

Company no. 2649156
Charity no. 1005417

Waste Watch
Report and Financial Statements
31 March 2004

Sayer Vincent
consultants and auditors



Waste Watch

Legal and administrative details

For the year ended 31 March 2004

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| 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 | 56-64 Leonard Street London EC2A 4JX | |
| Honorary officers | Jane Stephenson M.B.E. 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 2004

The council of management presents its report and the audited financial statements for the year ended 31 March 2004.

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 2003/2004 Waste Watch continued to adapt to the changes in its operating environment, which had followed the previous year's publication of the government's Strategy Unit review of the England and Wales waste strategy, 'Waste not, Want not'. With a continued and increasing emphasis and resources focused on meeting household waste recycling targets and targets to divert waste from landfill disposal by central and local government, Waste Watch was able to capitalise on some of its earlier work by providing recycling communication advice to help local authorities meet these targets. However, as this work has become more mainstream, the charity faces new challenges to stay 'at the cutting edge' of developments and to find the funding to do so - as a consequence it was a challenging year both financially and from a strategic perspective. As a result, it was agreed to review the organisation's strategy and governance during the next year.

The role of WRAP (the Waste and Resources Action Programme) also changed during the period as WRAP was given a wider remit, including two aspects of particular relevance to Waste Watch - encouraging and communicating recycling best practice and waste minimisation. The former impacted upon Waste Watch during the period and as a result it was agreed that Waste Watch's 3 year Environmental Action Fund grant for the management and operation of the national communication campaign would cease after 2 years - at the end of March 2004. However, Waste Watch will continue to carry out work on the new national campaign - under contract to WRAP.

At the end of the financial year 2003/2004 landfill tax 'legacy' or transitional funding, which had been implemented for a year to allow organisations to adapt to changes in the landfill tax credit scheme resulting from the Strategy Unit review, also came to an end. Landfill tax credits, prior to this point, had been a major source of funding for Waste Watch, (since their introduction in 1996) and whilst the legacy funding was welcome financially and provided us with time to find alternative funding for projects, we were unable to find alternative income sources for several projects - particularly in Education. This resulted in either their premature closure on 31 March 2004 or transfer to local authority ownership.

During the year, the work of Waste Watch Services Ltd., (WWSL) the wholly owned trading subsidiary of the charity, continued to expand. Both WRAP and the Department for the Environment, Food and Rural Affairs, (DEFRA) issued tenders for organisations to be on approved lists of consultancy contractors. Both Waste Watch and WWSL through its membership of Community Recycling Services (CRS) and in its own right was successful in getting onto these approved lists.

Waste Watch ended the year facing the challenge of recognising its need to move from grant dependency to self sufficient organisation, whilst at the same time wishing to retain its position as an organisation at the forefront of new thinking and development - campaigning for waste minimisation and sustainable consumption to be given greater emphasis. A decision to review Waste Watch's governance and its 5 year (2002-2007) strategy was taken at the AGM in December 2003 and a subsequent council of management meeting in the new year.

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In addition to audits from ENTRUST, the regulator of the landfill tax credit scheme Waste Watch also had project audits by DEFRA for the organisation's DEFRA funded work during the year.

Structure and Governance

During 2003/04 Waste Watch had fifteen trustees/company directors. The maximum number of trustees allowable is twenty (and not less than eight). These trustees/directors form the council of management who meet quarterly as the governing body of the charity. All but four members of the council are nominated by the outgoing council just prior to the AGM, for appointment at the AGM. Council members then serve for the period until the next AGM - usually twelve months. During 2003/04 two new members joined the council of management. The two new trustees who were appointed in 2003/04 following the AGM in December 2003 were briefed about their responsibilities by the chair and were provided with an induction pack.

Four of Waste Watch's trustees are nominated by the membership and represent the different categories of Waste Watch membership. These are:

- One representative of local group members
- One representative of local authority members
- One representative of reclamation industry members
- One representative of other members

All the above positions were filled for 2003/04 by people who were already Waste Watch trustees.

A sub-set of the council of management, including the treasurer and chair of trustees forms the finance and personnel sub-committee. Throughout 2003/04 this committee met monthly with the executive director, finance manager and deputy director.

Decision making is devolved to the senior management team in Waste Watch. The senior management team meet fortnightly to discuss plans and take decisions as required about strategy and development plans. Monthly meetings are held between all senior managers and the deputy director and are the forum in which any project and work programme decisions for a particular area can be taken as necessary. Finance and business management meetings also involve the director. Human resources issues are discussed via line managers and referred if necessary to the deputy director who has overall responsibility for human resources in the organisation, or upwards to the director if required. The finance and personnel sub-committee will also take human resources related decisions if issues are unresolved by the director or if the director wants some additional advice. The finance and personnel sub-committee is also responsible for approving any annual cost of living increment for all staff and for setting the director's salary.

As the governing body, the full council is responsible for taking the following decisions:

- Approving the annual budget for the organisation and any subsequent amendments upon the recommendation of the finance and personnel sub-committee;
- Monitoring the financial performance of the organisation and ensuring that proper financial records are maintained and that annual accounts are prepared;
- Reviewing and approving the report of the director and the finance manager on a quarterly basis;

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- Reviewing and approving the risk register and any associated health & safety issues;
- Approving the mission and strategy of the organisation and ensuring that the organisation follows proper procedures in all areas of activity;
- Approving the statutory appointment of auditors prior to approval by members at the AGM.

Commitment to improved internal stability was supported during the year by the allocation of a training budget following appointment of a Human Resources Officer in the previous year. The one year agreement for the provision of an employees' assistance programme, a confidential telephone and face-to-face support service, was also renewed.

In accordance with Charity Commission guidance, we updated the risk register for the organisation which resulted in the prioritisation of actions to minimise risk.

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. Periods of change and development always create 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 the leading UK environmental charity promoting sustainable resource use. Waste Watch campaigns through policy development for all areas of society to reduce, reuse and recycle whilst working on changing attitudes and behaviour through projects and services in:

- Communications
- Education
- Information
- Research

The inspiration and values of the charity 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, more sustainable patterns of consumption 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 2003/04

Wasteonline Website Launched

Waste Watch launched its new national library database website in June - wasteonline. With funding from the New Opportunities Fund www.wasteonline.org.uk provides a valuable searchable resource for all types of enquirer interested in waste issues.

