% of the evaluation forms show that the recipients rate the Cyclor visits as good or above.
- Distribute 100,000 Cyclor activity books and aim for 50% of the evaluation forms for the Cyclor book, rate it as good or above.

Achievements

- The WESP programme was developed and launched with 20 people joining the programme. This included representatives from 5 London boroughs who had places subsidised by the capital waste minimisation and recycling fund. The first training session was also held with 88% of participants rating the training as good or above.
- WESP participants are currently working with 140 schools, rather than the target of 200, but this will increase in time as they spend more time in schools. It is also too early to measure the reduction in waste to disposal from participating schools.
- 526 schools were visited by Cyclor during the year, and 107,643 pupils saw the show.
- 100% of schools were given the Cyclor evaluation form. 97.5% of the evaluation forms returned rated the presentation as good or above.
- 100% of schools were given the 3-point challenge, but it is too early to know how many schools subsequently took positive steps to reduce their waste as a result.
- 107,643 Cyclor activity books were distributed and 84% of the evaluation forms that were returned rated the book as good or above.
- We also officially launched SWAC Nottingham in the year and secured funding for SWAC Rotherham. By the end of the year we had 8 operational SWACs; Bexley, Cheshire, Essex, Lincolnshire, Norfolk, North Yorkshire, Nottinghamshire and Rotherham.

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Communication campaigns

At a national level together with SWAP, Waste Watch is the managing agency for the National Waste Awareness Initiative, (NWA). During the year further funding was secured and the initiative worked on two elements to the campaign - one with retailers, the other with local authorities. Both elements were aimed at the general public and at encouraging a greater awareness and understanding of waste, and some positive action in terms of increased recycling, reduction and reuse.

At a regional level the 5-year waste awareness, communication and education campaign in the four boroughs of Hammersmith and Fulham, Kensington and Chelsea, Wandsworth and Lambeth – Western Riverside Waste Authority, (WRWA), was officially launched.

This five year communication campaign focusses on public awareness raising and education as a means of encouraging and achieving waste minimisation and increased recycling.

We also transferred our other regional waste awareness work to the trading company and officially launched a communications consultancy service to help local authorities communicate with their residents about the 3Rs. The consultancy went on to gain work with East Sussex County Council, Essex County Council, Sefton Metropolitan Council and the West London Waste Authority.

Communication also encompasses planning for and promotion of our own activities and projects and in the year we far exceeded our targets in this area.

Objectives

- Produce and email 12 editions of an update ezine to NWA supporters.
- Use 6 promotional events to build additional stakeholder support for the national campaign.
- Increase the NWA supporter base by 50% over 3 years.
- Develop and maintain a website for stakeholders wanting information on NWA and the Rethink Rubbish campaign. (The NWA Rethink Rubbish brand was developed and launched in London, Bristol and Leeds in time for use of the brand on a retail campaign to be launched later in 2002).
- Develop and maintain a central resource of generic images, text and publicity devices for use by all organisations involved in NWA.
- Work with the British Retail Consortium, (BRC) to ensure that its members link with NWA initiatives and use the Rethink Rubbish brand. Ensure that the 12 retailers who were involved in the campaign in 2002 are still involved in 2002/3.
- Gain support from 300 local authorities to use the NWA Rethink Rubbish branding over 3 years.
- Incorporate and maintain a regional element to the website, providing best practice examples and a 'links' section directing visitors to local and regional campaigns.

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- Ensure linkage of the Rethink Rubbish campaign with other national initiatives such as real nappy week, compost awareness week etc.
- Undertake tracking research measuring awareness of Nwai and Rethink Rubbish amongst the general public and key stakeholders.
- In terms of Waste Watch media coverage for the projects undertaken our target was also to obtain 300 media articles reaching 6 million people, and to respond to 50 press enquiries during the year.

Achievements for communication

- 12 editions of an update newsletter were sent to supporters of the national Rethink Rubbish campaign.
- 17 events were used to build stakeholder support for Rethink Rubbish and the Nwai during the year.
- The target to gain more supporters was achieved and exceeded. The total number of supporters registered for the national campaign at the end of the year was 1,202, an increase of 38% since the beginning of the year.
- A campaign specific element of the nwai.org.uk website was developed for stakeholders at the start of the year and maintained and developed upon during the year. The micro-site contains news, research results, a PR planner, details of the retail partnership and a stakeholder message board.
- The target to develop a central resource for the national campaign was achieved. The Rethink Rubbish online shop was officially launched in the third quarter, whilst the Rethink Rubbish press room went live towards the end of the year.
- 12 retailers lent their support to the national campaign during the year. The BRC included Rethink Rubbish in its sustainability strategy prior to the campaign launch and the brand was used across 1,200 outlets. The estimated number of visitors to stores displaying Rethink Rubbish material was 250 million, or 31.6 million people per week during calendar year 2002.
- During the year 159 local authorities signed up to use the Rethink Rubbish brand. New exhibition boards were also produced in the year to demonstrate the breadth of partnership work within the Rethink Rubbish campaign and encourage further authorities to sign up.
- Finally the national campaign lent its support to a variety of other national initiatives, including real nappy week, compost awareness week, various Christmas recycling promotions and the work of the Environment Agency.
- During the year, Waste Watch's own promotional work resulted in 225 articles (including web articles) 15 hours of airtime and reached 16.6 million people. Due to staff changes we were unable to capture the number of press enquiries handled, but the overall the amount of coverage we obtained is real evidence of the interest in our activities.

