

The Environmental Audit – Will Your P&L Go Green?

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With new rules for the disposal of non-hazardous waste highlighting a regulatory move to green practices, as well as increasing publicity on society's concerns, is it time you gave your business an environmental audit?

In this issue of Hyde & Speak, I have outlined the key things you need to know about the new waste regulations and provided some tips for how you could also save and make money by going green.

The new rules for non-hazardous waste:

England and Wales already have a ruling to ensure that hazardous waste (items such as lead acid batteries, fluorescent tubes etc) are treated before they are sent to landfill. As of October 30 2007, any non-hazardous and liquid wastes (items such as paper, plastic, construction debris or oil from a householder's perspective to name a few) must also be treated in-house or elsewhere before they can be sent to landfill.

The first thing that you will need to do is find out whether your waste is sent to landfill - either through your waste contractor or the local council. If it is not then these rules should not affect your business. If it is, check whether it is already treated before it is sent to landfill - most of the waste that businesses produce is treated beforehand and in those cases nothing more needs to be done.

For those that do send waste to landfill, small amounts of liquid will be allowed to be present in a generally solid waste, for example, milk or juice cartons or perhaps rainwater that has fallen in the waste container. However, if the free-draining liquid exceeds 10% of the load volume, you will have to divert it for liquid waste disposal.

Non-hazardous solid waste needs to be reduced in volume and prepared for easier handling. For example, the waste could be separated by the different streams (paper, glass and so on), then one or more of the streams would be recycled. This is classed as treating the waste but you may also consider getting a waste contractor to do this for you. Collection services that mix treated

and untreated waste are not meeting the new requirement and all of the waste will need further treatment before landfill.



The government's Environment Agency states that if you fail to recycle your rubbish, you will face financial penalties. However, in the early stages it plans to adopt an 'encourage' approach rather than taking enforcement action. In addition, if your existing waste management arrangements do not include recycling as standard, you may be asked to pay more for your waste disposal.

From a financial perspective, this will obviously have an impact on businesses, as well as householders, whether that be in time costs of sorting waste and getting practices in place to do so, or in employing an agency to do this. And this is just one area - there are many issues in the green spectrum that have not yet been legislated for. However, forward-looking businesses are adopting green codes and practices before they become law - and quite a lot of them creating some positive spin out of it too.

How can going green help your business?

According to research from the Carbon Trust, an average office-based business wastes £6,000 per year by leaving equipment on at weekends and bank holidays. So, it needn't be all doom and gloom - going green can give you the opportunity to save money and stand out in your market place - winning the loyalty of eco-conscious customers. All of which have a positive impact on your bottom line.

Many businesses are also focussing on creating an environmentally friendly supply chain - investigating how they can make it sustainable to improve their 'green' credentials and again, cut costs and stand out in the eyes of customers and prospects.

Carbon footprint is a term we are all becoming familiar with. And it's something we can reduce in a number of ways, such as sourcing products locally Vs overseas. Buyers are now more conscious of these factors and they are already starting to affect their decision making.

The majority of FTSE 100 companies are now publishing what they are doing to reduce their carbon footprint in their annual reports. Suppliers to larger organisations are likely to find that this will become more and more important to customers when choosing a supplier. It is becoming clear that early adopters of green behaviour in their business can reap the rewards before they become standard practice, as some customers are prepared to pay more to satisfy their eco-conscience.

These things may seem radical if you are not a large organisation with a bank balance to support, but, not only are there small grants available to qualifying businesses, there are some relatively simple low cost measures you can take. For instance:

- Make sure you are energy efficient by investigating whether your building is properly insulated and that doors and windows are kept closed when it is cold.
- Ensure that electrical equipment is not left on standby and that you use energy saving light bulbs where possible.
- Make your production processes more efficient in their use of energy and, where possible, buy environmentally friendly products for use in the business. You can ask your suppliers for a list of environmentally friendly products and services they offer.

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If you would like to discuss financial planning for your business, please contact your regular Hyde partner on 020 7022 0062 or email enquiries@hydepartnership.com



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- Consider using electric or hybrid vehicles if you use company cars - there are tax benefits for doing so and incentives with the congestion charge, as published in our last edition's Tax Talk.
- Could you encourage staff to cycle to work? Employers are allowed to loan bicycles to their staff as a tax-free benefit as long as they are used mainly for the commute?
- And of course - recycle!

If you would like to find out more about the new non-hazardous waste rules, or to get more tips generally about adopting green policies, please visit the Environment Agency website at www.environment-agency.gov.uk

If you'd like to learn more about some of the tax advantages to going green, please contact myself or Charles Green on **020 7022 0050**.

If you would like to learn more about how Hyde Consulting could help your business grow through funding, acquisitions, mergers or AIM and PLUS market listings, please contact Colin Ellis on 020 7022 0060 or email cle@hydeconsulting.com