UK Plastics Mass Balance Report Published

Following on the heels of the mass balance of the public sector carried out by Waste Watch in the previous year, in conjunction with Recoup, Valuplast and Bowman Process Technology, we produced a mass balance and associated report entitled '*Plastics in the UK economy - a guide to polymer use and the opportunities for recycling*'.

Helpline Support Provided for the 'Recycle for London' Campaign

From the beginning of September we provided a telephone, email and postal support service for a new 'recycle for London' communication campaign.

Successful Transitional Funding for Education Projects Secured

Through the landfill tax legacy fund we were also able to keep a number of our 'Schools Waste Action Club' projects operational for a further year following the reform of the landfill tax credit scheme, allowing us time to search for alternative funding for each. By the end of the year we had transferred four of these projects to local authority ownership and funding, found alternative funding for a fifth and retained a sixth through remaining landfill tax funds. We were still seeking funding for the remaining two projects at 31 March 2004 but anticipated their closure in the forthcoming year.

Christmas PR Campaign for Rethink Rubbish

A Christmas PR campaign for the national communication campaign co-managed by Waste Watch and SWAP was carried out, alongside which WRAP carried out an evaluation of the Rethink Rubbish campaign.

Western Riverside Doorstepping Programme

Whilst in the Western Riverside Waste Authority area of London, Waste Watch carried out a door-to-door canvassing campaign to promote recycling across the area.

Household Waste Recycling Act 2003

On 14 October 2003, Waste Watch also celebrated the successful move to make domestic kerbside recycling collections mandatory across England by 2010. The Household Waste Recycling Act 2003 which had been championed by Friends of the Earth and Joan Ruddock supported by Waste Watch and a number of other environmental organisations states that wherever household rubbish is collected there must also be the collection of at least two recyclable materials by 2010. It was estimated that the Act would have a direct impact on 54% of households in England, over 11 million residences, which currently do not have such a facility.

Wasteline Closes

There were also some less successful highlights of the year. To the premature closure of some of our education projects we added the closure of Waste Watch's long established telephone, email, postal and web based national information service - Wasteline. Struggling to find funding to match the Defra Environmental Action Fund Grant in the absence of the landfill tax credits, through which Cleanaway had provided support for a number of years, we were forced to close the service at the end of November 2003.

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Focus of Waste Watch Work in 2003/04

During 2003-2004, Waste Watch's projects and services covered the following areas:

- Communication
- Education
- Information
- Research

Policy activity is also a key focus of Waste Watch's work. Our policy activity is informed by the projects and services above. Our achievements and performance in terms of impact in the policy area is more difficult to measure than in some of the other areas as the change is often neither immediate nor directly attributable to Waste Watch's activities alone. The following sections of the council's report outline some of the key objectives and achievements for the year for all areas of our 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 previous year our input on policy work had increased. This level of activity continued for 2003/04.

Policy & Research Objectives

- To develop a research programme to inform the policy debate and to publish two research reports during the year;
- To inform policy makers and do three events/presentations for policy decision makers;
- To maximise the number of policy consultations to which Waste Watch responds;
- To engage in the policy debate - including participation in ten cross-sectoral groups.

Policy & Research Achievements

- Two research reports were produced during the year by the charity - *Plastics in the UK economy: a guide to polymer use and the opportunities for recycling* as previously outlined. A second piece of work entitled *Recycling for flats – case studies of recycling schemes for areas of high-density housing* was also produced for Defra. Whilst this report was published by Defra, it illustrated through a series of case studies how recycling in flats is possible and was aimed at encouraging more local authorities to include flatted properties in their recycling strategies. The work fitted well within Waste Watch's objectives of increasing and encouraging the opportunities for recycling for all. The work was carried out in conjunction with the Safe Neighbourhoods Unit (SNU).

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- The research work for producing a Kerbside Calculator, (previously called planning affordable recycling), for local authorities was also completed, but the report not yet produced by the end of the year. The kerbside calculator, or KAT, compares the relative costs of different recycling collection systems and had been developed by Dr Julia Hummel of EcoAlternatives. This research aims to produce a classification and performance evaluation methodology for recycling schemes allowing local authorities to select the most appropriate methodology for their area in order to maximise recycling for the least cost. The work is being taken forward by WRAP and at the end of the year was about to go on trial with nine local authorities.
- The trading company also produced a best practice guide on increasing recycling through door to door canvassing, *Raising waste awareness through doorstepping: best practice guidance* - the work for which was carried out in conjunction with partners The Recycling Consortium and ERM for the Greater London Authority.
- The amount of policy work and presentations/meetings with policy makers in the period was extensive and included international speaking engagements such as a presentation on the UK packaging recovery and recycling system at a European Environmental Bureau (EEB) conference. UK engagements included: presentations at the Associate Parliamentary Waste Group on the NGO response to the EU Thematic Strategy on Waste Prevention and Recycling (which Waste Watch had co-ordinated); a presentation about waste prevention to a joint London Remade/Association of Cities and Regions for Recycling conference and a presentation at the Institute of Consumer Affairs annual conference on sustainable consumption. The annual target was to do three presentations/events with a policy objective - we actually carried out eight.
- We responded to eight policy consultations in 2003/04 (against a target of six). These included: response to the House of Lords inquiry into the Future of EU Policy: The Challenge for Waste Management (July 2003); written Evidence to the European Union Committee Inquiry "European Union Policy Development: The Challenge of Waste Management"; written submission to the Environmental Audit Committee Inquiry "Learning the Sustainability Lesson" (August 2003); written submission to HM Treasury Futurebuilders Consultation (August 2003); written submission to the Environment, Food and Rural Affairs Committee Inquiry into End-of-Life Vehicles and Waste Electrical and Electronic Equipment Directives and Waste Watch response to a Defra consultation on 'decoupling' indicators.
- We were involved and actively participated in 10 cross-sectoral groups during the year (which was our target for the year), including London Waste Action and the Recycle for London campaign steering group; the National Resource & Waste Forum, (NRWF); Defra's Waste Implementation Programme (WIP) New Technology Programme and the SEED (Social, Environmental and Economic Development) and CRED (Community Recycling and Economic Development) lottery funding bodies.

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, email 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 five years later in 2002/03. However, the service also faced funding problems during the year and at the end of November 2003 we were forced to close it - which resulted in less than the targeted numbers of enquirers being helped.

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We ended the year seeking funding to match the Defra Environmental Action Fund grant which partly supports wasteline, having carried out a survey of user satisfaction and convinced of the ongoing need to continue to provide a service at a national level.