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Environmental Consultancy

During 2002-2003 Waste Watch moved towards increasing the amount of consultancy work provided to partners as a way of increasing the variety of income for the organisation and also as a mechanism for broadening the range and number of people influenced by our activities - and taking environmental action as a result. Our environmental consultancy work falls into two main areas:

- Waste Watch Business Network (the revised name for the former Waste Alert Clubs) – an environmental business network within London.
- Wastebusters consultancy – environmental consultancy services providing businesses and local authorities with specialist expertise and practical advice to develop and implement effective environmental programmes and initiatives, results in cost savings, environmental benefits and staff involvement. During the year the Wastebusters team also extended it's work into the project management of some face-to-face communication work with the general public through the Essex doorstepping campaign.

Achievements for business services

- A new branch of Waste Watch Business Network was launched in west London, covering Heathrow, Harrow, Hillingdon and Barnet boroughs.
- In the Finsbury Park area a pilot cardboard recycling project was set up to research the types of waste produced as well as the current waste management practices of businesses and organisations within several busy commercial streets.
- 469 members were helped, saving £396,675 & diverting 1,612 tonnes of waste from disposal.
- On the consultancy side, Waste Watch's first environmental report, produced by Wastebusters won 'best SME reporter' at the ACCA Environmental Reporting awards.
- September saw the launch of www.sustainabletransport.org.uk - a collaborative venture between Wastebusters and sustainability consultants Sd3 Ltd. The new website aims to help the general public and businesses make more informed decisions about the way they travel and is an invaluable tool that be used to assess the sustainability of transport decisions.
- For six months Wastebusters also managed the Essex Reth!nk Rubbish campaign - the goal of which was to reach 175,000 residents in Essex and to increase recycling rates by 10% across the county. Through face-to-face canvassing, 24 project workers from StudentForce for Sustainability visited 111,594 households resulting in up to 79% increases in recycling tonnage and 20% to 60% increases in 'set-out' rates - ie people putting out their recyclables for collection across the county.

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Members

Waste Watch is a membership organisation, with members drawn from all sectors of the community including small and large businesses, local authorities, national and local community organisations and individuals. Members are important for the governance of Waste Watch which is achieved through the Annual General Meeting and regular meetings with its council of management. All the Waste Watch trustees are members of Waste Watch.

- The AGM and Annual Seminar was held on 27th September 2002 in London. The AGM was followed by the annual seminar on the theme of innovations in green procurement. Three speakers with expertise in the field were invited to give presentations. They were Paul Speight from the European Commission, Steve Creed from WRAP and Hugh Carr-Harris from London Remade.

Waste Watch Organisation and Corporate Governance

Waste Watch is a company limited by guarantee and a registered charity. Its governing instrument is the Memorandum and Articles of Association as adopted by the resolution passed on the 18 September 1991. Its governing body is a council of management whose members are elected by the members of the company and nominees from the previous council.

On 31 March 2003 the council of management comprised fourteen members. The council of management meets four times a year, and is assisted by one committee – the finance and personnel sub-committee, which meets bi-monthly and comprises of three council members, including the chair and treasurer. This committee oversees financial management and the conduct of personnel and equal opportunities matters. It reports to the full council of management at its quarterly meetings. Full council meetings consider reports from the executive director and guide the executive director and other officers on the implementation of policies and courses of action, and considers recommendations for action from the executive director.

All members of the council of management have access to the advice and services of the company secretary.

A separate board meets to manage the operations of the trading company.

Finance

Review of transactions & financial position

The Statement of Financial Activities on page 19 shows that the incoming resources for the year ended 31 March 2003 were £4.6m (2002 - £3.6m) giving rise to overall net incoming resources for the year of £2.1m (2002 - £1.9m).

These figures are inflated by the income received in advance for the Western Riverside Waste Authority project. Of the closing funds of £4.1m, £3.9m represents funds received in advance for this project.

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Funds

The organisation has a number of funds whose purposes are outlined in note 16 to the financial statements.

The improved position on unrestricted reserves over the year is a reflection of a sustained commitment to full cost recovery and diversifying income streams.