In addition to Wasteline we also ran the 'recycle for London' campaign helpline from September 2003. Working with an external call centre, Waste Watch was responsible for answering the more difficult telephone enquiries, all email enquiries and for posting out information to people in London. The objectives of the 'recycle for London' service are not included below.

In addition to the above Waste Watch also delivers information and advice through training events and publications.

Information Objectives

- To develop, expand and maintain the content of the Waste Watch and wasteonline websites;
- To place all Waste Watch's printed publications onto the wasteonline website during the year;
- To gain 300,000 users of the Waste Watch websites - Waste Watch and wasteonline;
- To gain 50,000 users of the Waste Watch Recycled Products Guide website;
- To answer 10,000 postal, telephone and email enquiries;
- To have 150,000 information sheets accessed;
- To distribute six 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;

Information Achievements

- Work on a new kids section of the Waste Watch website commenced - called *recyclezone*. A new on line resource exchange was also launched by WWSL during the year.
- The new wasteonline website went live in June 2003.
- 344,416 people visited the Waste Watch websites during the year.
- 48,000 people visited the Recycled Products Guide (RPG) website during the year. The guide and all the information within it was sold to WRAP in the last quarter as it fitted better with their remit for the development of end markets for recycle. This resulted in us not hitting the target number of visitors to this site.
- We answered 6,684 postal, email and phone enquiries during the year. However as the service was closed for the last four months of the year, it is unsurprising that we failed to help our target number of enquirers.
- Similarly only 58,000 information sheets were accessed during the year as against a target of 150,000. This was in part due to the closure of the Wasteline service at the end of the year, which meant that we stopped posting or emailing information sheets to enquirers. However, the reduced number of information sheets accessed was also due to the fact that people could access a wider range and larger amount of information on Wasteonline than previously, so that more people were using additional sources of information too, rather than just relying on the Waste Watch information sheets.

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- We only sent out one email bulletin to 1,500 Waste Watch contacts during the year, as against a target of six. We agreed part way through the year to stop this service as most of the information previously contained in the bulletins had now been incorporated into the Waste Watch websites.
- Similarly the monthly bibliographic bulletin to 400 members was also suspended with Defra agreement during the year as a result of member feedback saying that they were receiving information from a number of sources and would rather ring up Wasteline to find the information when it was needed, rather than being proactively sent a regular mailing.
- We continued to maintain, update and develop the websites however, so that the information sheets in particular better reflected current developments in relevant areas such as waste electrical and electronic waste and end of life vehicles. Sustainable consumption content was also added to the website.

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 Cyclor the rapping robot which visits schools around the country with a recycling rap aims at entertaining children while teaching them about the 3Rs. Cyclor is actually three robots and their supportive education officers.

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. During the year we developed a management programme so that some of the local authorities in whose areas we had previously run SWACs could take over the programme following the changes in available funding for this type of work.

Finally, the education team delivers training for other people who work with schools on environmental issues. During the year we continued to run the Waste Education Support Programme (WESP) which had been launched the previous year. The programme trains others to deliver waste activities in schools and at the end of the year had twenty people on the programme.

Education Services Objectives

- Develop and operate a year 2 training programme for existing WESP participants and continue to train twenty participants;
- Ensure WESP participants work with 200 schools and reduce waste in participating schools by 30%;
- Review WESP activities from the previous year and produce a report which can be used to inform future training sessions;
- To have a management programme agreed with three local authorities by the end of March 2004;

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- Integrate the Cyclor programme with WESP by ensuring that 75% of the local authorities on the WESP have a visit by Cyclor during the year;
- Ensure that Cyclor visits 650 schools and 80,000 pupils during the year;
- 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.

Education Services Achievements

- Starting in January 2003 the first WESP intake of eighteen organisations continued. WESP was a resounding success during the year with over 97% of participants rating the training and resources as "good" or "very good". Due to the continued demand for waste education training and resources, a second intake of ten organisations started WESP in March 2004.
- By the end of the financial year 2003/04, WESP participants were working with 214 schools, compared to the target of 200. However, it is too early to measure the reduction in waste to disposal from participating schools.
- Two reflection days were held in February 2004 resulting in a WESP Review Report - the results of which were input into the development of the second WESP training programme.
- Management programmes were agreed with three authorities to start from 1 April 2004 and an interim agreement with another authority was also confirmed - which means that waste education/SWAC activities will continue in those areas where we previously had SWACs.
- 843 schools were visited by Cyclor during the year, and 254,297 pupils saw the show.
- 100% of schools were given the Cyclor evaluation form. 100% of the evaluation forms returned rated the presentation as good or above.
- 100% of schools were given the 3-point challenge to take action to reduce, reuse and recycle in school. 100% of those who returned the challenge form had taken up the challenge and 88% had passed.

Communication Campaigns

At a national level together with SWAP, Waste Watch had been the managing agency for the national *Rethink Rubbish* campaign. During the year, however, the role of the Waste and Resources Action Programme (WRAP) was expanded to include communication and awareness activities. The result of which was that from 1 April 2004, they were given the remit and funding to take over the management and development of the national campaign. (In addition to being responsible for distributing money for communication activities to local authorities at a local and regional level.) Consequently Waste Watch concentrated upon both delivering the campaign for 2003/04, but also working with WRAP to ensure a smooth handover of activities and development from the start of the new financial year.

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At a regional level the five-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) continued well. During the year we delivered a face-to-face canvassing or doorstepping campaign to promote recycling services via the Environmental Consultancy. Employing twenty doorsteppers the project aimed to reach 80,000 households in the three boroughs of Wandsworth, Hammersmith and Fulham and Lambeth.

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

Other communication work, delivered through consultancy contracts for individual or groups of local authorities, was carried out in the trading company - WWSL. Specific communication work included: work in Bracknell, Reading and Wokingham – incorporating education, communication, community outreach work and research. The work was delivered through Community Recycling Services, with Waste Watch as the lead project partner. We also, through the trading company, delivered some communication consultancy work for Harborough District Council who were expanding their recycling collection service and moving to an alternate refuse and recycling collection system.

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

Objectives for All Aspects of Communication Work

- Produce and email twelve editions of an update Rethink Rubbish e-zine to supporters to ensure that they are aware of developments in the national campaign and can tie in their own activities to the national work;
- Use two promotional events to build additional stakeholder support for the national campaign - increasing the supporter base by 5% by the year end;
- Update the stakeholder website with e-zine news content each month and produce four new 'brand in use' features during the year - profiling supporters who are using the brand at a local, regional or national level;
- Develop targeted Rethink Rubbish communications tools for use in communicating a consistent waste awareness message to the public, including the development of an online image library containing a minimum of 100 photographs for people to use free of charge;
- Produce a 'no junk mail' letterbox sticker and envelope re-use label for people to use at a local level;
- Promote the use of an online shop selling Rethink Rubbish campaign support materials, such as reusable shopping bags and achieve at least £20,000 in sales for the year;
- Develop Rethink Rubbish links with retailers - meeting the twelve retailers involved in the 2002 campaign and securing their support and involvement for the 2003 campaign;
- Ensure linkage of the Rethink Rubbish campaign with other national initiatives such as real nappy week, compost awareness week and support the Woodland Trust Christmas card promotion;

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- Undertake tracking research measuring awareness of Rethink Rubbish amongst the general public and key stakeholders and provide feedback on the same to supporters and others;
- In terms of Waste Watch media coverage for the projects undertaken our target was to additionally obtain 300 media articles reaching 6.6 million people, and to respond to twelve press enquiries during the year.

Achievements for Communication

- Twelve editions of the Rethink Rubbish e-zine were sent to supporters of the national Rethink Rubbish campaign.
- Briefing events were used to build stakeholder support for Rethink Rubbish during the year.
- Updated the stakeholder website with e-zine news content each month and produced seventeen new 'brand in use' features during the year.
- An online image library containing more than 100 photographs for people to use free of charge was also developed.
- New Rethink Rubbish branded 'no junk mail' letterbox stickers and envelope re-use labels were produced.
- Promoted the use of the online shop selling Rethink Rubbish campaign support materials via the e-zine and briefing events and achieved £84,533 worth of sales in the year.
- We continued to make links with retailers - and held discussions with the twelve retailers involved in the 2002/03 campaign which resulted in a range of supporting activities by retailers. An in-store promotion pilot was undertaken in part of London which tested the effectiveness of different, specially designed promotions in nineteen London supermarkets.
- The Rethink Rubbish campaign lent its promotional support to Real Nappy Week, Environment Agency activities and Compost Awareness Week and arranged a highly successful press launch of the Woodland Trust 2004 Christmas Card recycling campaign which proved to be the most effective Rethink Rubbish press event to date, attracting national and local coverage.
- Tracking research was undertaken at both a regional and national level during the year showing a range of results including continuing raised awareness of the brand.
- During the year, Waste Watch's own promotional work resulted in 373 articles (including web articles) and reached 18.8 million people. We responded to 24 general press enquiries and carried out 18 media interviews.

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Environmental Consultancy & Business Network

During 2003/04 we renamed the former 'Wastebusters' environmental consultancy to Waste Watch Environmental Consultancy and in addition ran the Waste Watch Business Network (formerly Waste Alert Clubs) as part of WWSL.

- Waste Watch Business Network is an environmental business network within London.
- Waste Watch Environmental Consultancy – provides businesses and local authorities with specialist expertise and practical advice to develop and implement effective environmental programmes and initiatives. The environmental consultancy team also provides project management expertise - for example for face-to-face canvassing work with the general public. Recycling canvassing projects were carried out in Essex, London, Bracknell, Reading and Wokingham during the year.

Achievements for Environmental Consultancy and Business Network

- The west London branch of Business Network, covering Heathrow, Harrow, Hillingdon and Barnet boroughs developed and launched the ResourceXchange - an online resource exchange for organisations in the area with goods they wished to give away to other members who could use these items. Previously operated as a paper-based system only, the development to a web-based system allowed us to show photographs of the products and track product movements in an easier way.
- The Camden, Haringey and Islington branch also continued to develop in the year and overall between the two clubs, 627 members were helped, saving £434,244 & diverting 1,791 tonnes of waste from disposal by the spring of 2004.
- On the consultancy side, Waste Watch's third environmental report was produced by Environmental Consultancy.
- A doorstepping project and report for the Rethink Rubbish Western Riverside project was completed. The report incorporated some good analysis of the impact of repeat visits to areas, the impact of service on the effectiveness of doorstepping and some recommendations for best practice going forward.
- A doorstepping best practice guide was also produced in conjunction with partners The Recycling Consortium and ERM for the Greater London Authority - taking our combined experiences of doorstepping work and passing it on to others.
- Work also continued on a 'mass balance' of the education sector in England, Scotland and Wales - which is due to report in 2004/05.

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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 11 December 2003 in London. Four speakers with expertise in the field were invited to give presentations. They were Ed Mayo, Chief Executive of the National Consumer Council; Dr Alan Knight Head of Social Responsibility at Kingfisher plc and member of the Sustainable Development Commission; Bob Lisney, Head of Hampshire County Council's Natural Resources Initiative and James Wilsdon, Head of Strategy at the think tank Demos. The event was chaired by broadcaster, writer and financial journalist Liz Barclay.

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 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.

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 - Waste Watch Services Ltd. (WWSL).

Finance

Review of transactions & financial position

The Statement of Financial Activities on page 21 shows that the incoming resources for the year ended 31 March 2004 were £2.5m (2003 - £4.6m) giving rise to overall net outgoing resources for the year of £0.7m (2003 - net incoming resources of £2.1m).

The figures are inflated by the income received in advance for the Western Riverside Waste Authority project in 2002/03. Of the closing funds of £3.4m, £3.3m represents funds received in advance for this project.

Funds

The organisation has a number of funds whose purposes are outlined in note 15 to the financial statements.

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Report of the council of management

For the year ended 31 March 2004

Reserves

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 31 March 2002 which was not achieved. The trustees therefore reviewed this policy in 2001/2002 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 £50,000 we did not reach the target of three month's reserves in 2003/4 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.

Auditors

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.

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.

Waste Watch

Report of the council of management

For the year ended 31 March 2004

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 Hines who volunteered during November 2003 and Beata Poppinga-Scholz who volunteered for Waste Watch Business Network for the period January to April 2004. In particular we also wish to thank volunteer Paul Diverres. Paul finished volunteering with Waste Watch at the end of October 2003 after many years of volunteering for 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 Rethink Rubbish campaign provided by the Department for the 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; Cleanaway Havering Riverside Trust, Cory Environmental; EB Bedfordshire; EB Nationwide; SITA Environmental Trust, Waste Recycling Environmental (WREN) .