Reserves

In the financial year 1999/2000 the trustees reviewed the current and known future commitments of the charity and following this review, determined that in order to meet contingencies and any unexpected shortfalls in income, an acceptable level of unrestricted reserves is three months of core running costs. The plan to achieve this was initiated in 1999/2000 with the objective of reaching this position by 31st March 2002 which was not achieved. The trustees therefore reviewed this policy in the previous financial year and concluded that this policy and plan was still valid with the aim of reaching the target within the next two years. With unrestricted reserves of £57,000 we did not reach the target of three month's reserves in 2002/3 but will retain this target with the aim of getting to it as soon as possible.

Risk statement

The council of management has undertaken a review of the risks faced by the charity and a risk register has been prepared. Measures are being put in place to mitigate those risks that have been identified and included upon the register.

Auditor

In accordance with Section 384 of the Companies Act 1985, resolutions proposing the re-appointment of Sayer Vincent as auditors of the Company and to authorise the council of management to fix their remuneration, was put to members at the Annual General Meeting in December 2003 and approved.

Members of the council of management

A list of council of management members who have served during the year is given on page 18.

The council wishes to record its appreciation of the service given by all retiring members of the council during the period.

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Equal opportunities

Waste Watch is committed to ensuring equality of opportunity for its staff and volunteers and in the delivery of the services we provide to the wider community. We are committed to taking positive action to combat direct and indirect discrimination in all areas of our work.

Waste Watch believes that selection and promotion should be based solely on ability to meet the requirements of the post. Our aim is to remove discrimination, provide equal access to jobs and training and to ensure that all staff and volunteers enjoy full equality of opportunity.

In particular Waste Watch is committed to preventing discrimination on the grounds of age, colour, race, creed, gender, marital status, nationality, national origin, ethnic origin, disability, sexual orientation, HIV antibody status, AIDS or ARC (AIDS related complex).

Waste Watch continues to monitor progress in this area.

Special acknowledgements

The council of management wishes to record its appreciation to all Waste Watch staff for their continuing hard work and commitment to Waste Watch.

The council also wishes to thank volunteers, Yoko Heins, Theresa Taylor and Martin Cousins who gave their time to Waste Watch during this period. In particular we also wish to thank Paul Diverres, a long-term volunteer with the Waste Watch Wasteline.

The council of management wishes to record its appreciation of the support for Waste Watch given by all funders, sponsors and members for their financial support, in particular:

Core funding for Waste Watch and project funding for the National Waste Awareness Initiative provided by the Department for Environment, Food and Rural Affairs' Environmental Action Fund.

Donations made via the Landfill Tax credits scheme, under the 1996 Landfill Tax Regulations from the following : Biffaward; Cleanaway Ltd; Cory Environmental; EB Bedfordshire; EB Nationwide; Norfolk Environmental Waste Services, (NEWS); SITA Environmental Trust, Waste Recycling Environmental (WREN) and Yorventure.

Continuing support for the free distribution of The Dustbin Pack, Wise Up To Waste and Waste Today educational resources provided by Coca-Cola Great Britain.

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Special acknowledgements (continued)

During 2002/2003, other project funding, sponsorship, help in kind and corporate support has been gratefully received from:

Alliance for Beverage Cans and the Environment	London Recycling Ltd.
Ashfield District Council	London Remade
Aylesford Newsprint	London Waste Ltd.
BAA Heathrow	London Waste Action
Baco	Macclesfield Borough Council
Bassetlaw District Council	Mansfield District Council
Biffa Waste Services	New Opportunities Fund
British Glass Recycling Company	Newark & Sherwood District Council
British Polythene Industries plc.	Norfolk County Council
Boston Borough Council	Norfolk Environmental Waste Services
Breckland District Council	Nottingham City Council
Broadland District Council	Nottinghamshire County Council:
Broxtowe Borough Council	- Local Education Authority
Channel 4	- Waste Management Department
Cheshire County Council:	North Kesteven District Council
- Local Education Authority	North Norfolk District Council
- Environmental Planning Unit	North Yorkshire Environmental
- Waste Management Services	Business Partnership
Cheshire Recycling Ltd.	North Yorkshire County Council
Chester City Council	Nottinghamshire County Council
Cleanaway Ltd.	Onyx Environmental Group
Coca-Cola Great Britain and Ireland	Paperback Ltd.
Congleton Borough Council	Patagonia
Corus Steel Packaging Recycling	Plysu Recycling
Cory Environmental Ltd.	PVAXX Research & Development Ltd
Craven District Council	Rainbow Stores
Crewe & Nantwich Borough Council	Resource Base
Difpak Ltd.	Richmondshire District Council
Directory Recycling Scheme	Rotherham Metropolitan Borough Council:
East Lindsey District Council	- Local Education Authority
ECT Recycling	- Waste Management Department
Egbert H Taylor & Company Ltd.	Royal Borough of Kensington & Chelsea
Ellesmere Port & Neston Borough Council	Rushcliffe Borough Council
Environment Agency	Ryedale District Council
Essex County Council	Scarborough District Council
Finsbury Park Partnership	Selby District Council
FOCSA Services (UK) Ltd.	Service Team Ltd.
Gedling Borough Council	Severn Waste Services Ltd.
Great Yarmouth Borough Council	Sevenside Waste Paper Ltd.
Hambleton District Council	Sevenside Recycling Ltd.
Hampshire Waste – INTEGRA	Shanks Waste Solutions
Harrogate Borough Council	South Kesteven District Council
Harrow Agenda 21	South Norfolk District Council
Hemmings Waste Management Ltd.	South Holland District Council
Hillingdon Environmental Business Partnership	Southend-on-Sea Borough Council