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

During 2003/04, other project funding, sponsorship, help in kind and corporate support has been gratefully received from:

| | |
|--|--|
| Aberdeenshire Council | London Borough of Merton |
| Alcan Shared Service Centre | London Borough of Wandsworth |
| Alliance for Beverage Cans and the Environment | London Community Recycling Network |
| Aylesford Newsprint | London Recycling Ltd. |
| Barbour Index Ltd. | London Waste Ltd. |
| Barnsley Metropolitan Borough Council | M-Real UK Ltd. |
| Bexley Council | Macclesfield Borough Council |
| Biffa Waste Services | Mansfield District Council |
| Boilerhouse Communications | Modern Products Ltd. |
| Buckinghamshire County Council | New Opportunities Fund |
| CAF - Norwich Union | Newark & Sherwood District Council |
| Cheshire County Council | Nottingham City Council |
| - Local Education Authority | Nottinghamshire County Council: |
| - Environmental Planning Unit | - Local Education Authority |
| - Waste Management Services | - Waste Management Department |
| Cheshire Recycling Ltd. | North Norfolk District Council |
| Cleanaway Ltd. | North York Moors National Park Authority |
| Coca-Cola Great Britain and Ireland | North Yorkshire Environmental |
| Complypak Ltd. | Business Partnership |
| Congleton Borough Council | North Yorkshire County Council |
| Corus UK Ltd. | Onyx UK Ltd. |
| Cory Environmental Ltd. | Oswestry Borough Council |

Waste Watch

Report of the council of management

For the year ended 31 March 2004

| | |
|---|---|
| Crewe & Nantwich Borough Council | Paper Federation |
| Directory Recycling Scheme | Paper Round |
| East Renfrewshire Council | Patagonia |
| Eden Project Ltd. | Ptarmigan Consultants Ltd |
| Education for a Greener Future | Resource Base |
| Egbert H Taylor & Company Ltd. | Rotherham Metropolitan Borough Council: |
| Ellesmere Port & Neston Borough Council | - Local Education Authority |
| Entrust Legacy Funding | - Waste Management Department |
| Environment Agency | Royal Borough of Kensington & Chelsea |
| Essex County Council | Royal Society for Nature Conservation |
| Eunomia Research & Consulting Ltd. | Sevenside Waste Paper Ltd. |
| European Metal Recycling | Sevenside Recycling Ltd. |
| FOCSA Services (UK) Ltd. | Shanks Waste Solutions |
| Global Action Plan | Shropshire County Council |
| Global Balance Trust/Save Waste & Prosper | Stockport Metropolitan Borough Council |
| Greater London Authority | Swindon Borough Council |
| Hartlepool Borough Council | Thurrock District Council |
| Jefferson Smurfit Group plc | Vale Royal Borough Council |
| INCPEN | Valpak Ltd. |
| Isle of Man Government | Verdant Group Plc |
| Kitson and Trotman Solicitors (legacy) | Viridor Waste Management |
| Lewisham Council | Warwickshire District Council |
| London Borough of Brent | Waste & Resources Action Programme |
| London Borough of Bromley | Waste Tyre Solutions |
| London Borough of Enfield | Waste Watch Services Ltd. |
| London Borough of Hammersmith & Fulham | Westminster City Council |
| London Borough of Lambeth | Western Riverside Waste Authority |

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 2004

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 M.B.E. | The Recycling Consortium | Chair |
| Sue Duckworth | Richmond Borough Council | Vice Chair |
| Sylvia Levi | Financial Services Authority | Treasurer |
| Matthew Bennett | London Recycling Ltd. (elected to represent "Other" members) | |
| Lucy Danger | EMERGE and North West Recycling Forum | appointed 11 December 2003 |
| Christianne Dorian | Council for Environmental Education & independent environmental education consultant | |
| Nick Francis | Ealing Community Transport Ltd and the Waste Resources Action Programme | |
| Liz Green | Centre for Sustainable Energy | resigned 11 December 2003 |
| Lewis Herbert | Independent consultant | |
| Karen Houghton | Yorkshire Forward | |
| Peter Jones | Biffa Waste Services Ltd. | |
| Elaine Kerrall | SWAP (elected to represent "Local community groups") | appointed 11 December 2003 |
| Colin Kirkby | LARAC | |
| Andrew Lappage | North London Waste Authority (elected to represent "Local authorities") | |
| Peter Mansfield | Cheshire Recycling | |
| Andrew Simmons | RECOUP (elected to represent "The Reclamation industry") | |

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 eight and no more than twenty 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 2004 was 311 (2003 - 320).

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

Waste Watch

Report of the council of management


For the year ended 31 March 2004

Auditors

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

Approved by the council of management on 9 December 2004 and signed on its behalf by

S R Levi
SYLVIA LEVI
TREASURER


SUE DUCKWORTH
VICE CHAIR

Independent auditors' report

To the Members of

Waste Watch

We have audited the financial statements of Waste Watch for the year ended 31 March 2004 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 2004 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.

9 December 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 2004

| | Note | Restricted £ | Unrestricted £ | 2004 Total £ | 2003 Total £ |
|---|------|------------------|-------------------|--------------------|--------------------|
| Incoming resources | | | | | |
| Donations, legacies & similar incoming resources | 2 | 2,250 | 107,561 | 109,811 | 201,615 |
| <i>Activities in furtherance of the charity's objects:</i> | 3 | | | | |
| Research policy and information | | 201,281 | 149,867 | 351,148 | 381,924 |
| Education and training | | 681,707 | 180,541 | 862,248 | 816,815 |
| Western Riverside Waste Authority | | - | - | - | 2,428,657 |
| NWA | | 373,478 | - | 373,478 | 314,169 |
| Membership | | - | 39,848 | 39,848 | 33,544 |
| Training and conferences | | - | - | - | 5,460 |
| Publications | | 122 | 454 | 576 | 557 |
| <i>Activities to generate funds:</i> | | | | | |
| Waste Watch Services Ltd | | - | 661,743 | 661,743 | 365,494 |
| Investment income | | 117,186 | 1,924 | 119,110 | 79,273 |
| Other income | | 126 | 7,087 | 7,213 | 9,216 |
| Total incoming resources | | 1,376,150 | 1,149,025 | 2,525,175 | 4,636,724 |
| Resources expended | | | | | |
| <i>Costs of generating funds:</i> | | | | | |
| Fundraising and publicity | 4 | - | 145,857 | 145,857 | 131,671 |
| Waste Watch Services Ltd | | 121,343 | 558,866 | 680,209 | 316,294 |
| | | 121,343 | 704,723 | 826,066 | 447,965 |
| <i>Charitable expenditure</i> | 5 | | | | |
| Research policy and information | | 227,844 | 58,966 | 286,810 | 401,007 |
| Education and training | | 776,615 | 60,058 | 836,673 | 768,015 |
| Western Riverside Waste Authority | | 659,438 | - | 659,438 | 431,479 |
| NWA | | 381,281 | - | 381,281 | 318,522 |
| Support costs | | - | 195,433 | 195,433 | 144,906 |
| Management and administration | | - | 82,618 | 82,618 | 58,770 |
| Total resources expended | | 2,166,521 | 1,101,798 | 3,268,319 | 2,570,664 |
| Net incoming/(outgoing) resources before gains & transfers | 6 | (790,371) | 47,227 | (743,144) | 2,066,060 |
| Gross transfers between funds | | 78,508 | (78,508) | - | - |
| Net movement in funds | | (711,863) | (31,281) | (743,144) | 2,066,060 |
| Funds at the start of the year | | 4,050,021 | 57,153 | 4,107,174 | 2,041,114 |
| Funds at the end of the year | | 3,338,158 | 25,872 | 3,364,030 | 4,107,174 |