Waste Watch

Report of the council of management

For the year ended 31 March 2003

Special acknowledgements (continued)

INCPEN

Jefferson Smurfit Group
Lincoln City Council
Lincolnshire County Council
Linpac Plastics Ltd.
London Borough of Barnet
London Borough of Bexley
London Borough of Bromley
London Borough of Camden
London Borough of Hammersmith & Fulham
London Borough of Haringey
London Borough of Harrow
London Borough of Hillingdon
London Borough of Islington
London Borough of Lambeth
London Borough of Wandsworth

SWAP

Thames Water
Thurrock Council
Vale Royal Borough Council
Valpak Ltd.
Viridor Waste Management
Waste & Resources Action Programme
Waste Recycling Environmental
Waste Tyre Solutions
West Lindsey District Council
Western Riverside Waste Authority
York City Council
Yorkshire Agricultural Society
Yorventure
Yorwaste

Statement of responsibilities of the council of management

The council of management is required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and charity and the incoming resources and application of resources, including the net income or expenditure, of the group for the year. In preparing those financial statements the council of management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Waste Watch

Report of the council of management

For the year ended 31 March 2003

Members of the council of management

The members of the council of management, who are also trustees under charity law, who served during the year and up to the date of this report were as follows:

Jane Stephenson	The Recycling Consortium	Chair
Sue Duckworth	Richmond Borough Council	Vice Chair
Sylvia Levi	FSA	Treasurer
Matthew Bennett	London Recycling Ltd. (elected to represent "Other" members)	appointed 27th September 2002
Karen Houghton	SWAP (elected to represent "Local community groups")	appointed 27th September 2002
Andrew Lappage	North London Waste Authority (elected to represent "Local authorities")	appointed 27th September 2002
Andrew Simmons	RECOUP (elected to represent "The Reclamation industry")	appointed 27th September 2002
Lewis Herbert	APU	appointed 27th September 2002
Christianne Dorian	WWF-UK	
Nick Francis	Avon FoE	
Liz Green	Centre for Sustainable Energy	
Peter Jones	Biffa Waste Services Ltd.	
Colin Kirkby	LARAC	
Peter Mansfield	Cheshire Recycling	
Christopher Coggins	Sheffield University	resigned 27th September 2002
Gill Kerr	T-Mobile	resigned 27th September 2002

Appointment of members of the council of management

Members of the council of management are nominated by the resigning council for appointment at the Annual General Meeting. They shall serve for one year to the subsequent Annual General Meeting when they automatically retire. Retiring council members can be re-elected. There shall be no less than 8 and no more than 20 council members.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2003 was 320 (2002 - 410).

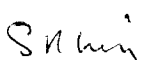
Members of the council of management have no beneficial interest in the group or charity.

Auditors

Sayer Vincent was re-appointed as the group and charity's auditors during the year and has expressed their willingness to continue in that capacity.

Approved by the council of management on 30 January 2004 and signed on its behalf by


Stephen Bentley
Secretary


Sylvia Levi
Treasurer

Independent auditors' report

To the Members of

Waste Watch

We have audited the financial statements of Waste Watch for the year ended 31 March 2003 which comprise the consolidated statement of financial activities, balance sheets and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

Respective responsibilities of the council of management and auditors

The responsibilities of the council of management (who are also directors of Waste Watch for the purposes of company law) for preparing the report of the council of management and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of responsibilities of the council of management. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the council of management is not consistent with the financial statements, if the group and charitable company have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the council of management's remuneration and transactions with the group and charitable company is not disclosed.

We read other information contained in the report of the council of management and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the group and charitable company's state of affairs as at 31 March 2003 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30 January 2004

Sayer Vincent

SAYER VINCENT
Chartered accountants & registered auditors
London

Waste Watch

Consolidated statement of financial activities

(incorporating an income and expenditure account)

For the year ended 31 March 2003

	Note	Restricted £	Unrestricted £	2003 Total £	2002 Total £
Incoming resources					
Donations, legacies & similar incoming resources	2	200,000	1,615	201,615	201,071
Activities in furtherance of the charity's objects:	3				
Research policy and information		280,458	101,466	381,924	424,371
Education and training		684,979	131,836	816,815	607,564
Western Riverside Waste Authority		2,428,657	-	2,428,657	1,975,000
NWA		314,169	-	314,169	91,388
Membership		-	33,544	33,544	34,813
Training and conferences		-	5,460	5,460	13,322
Publications		-	557	557	2,929
Activities to generate funds:					
Waste Watch Services Ltd		-	365,494	365,494	239,888
Investment income		79,273	-	79,273	6,928
Other income		-	9,216	9,216	-
Total incoming resources		3,987,536	649,188	4,636,724	3,597,274
Resources expended					
Costs of generating funds:	4				
Fundraising and publicity		92,599	39,072	131,671	26,045
Waste Watch Services Ltd		-	316,294	316,294	152,066
		92,599	355,366	447,965	178,111
Charitable expenditure	5				
Research policy and information		400,227	780	401,007	433,501
Education and training		744,121	23,894	768,015	548,813
Western Riverside Waste Authority		431,479	-	431,479	123,808
NWA		318,522	-	318,522	91,438
Support costs		65,013	79,893	144,906	288,817
Management and administration		5,700	53,070	58,770	37,500
Total resources expended		2,057,661	513,003	2,570,664	1,701,988
Net incoming resources before gains & transfers	6	1,929,875	136,185	2,066,060	1,895,286
Gross transfers between funds		38,423	(38,423)	-	-
Net movement in funds		1,968,298	97,762	2,066,060	1,895,286
Funds at the start of the year		2,081,723	(40,609)	2,041,114	145,828
Funds at the end of the year		4,050,021	57,153	4,107,174	2,041,114

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 16 to the financial statements.

Waste Watch

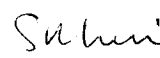
Balance sheets

31 March 2003

	Note	The group 2003 £	2002 £	The charity 2003 £	2002 £
Fixed assets					
Tangible fixed assets	9	52,403	16,596	50,869	13,834
Investments	10,11	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
		52,403	16,596	50,870	13,835
Current assets					
Stock	12	-	5,921	-	5,921
Debtors	13	653,645	409,404	649,462	411,956
Short term deposits		3,625,000	1,500,000	3,625,000	1,500,000
Cash at bank and in hand		<u>238,438</u>	<u>401,987</u>	<u>193,234</u>	<u>373,965</u>
		4,517,083	2,317,312	4,467,696	2,291,842
Creditors: amounts due within 1 year	14	<u>462,312</u>	<u>292,794</u>	<u>416,391</u>	<u>264,562</u>
Net current assets		<u>4,054,771</u>	<u>2,024,518</u>	<u>4,051,305</u>	<u>2,027,280</u>
Net assets	15	<u><u>4,107,174</u></u>	<u><u>2,041,114</u></u>	<u><u>4,102,175</u></u>	<u><u>2,041,115</u></u>
Funds	16				
Restricted funds					
Funds in surplus		4,067,916	2,095,476	4,067,916	2,095,476
Funds in deficit		(17,895)	(13,753)	(17,895)	(13,753)
Unrestricted funds		<u>57,153</u>	<u>(40,609)</u>	<u>52,154</u>	<u>(40,608)</u>
Total funds		<u><u>4,107,174</u></u>	<u><u>2,041,114</u></u>	<u><u>4,102,175</u></u>	<u><u>2,041,115</u></u>

Approved by the council of management on 30 January 2004 and signed on its behalf by


Stephen Bentley
Company Secretary


Sylvia Levi
Treasurer

Waste Watch

Cashflow statement

For the year ended 31 March 2003

	2003 £	2002 £
Net cash flow from operating activities	1,936,462	1,773,192
Returns on investments & servicing of finance		
Interest received	79,273	6,928
	79,273	
Capital expenditure & financial investment		
Acquisition of tangible fixed assets	(54,284)	(18,958)
	(54,284)	
Management of liquid resources		
Purchase of short term investments	(2,125,000)	(1,500,000)
	(2,125,000)	
Net cash flow	(163,549)	261,162

Notes to the cashflow statement

1. Reconciliation of net incoming resources to net cash flow from operating activities

	2003 £	2002 £
Net incoming/(outgoing) resources for the year	2,066,060	1,895,286
Interest received	(79,273)	(6,928)
(Increase)/decrease in debtors	(244,241)	(216,188)
(Increase)/decrease in stock	5,921	(401)
Increase/(decrease) in creditors	169,518	99,061
Depreciation	18,477	2,362
Net cash flow from operating activities	1,936,462	1,773,192

2. Analysis of change in net funds

	At 1 April 2002 £	Cash flows £	At 31 March 2003 £
Cash at bank and in hand	401,987	(163,549)	238,438
Current asset investments	1,500,000	2,125,000	3,625,000
Net funds	1,901,987	1,961,451	3,863,438

3. Reconciliation of net cash flow to movement in net funds

	2003 £	2002 £
Net funds at year start	1,901,987	140,825
Increase/(decrease) in cash in period	(163,549)	261,162
Cash to acquire current asset investments	2,125,000	1,500,000
Change in net funds	1,961,451	1,761,162
Net funds at year end	3,863,438	1,901,987

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 1985. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in October 2000).