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 15 to the financial statements.

Waste Watch

Balance sheets

31 March 2004

| | Note | The group | | The charity | |
|---|-------|------------------|-----------|------------------|-----------|
| | | 2004 £ | 2003 £ | 2004 £ | 2003 £ |
| Fixed assets | | | | | |
| Tangible fixed assets | 9 | 33,253 | 52,403 | 32,947 | 50,869 |
| Investments | 10,11 | <u>-</u> | <u>-</u> | <u>1</u> | <u>1</u> |
| | | 33,253 | 52,403 | 32,948 | 50,870 |
| Current assets | | | | | |
| Debtors | 12 | 854,059 | 653,645 | 790,338 | 649,462 |
| Short term deposits | | 2,717,984 | 3,625,000 | 2,717,984 | 3,625,000 |
| Cash at bank and in hand | | 205,918 | 238,438 | 121,912 | 193,234 |
| | | 3,777,961 | 4,517,083 | 3,630,234 | 4,467,696 |
| Creditors: amounts due within 1 year | | | | | |
| | 13 | 447,184 | 462,312 | 308,441 | 416,391 |
| Net current assets | | 3,330,777 | 4,054,771 | 3,321,793 | 4,051,305 |
| Net assets | 14 | 3,364,030 | 4,107,174 | 3,354,741 | 4,102,175 |
| Funds | | | | | |
| Restricted funds | 15 | | | | |
| Funds in surplus | | 3,338,376 | 4,067,916 | 3,338,376 | 4,067,916 |
| Funds in deficit | | (218) | (17,895) | (218) | (17,895) |
| Unrestricted funds | | 25,872 | 57,153 | 16,583 | 52,154 |
| Total funds | | 3,364,030 | 4,107,174 | 3,354,741 | 4,102,175 |

Approved by the council of management on 9 December 2004 and signed on its behalf by

S R Levi
SYLVIA LEVI
TREASURER


SUE DUCKWORTH
VICE CHAIR

Waste Watch

Cashflow statement

For the year ended 31 March 2004

| | 2004 | 2003 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Net cash flow from operating activities | (1,058,646) | 1,936,462 |
| Returns on investments & servicing of finance | | |
| Interest received | 119,110 | 79,273 |
| Capital expenditure & financial investment | | |
| Acquisition of tangible fixed assets | - | (54,284) |
| Management of liquid resources | | |
| Purchase of short term investments | - | (2,125,000) |
| Net cash flow | <u>(939,536)</u> | <u>(163,549)</u> |

Notes to the cashflow statement

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

| | 2004 | 2003 |
|--|---------------------------|-------------------------|
| | £ | £ |
| Net incoming/(outgoing) resources for the year | (743,144) | 2,066,060 |
| Interest received | (119,110) | (79,273) |
| (Increase)/decrease in debtors | (200,414) | (244,241) |
| (Increase)/decrease in stock | - | 5,921 |
| Increase/(decrease) in creditors | (15,128) | 169,518 |
| Depreciation | 19,150 | 18,477 |
| Net cash flow from operating activities | <u>(1,058,646)</u> | <u>1,936,462</u> |

2. Analysis of change in net funds

| | At 1 April 2003 | Cash flows | At 31 March 2004 |
|---------------------------|-------------------------|-------------------------|-------------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 238,438 | (32,520) | 205,918 |
| Current asset investments | 3,625,000 | (907,016) | 2,717,984 |
| Net funds | <u>3,863,438</u> | <u>(939,536)</u> | <u>2,923,902</u> |

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

| | 2004 | 2003 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Net funds at year start | 3,863,438 | 1,901,987 |
| Increase/(decrease) in cash in period | (939,536) | (163,549) |
| Cash to acquire current asset investments | - | 2,125,000 |
| Change in net funds | <u>(939,536)</u> | <u>1,961,451</u> |
| Net funds at year end | <u>2,923,902</u> | <u>3,863,438</u> |

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

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.

- 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 2004

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 £ | 2004 Total £ | 2003 Total £ |
|---------------------------|-----------------|-------------------|-----------------------|--------------------|
| Environmental Action Fund | - | 92,430 | 92,430 | 200,000 |
| Other Donations | 2,250 | 15,131 | 17,381 | 1,615 |
| Total | <u>2,250</u> | <u>107,561</u> | <u>109,811</u> | <u>201,615</u> |

3. Activities in furtherance of the charity's objects

| | Restricted £ | Unrestricted £ | 2004 Total £ | 2003 Total £ |
|--|-----------------|-------------------|-----------------------|--------------------|
| Research Policy and Information | | | | |
| Cleanaway - Wasteline | 83,000 | - | 83,000 | 83,000 |
| Environmental Action Fund | - | 79,167 | 79,167 | - |
| NOF - Waste Online | 45,446 | - | 45,446 | 62,791 |
| Provision of Helpline | - | 37,584 | 37,584 | - |
| Consultancy | 4,320 | 26,248 | 30,568 | - |
| Wastebook | 19,155 | - | 19,155 | 21,051 |
| Biffaward - Planning Affordable Recycling | 40,475 | - | 40,475 | 23,454 |
| Biffaward - Post Use Plastics Guide | 1,000 | - | 1,000 | 33,611 |
| Biffaward - Toner Powder | 7,858 | - | 7,858 | 5,028 |
| Biffaward - Environment Footprint of the Public Sector | - | - | - | 6,411 |
| Biffaward - No Waste of Money | - | - | - | 3,127 |
| Biffaward - Recycled Product Guide | - | - | - | 8,042 |
| SITA - Housing construction RPG | 27 | - | 27 | 33,943 |
| Other income | - | 6,868 | 6,868 | 11,466 |
| RPG | - | - | - | 90,000 |
| Total | <u>201,281</u> | <u>149,867</u> | <u>351,148</u> | <u>381,924</u> |