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Waste Watch Services Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 304 of SORP 2000.

- b) Voluntary income received by way of subscriptions, donations and gifts to the charity is included in full in the statement of financial activities when receivable. Intangible income is recognised as an incoming resource where the provider of the service has incurred a financial cost. Volunteer time is not included in the financial statements.
- c) Grants are recognised in full in the statement of financial activities in the year in which they are receivable.
- d) Income generated from the supply of goods or services is included in the statement of financial activities in the period in which the supply is made.
- e) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the basis of a charge per staff head.

Management and administration costs include the management of the charitable company's assets, organisational management and compliance with constitutional and statutory requirements.

- f) The costs of generating funds relate to the costs incurred by the group and charitable company in raising funds for the charitable work.
- g) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Computer equipment	3 years
Motor Vehicles	4 years

Items of equipment are capitalised where the purchase price exceeds £1,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

- h) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of central costs.

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

1. Accounting policies (cont'd)

- i) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- j) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.
- k) The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charity to the fund. The charity has no liability under the scheme other than for the payment of those contributions.

2. Donations, legacies and similar incoming resources

	Restricted £	Unrestricted £	2003 Total £	2002 Total £
Environmental Action Fund	200,000	-	200,000	198,000
Other Donations	-	1,615	1,615	3,071
Total	200,000	1,615	201,615	201,071

3. Activities in furtherance of the charity's objects

	Restricted £	Unrestricted £	2003 Total £	2002 Total £
Research Policy and Information				
Cleanaway - Wasteline	83,000	-	83,000	62,000
NOF - Waste Online	62,791	-	62,791	32,389
Environment Agency Feasibility Study	-	-	-	4,450
Biffaward - Post Use Plastics Guide	33,611	-	33,611	113,989
Biffaward - Environment Footprint of the Public Sector	6,411	-	6,411	140,474
Biffaward - No Waste of Money	3,127	-	3,127	29,385
Biffaward - Toner Powder	5,028	-	5,028	6,222
Biffaward - Planning Affordable Recycling	23,454	-	23,454	25,504
Biffaward - Recycled Product Guide	8,042	-	8,042	9,958
RPG	-	90,000	90,000	-
SITA - Housing construction RPG	33,943	-	33,943	-
Wastebook	21,051	-	21,051	-
Eurocharge	-	11,466	11,466	-
	280,458	101,466	381,924	424,371

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

3. Activities in furtherance of the charity's objects (cont'd)

	Restricted £	Unrestricted £	2003 Total £	2002 Total £
Education and Training				
Yorventure - SWAC North Yorkshire	66,392	-	66,392	92,669
Suffolk Environmental Trust - SWAC Suffolk	-	-	-	35,260
Cory - SWAC Bexley	48,651	-	48,651	39,255
NEWS - SWAC Norfolk	47,081	-	47,081	44,503
Norfolk C.C. - SWAC Norfolk	42,021	-	42,021	44,503
SWAC Essex	89,744	-	89,744	-
WREN - SWAC Lincolnshire	85,487	-	85,487	86,200
WREN - SWAC Nottinghamshire	(37)	-	(37)	60,920
WREN - SWAC Cheshire	49,101	-	49,101	19,831
SWAC - Rotherham	23,181	-	23,181	-
London Remade - Training and Awareness	15,985	-	15,985	27,781
Essex Education Research	4,234	-	4,234	-
WESP	-	131,836	131,836	-
Biffaward - Cyclor™	213,139	-	213,139	156,642
	<u>684,979</u>	<u>131,836</u>	<u>816,815</u>	<u>607,564</u>

	£	£	£	£
Western Riverside Waste Authority				
Cory	<u>2,428,657</u>	<u>-</u>	<u>2,428,657</u>	<u>1,975,000</u>

	£	£	£	£
NWAI				
EAF (DEFRA)	200,000	-	200,000	51,388
Biffaward	35,000	-	35,000	-
ESART	-	-	-	2,000
Save Waste and Prosper	65,373	-	65,373	24,000
CSS	-	-	-	5,000
Ealing Community Transport	-	-	-	9,000
NWAI Ltd	13,796	-	13,796	-
Total	<u>314,169</u>	<u>-</u>	<u>314,169</u>	<u>91,388</u>

4. Costs of generating funds

	Restricted £	Unrestricted £	2003 Total £	2002 Total £
Staff costs	63,847	26,749	90,596	107,098
Other costs	28,752	12,323	41,075	71,013
	<u>92,599</u>	<u>39,072</u>	<u>131,671</u>	<u>178,111</u>

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

5. Charitable expenditure

	Research policy and information	Education and training	Western Riverside Waste	NWAI	Support costs	Management and administration	2003 Total	2002
	£	£	£	£	£	£	£	£
Staff costs	141,471	372,120	128,174	46,419	185,997	29,838	904,019	603,623
Temporary staff	-	-	-	-	41,559	-	41,559	32,904
Other staff costs	2,591	60,769	4,384	8,703	14,204	-	90,651	65,212
Staff training	-	6,284	1,230	-	8,977	-	16,491	-
Consultancy	188,868	53,234	109,842	205,820	8,439	-	566,203	201,436
Premises & office costs	58,989	253,832	160,461	54,374	(196,558)	-	331,098	494,220
Legal and professional fees	1,300	1,450	1,485	-	2,000	28,685	34,920	29,123
Project costs	-	5,663	14,201	1,738	2,996	-	24,598	-
ENTRUST fees	2,884	1,073	7,000	-	2,813	-	13,770	41,305
Bank charges & interest	-	-	-	-	70	-	70	20
Irrecoverable VAT	4,755	1,574	2,084	1,468	69,629	-	79,510	47,565
Depreciation	-	12,000	2,537	-	2,712	-	17,249	1,441
Sundry	149	16	81	-	2,068	-	2,314	6,160
Trustees expenses	-	-	-	-	-	247	247	868
	401,007	768,015	431,479	318,522	144,906	58,770	2,122,699	1,523,877

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

6. Net incoming resources for the year

This is stated after charging / crediting:

	2003 £	2002 £
Depreciation	18,477	2,362
Council of managements' remuneration	-	-
Council of managements' reimbursed expenses	247	868
Auditors' remuneration:		
▪ Audit	11,185	15,000
▪ Other services	17,500	-
▪ Under accrual for previous year	-	2,500
Operating lease rentals:		
▪ Property	56,000	37,459

The council of management's expenses were for travel and subsistence and related to one member (2002 - 3 members) of the council of management.

7. Staff costs and numbers

Staff costs were as follows:

	2003 £	2002 £
Salaries and wages	898,373	638,232
Social security costs	81,429	53,421
Pension contributions	14,813	19,068
	994,615	710,721
Total emoluments paid to staff were:	913,186	657,300

No employee earned more than £50,000 during the year.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2003 No.	2002 No.
Research policy and information	5.5	4.0
Education and training	17.1	20.0
Western Riverside Waste Authority	5.0	3.0
NWAI	2.0	2.0
Core project	8.0	6.0
Management and administration	4.1	4.0
	41.7	39.0

Waste Watch Services Limited also had 8 employees in the year (2002 - 4).

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

8. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waste Watch Services Ltd gift aids available profits to the charity and therefore has no tax charge for the year.

9. Tangible fixed assets

The Group	Vehicles £	Computer Equipment £	Totals £
Cost			
At the start of the year	-	40,540	40,540
Additions in year	10,148	44,136	54,284
At the end of the year	10,148	84,676	94,824
Depreciation			
At the start of the year	-	23,944	23,944
Charge for the year	2,537	15,940	18,477
At the end of the year	2,537	39,884	42,421
Net book value			
At the end of the year	7,611	44,792	52,403
At the start of the year	-	16,596	16,596
The Charity	Vehicles £	Computer Equipment £	Totals £
Cost			
At the start of the year	-	36,857	36,857
Additions in year	10,148	44,136	54,284
At the end of the year	10,148	80,993	91,141
Depreciation			
At the start of the year	-	23,023	23,023
Charge for the year	2,537	14,712	17,249
At the end of the year	2,537	37,735	40,272
Net book value			
At the end of the year	7,611	43,258	50,869
At the start of the year	-	13,834	13,834

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

10. Investments

The charity holds the issued ordinary share capital of Waste Watch Services Limited (see note 11). This is represented by one £1 share.

11. Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of Waste Watch Services Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. In prior years consultancy and contract work was undertaken through the charity and in future this work will be undertaken through the trading subsidiary. Available profits are transferred to the parent company via a gift aid donation. A summary of the results of the subsidiary is shown below:

	2003 £	2002 £
Turnover	320,895	239,595
Cost of sales	<u>258,326</u>	<u>209,799</u>
Gross profit	<u>62,569</u>	<u>29,796</u>
Distribution costs	134	904
Administrative expenses	<u>32,634</u>	<u>18,985</u>
Operating profit / (loss)	29,801	9,907
Interest Receivable	399	293
Interest payable	<u>-</u>	<u>21</u>
Profit / (loss) on ordinary activities	30,200	10,179
Gift Aid to parent undertaking	25,200	10,179
Profit / (loss) for the period	<u>5,000</u>	<u>-</u>
The aggregate of the assets, liabilities and funds was:		
Assets	223,255	1
Liabilities	<u>(218,254)</u>	<u>-</u>
Funds	<u>5,001</u>	<u>1</u>