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

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

| | Restricted £ | Unrestricted £ | 2004 Total £ | 2003 Total £ |
|--|-----------------|-------------------|-----------------------|--------------------|
| Education and Training | | | | |
| SWAC - ENTRUST | 264,711 | - | 264,711 | 89,102 |
| SWAC - WREN | 103,718 | - | 103,718 | 157,732 |
| SWAC - Other funders | 97,160 | - | 97,160 | 209,021 |
| Biffaward - Cyclor™ | 211,305 | - | 211,305 | 213,139 |
| WESP | - | 114,241 | 114,241 | 131,836 |
| Environmental Action Fund | - | 65,587 | 65,587 | - |
| Other income | 4,813 | 713 | 5,526 | - |
| London Remade - Training and Awareness | - | - | - | 15,985 |
| | <u>681,707</u> | <u>180,541</u> | <u>862,248</u> | <u>816,815</u> |
| | £ | £ | £ | £ |
| Western Riverside Waste Authority | | | | |
| Cory | - | - | - | <u>2,428,657</u> |
| | £ | £ | £ | £ |
| NWAI | | | | |
| Environmental Action Fund | 237,072 | - | 237,072 | 200,000 |
| Save Waste and Prosper | 136,406 | - | 136,406 | 65,373 |
| Biffaward | - | - | - | 35,000 |
| NWAI Ltd | - | - | - | 13,796 |
| Total | <u>373,478</u> | <u>-</u> | <u>373,478</u> | <u>314,169</u> |

4. Costs of generating funds

| | Restricted £ | Unrestricted £ | 2004 Total £ | 2003 Total £ |
|-------------|-----------------|-------------------|-----------------------|--------------------|
| Staff costs | - | 95,203 | 95,203 | 90,596 |
| Other costs | - | 50,654 | 50,654 | 41,075 |
| | <u>-</u> | <u>145,857</u> | <u>145,857</u> | <u>131,671</u> |

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

5. Charitable expenditure

| | Research policy and information | Education and training | Western Riverside Waste | NWAI | Support costs | Management and administration | 2004 Total | 2003 |
|-----------------------------|---------------------------------------|---------------------------|-------------------------------|---------|------------------|-------------------------------------|------------|-----------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Staff costs | 160,555 | 434,023 | 188,022 | 82,248 | 197,353 | 35,752 | 1,097,953 | 904,019 |
| Temporary staff | 2,268 | 145 | 1,253 | 956 | 24,408 | - | 29,030 | 41,559 |
| Other staff costs | 2,653 | 56,441 | 2,880 | 4,539 | 4,372 | 1,338 | 72,223 | 90,651 |
| Staff training | 588 | 1,725 | 1,443 | 69 | 4,661 | - | 8,486 | 16,491 |
| Consultancy | 67,180 | 10,639 | 97,487 | 172,747 | 6,488 | - | 354,541 | 566,203 |
| Premises & office costs | 61,998 | 261,534 | 265,020 | 83,519 | (99,627) | - | 572,444 | 331,098 |
| Legal and professional fees | - | - | - | 1,500 | - | 43,647 | 45,147 | 34,920 |
| Project costs | - | 40,058 | 11,770 | - | - | - | 51,828 | 24,598 |
| ENTRUST fees | - | 1,774 | 41,500 | - | - | - | 43,274 | 13,770 |
| Bank charges & interest | - | - | - | - | 338 | - | 338 | 70 |
| Irrecoverable VAT | 2,602 | 17,082 | 47,137 | 35,689 | 34,729 | - | 137,239 | 79,510 |
| Depreciation | - | 12,000 | - | - | 5,922 | - | 17,922 | 17,249 |
| Sundry | (11,034) | 1,252 | 2,926 | 14 | 16,789 | - | 9,947 | 2,314 |
| Trustees expenses | - | - | - | - | - | 1,881 | 1,881 | 247 |
| | 286,810 | 836,673 | 659,438 | 381,281 | 195,433 | 82,618 | 2,442,253 | 2,122,699 |
| WRWA costs incurred by WWSL | - | - | 121,343 | - | - | - | 121,343 | - |
| | 286,810 | 836,673 | 780,781 | 381,281 | 195,433 | 82,618 | 2,563,596 | 2,122,699 |

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

6. Group net outgoing/incoming resources for the year

This is stated after charging / crediting:

| | 2004 £ | 2003 £ |
|---|----------------|---------------|
| Depreciation | 19,150 | 18,477 |
| Council of management's remuneration | - | - |
| Council of management's reimbursed expenses | 1,881 | 247 |
| Auditors' remuneration: | | |
| ▪ Audit | 26,698 | 11,185 |
| ▪ Other services | 21,967 | 17,500 |
| Operating lease rentals: | | |
| ▪ Property | <u>100,050</u> | <u>56,000</u> |

The council of management's expenses were for travel and subsistence and related to six members (2003 - one member) of the council of management.

7. Staff costs and numbers

Staff costs were as follows (charity only):

| | 2004 £ | 2003 £ |
|--------------------------------------|------------------|----------------|
| Salaries and wages | 1,053,893 | 898,373 |
| Social security costs | 106,611 | 81,429 |
| Pension contributions | <u>32,652</u> | <u>14,813</u> |
| | <u>1,193,156</u> | <u>994,615</u> |
| Total emoluments paid to staff were: | <u>1,086,545</u> | <u>913,186</u> |

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:

| | 2004 No. | 2003 No. |
|-----------------------------------|-------------|-------------|
| Research policy and information | 5.6 | 5.5 |
| Education and training | 17.8 | 17.1 |
| Western Riverside Waste Authority | 7.6 | 5.0 |
| NWAI | 2.0 | 2.0 |
| Core project | 8.2 | 8.0 |
| Management and administration | <u>3.8</u> | <u>4.1</u> |
| | <u>45.0</u> | <u>41.7</u> |

Waste Watch Services Limited also had 13.5 employees in the year (2003 - 8) and a total staff cost of £489,901 (2003 - £211,874).