Waste Watch

Notes to the financial statements

For the year ended 31 March 2003

12. Stock

	The group and charity 2003 £	2002 £
Leaflets and Publications	-	5,921

13. Debtors

	The group 2003 £	2002 £	The charity 2003 £	2002 £
Trade debtors	498,941	340,445	322,825	323,444
Sundry debtors	8,700	36,703	8,300	4,287
Subsidiary undertaking	-	-	172,333	51,969
Accrued income	118,004	16,248	118,004	16,248
Prepayments	28,000	14,000	28,000	14,000
VAT	-	2,008	-	2,008
	653,645	409,404	649,462	411,956

14. Creditors: amounts due within 1 year

	The group 2003 £	2002 £	The charity 2003 £	2002 £
Trade creditors	357,572	234,922	351,331	225,399
Taxation and Social Security	43,885	29,402	25,242	19,835
Pensions	-	1,642	-	-
Income received in advance	49,375	-	29,375	-
Accruals	11,480	26,828	10,443	19,328
	462,312	292,794	416,391	264,562

15. Analysis of group net assets between funds

	Restricted funds £	Unrestricted funds £	Total funds £
Tangible fixed assets	-	52,403	52,403
Current assets	4,050,021	467,062	4,517,083
Creditors: amounts falling due within one year	-	(462,312)	(462,312)
Net assets at the end of the year	4,050,021	57,153	4,107,174

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Notes to the financial statements

For the year ended 31 March 2003

16. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Core project	-	200,000	(200,000)	-	-
Wasteline	-	83,000	(73,907)	2,889	11,982
The Waste Book		21,051	(21,553)	502	-
Waste online (NOF)	19,667	62,791	(108,641)	26,183	-
EA feasibility study	-	-	-	-	-
Post use plastics guide	19,842	33,611	(63,551)	10,098	-
Environmental footprint of the public sector	913	6,411	(20,003)	12,679	-
No waste of money	11,977	3,127	(15,104)	-	-
Recycling toner powder	(159)	5,028	(3,321)	-	1,548
Planning affordable recycling	5,513	23,454	(44,726)	15,141	(618)
Recycled product guide	-	8,042	(11,473)	3,431	-
3Rs for the third sector (London & NW)	-	-	(1,528)	1,528	-
Sharing resources	-	-	(78)	78	-
WESP	(670)	-	-	670	-
Schools waste action clubs	138,529	451,621	(469,294)	(17,778)	103,078
Essex Education Research	-	4,234	(4,825)	591	-
London remade training	10,289	15,985	(18,299)	(7,975)	-
Cycler™ education robot	29,774	213,139	(214,937)	(11,240)	16,736
WRWA (West London waste awareness program)	1,858,120	2,507,930	(431,478)	-	3,934,572
NWAI	(12,924)	314,169	(318,522)	-	(17,277)
Housing construction RPG		33,943	(33,943)		-
National recycling directory	394	-	(2,478)	2,084	-
Economics of recycling collection	458	-	-	(458)	-
Total restricted funds	<u>2,081,723</u>	<u>3,987,536</u>	<u>(2,057,661)</u>	<u>38,423</u>	<u>4,050,021</u>
Unrestricted funds:	<u>(40,609)</u>	<u>649,188</u>	<u>(513,003)</u>	<u>(38,423)</u>	<u>57,153</u>
Total funds	<u><u>2,041,114</u></u>	<u><u>4,636,724</u></u>	<u><u>(2,570,664)</u></u>	<u><u>-</u></u>	<u><u>4,107,174</u></u>

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Notes to the financial statements

For the year ended 31 March 2003

16. Movements in funds (continued)

Purposes of restricted funds

Restricted funds were used for a number of different projects during the year - each project had an identified scope and work programme, including an agreed budget, key milestones and progress monitoring regime. For each project, with the exception of WESP, the projects were identified and funding bids prepared for funders, money being awarded on the basis of an agreed work programme as identified above. The restricted funding used for each project included income and expenditure for direct project staff and direct project costs, in addition to a contribution towards support staff and overhead costs associated with the project.

The range of projects for which the restricted funding was used varied considerably from education projects employing schools outreach officers working within schools in defined geographic areas, to research for, and publication of reports and directories, such as the National Recycling Directory and national work such as the Waste Watch public information service, and new website - wasteonline.

For all projects in receipt of restricted funds, Waste Watch was required to provide regular reports for the project funder(s) and any other partners involved in the project.

Further information on restricted funds is given in the report of the council of management.

17. Operating lease commitments

The group had an annual commitment at the year end of £56,000 under an operating lease expiring within one year.