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

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 | 10,148 | 84,676 | 94,824 |
| Additions in year | - | - | - |
| At the end of the year | <u>10,148</u> | <u>84,676</u> | <u>94,824</u> |
| Depreciation | | | |
| At the start of the year | 2,537 | 39,884 | 42,421 |
| Charge for the year | <u>2,537</u> | <u>16,613</u> | <u>19,150</u> |
| At the end of the year | <u>5,074</u> | <u>56,497</u> | <u>61,571</u> |
| Net book value | | | |
| At the end of the year | <u>5,074</u> | <u>28,179</u> | <u>33,253</u> |
| At the start of the year | <u>7,611</u> | <u>44,792</u> | <u>52,403</u> |
| The Charity | Vehicles £ | Computer Equipment £ | Totals £ |
| Cost | | | |
| At the start of the year | 10,148 | 80,993 | 91,141 |
| Additions in year | - | - | - |
| At the end of the year | <u>10,148</u> | <u>80,993</u> | <u>91,141</u> |
| Depreciation | | | |
| At the start of the year | 2,537 | 37,735 | 40,272 |
| Charge for the year | <u>2,537</u> | <u>15,385</u> | <u>17,922</u> |
| At the end of the year | <u>5,074</u> | <u>53,120</u> | <u>58,194</u> |
| Net book value | | | |
| At the end of the year | <u>5,074</u> | <u>27,873</u> | <u>32,947</u> |
| At the start of the year | <u>7,611</u> | <u>43,258</u> | <u>50,869</u> |

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

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 main activity of the subsidiary is consultancy services. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are transferred to the parent company via a gift aid donation. A summary of the results of the subsidiary is shown below:

| | 2004 | 2003 |
|---|------------------|-----------|
| | £ | £ |
| Turnover | 783,086 | 320,895 |
| Cost of sales | 649,876 | 239,326 |
| Gross profit | 133,210 | 81,569 |
| Administrative expenses | 129,391 | 51,768 |
| Operating profit | 3,819 | 29,801 |
| Interest receivable | 471 | 399 |
| Profit on ordinary activities | 4,290 | 30,200 |
| Gift Aid to parent undertaking | - | 25,200 |
| Profit for the period | 4,290 | 5,000 |
| The aggregate of the assets, liabilities and funds was: | | |
| Assets | 372,875 | 223,255 |
| Liabilities | (363,584) | (218,254) |
| Funds | 9,291 | 5,001 |

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

12. Debtors

| | The group | | The charity | |
|---------------------------------|-----------------------|----------------|-----------------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| | £ | £ | £ | £ |
| Trade debtors | 363,029 | 498,941 | 175,071 | 322,825 |
| Due from subsidiary undertaking | - | - | 224,841 | 172,333 |
| Sundry debtors | 9,810 | 8,700 | 9,629 | 8,300 |
| Accrued income | 419,495 | 118,004 | 355,784 | 118,004 |
| Prepayments | 61,725 | 28,000 | 25,013 | 28,000 |
| | <u>854,059</u> | <u>653,645</u> | <u>790,338</u> | <u>649,462</u> |

13. Creditors: amounts due within 1 year

| | The group | | The charity | |
|------------------------------|-----------------------|----------------|-----------------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| | £ | £ | £ | £ |
| Trade creditors | 220,581 | 357,572 | 180,987 | 351,331 |
| Taxation and Social Security | 77,494 | 43,885 | 49,790 | 25,242 |
| Sundry creditors | 11,712 | - | 9,701 | - |
| Income received in advance | 22,391 | 49,375 | - | 29,375 |
| Accruals | 115,006 | 11,480 | 67,963 | 10,443 |
| | <u>447,184</u> | <u>462,312</u> | <u>308,441</u> | <u>416,391</u> |

14. Analysis of group net assets between funds

| | Restricted funds | Unrestricted funds | Total funds |
|--|-------------------------|----------------------|-------------------------|
| | £ | £ | £ |
| Fixed assets | 12,000 | 21,253 | 33,253 |
| Current assets | 3,326,158 | 451,803 | 3,777,961 |
| Creditors: amounts falling due within one year | - | (447,184) | (447,184) |
| Net assets at the end of the year | <u>3,338,158</u> | <u>25,872</u> | <u>3,364,030</u> |

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

15. Movements in funds

| | At the start of the year £ | Incoming resources £ | Outgoing resources £ | Transfers £ | At the end of the year £ |
|---|----------------------------------|----------------------------|----------------------------|-----------------|-----------------------------------|
| Restricted funds: | | | | | |
| Wasteline | 11,982 | 83,000 | (95,278) | 296 | - |
| The Waste Book | - | 19,155 | (19,155) | - | - |
| Waste online (NOF) | - | 45,446 | (45,446) | - | - |
| Post use plastics guide | - | 1,000 | (11,493) | 10,493 | - |
| Recycling toner powder | 1,548 | 7,858 | (9,406) | - | - |
| Planning affordable recycling | (618) | 40,475 | (46,523) | 6,666 | - |
| Schools waste action clubs | 103,078 | 471,510 | (553,310) | 29,973 | 51,251 |
| Cycler™ education robot | 16,736 | 211,319 | (223,305) | 7,250 | 12,000 |
| WRWA (West London waste awareness program) | 3,934,572 | 117,822 | (780,781) | - | 3,271,613 |
| NWAI | (17,277) | 374,728 | (381,281) | 23,830 | - |
| Interreg | - | - | (218) | - | (218) |
| Consultancy | - | 3,837 | (325) | - | 3,512 |
| Total restricted funds | 4,050,021 | 1,376,150 | (2,166,521) | 78,508 | 3,338,158 |
| Unrestricted funds: | 57,153 | 1,149,025 | (1,101,798) | (78,508) | 25,872 |
| Total funds | 4,107,174 | 2,525,175 | (3,268,319) | - | 3,364,030 |

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.

Waste Watch

Notes to the financial statements

For the year ended 31 March 2004

15. Movements in funds (continued)

Transfers from unrestricted to restricted funds represent subsidies from general funds to cover the project costs.

16. Operating lease commitments

The group has annual commitments under operating leases expiring as follows:

| | 2004 | 2003 |
|-----------------------------|----------------------|----------------|
| | £ | £ |
| Land and buildings (group) | | |
| Expire within one year | 37,333 | - |
| Expire in two to five years | - | 56,000 |
| Expire after five years | 44,050 | 44,050 |
| | <u>81,383</u> | <u>100,050</u> |