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**THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL  
DEVELOPMENT**  
(A company limited by guarantee)

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**DIRECTORS' AND TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2004**



**LAKIN ROSE**  
CHARTERED ACCOUNTANTS

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 March 2004

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<b>Directors and Trustees</b>	Mr John Cox C.B.E., Chairman Mrs Elizabeth Amos M.B.E. Professor Sir Hermann Bondi K.C.B., F.R.S. (resigned 24/06/2003) Dr Bernard Bulkin F.R.S.C. Dr David Giachardi F.R.S.C. Mr James O'Keefe (appointed 09/07/2003) The Rt. Hon. The Lord Jenkin of Roding, P.C. (resigned 24/06/2003) Miss Patricia Mann O.B.E. Dr Alan Marples (appointed 09/07/2003) Mr Chris Murray The Earl of Selborne K.B.E., F.R.S. (appointed 24/06/2003) Mr Paul Sheridan Professor Sir Colin Spedding C.B.E. (resigned 24/06/2003)
<b>Company Registered Number</b>	1811707
<b>Charity Registered Number</b>	289469
<b>Registered Office</b>	Suite 1 Priestgate House 3-7 Priestgate Peterborough PE1 1JN
<b>Secretary</b>	Mr Jonathan Selwyn
<b>Auditor</b>	Lakin Rose Chartered Accountants Registered Auditor Pioneer House Vision Park Histon Cambridge CB4 9NL
<b>Bankers</b>	National Westminster Bank plc 36 St James' Street London SW1A 1JF
<b>Executive Director</b>	Mr Jonathan Selwyn

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## DIRECTORS' AND TRUSTEES' REPORT For the year ended 31 March 2004

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The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of The U.K. Centre for Economic and Environmental Development (the charity) for the year ended 31 March 2004. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

### Organisational structure and decision making

The U.K. Centre for Economic and Environmental Development (UK CEED) is constituted as a company limited by guarantee and is governed by its Memorandum and Articles of Association. It is a registered charity.

The Board of Directors and Trustees meets regularly to review the charity's operations, but the day-to-day running of the charity is undertaken by the Executive Director, who is not a member of the Board, together with the employed staff of the charity.

### Constitution policies and objectives

The charity's principal aim continues to be to bring about a constructive partnership between development and conservation interests in the UK and to promote the integration of economic analysis into environmental policy making.

UK CEED believes:

Good environmental practice is a strategic necessity for business and is fundamental to economic development and social well-being. UK CEED's vision is for the centre to be:

"A leading source of independent expertise on the relationship between economic development and environmental best practice".

In delivering its vision, UK CEED aims to:

- Encourage business, government and individuals to incorporate ever higher environmental standards in their activities
- Evaluate and demonstrate the economic case for good environmental practice
- Identify and demonstrate imaginative and cost-effective policy and technology responses to environmental challenges
- Promote the efficient use of resources and the development and use of cleaner technology
- Achieve widespread support for environmental improvement through building partnerships, engaging stakeholders, raising awareness and communicating effectively on the key issues.

### Review of activities

The Centre's success in project development has led to a rise in income, up from £551,115 in 2002/03 to £609,736 for 2003-04. Whilst total expenditure rose in line with this, from £533,753 to £579,570, reflecting the increased level of activity, the Centre delivered a surplus of £30,166 for the year, up from £17,362 last year.

Amongst the highlights of this year's programme are the Centre's development of an online sustainable development assessment toolkit for the East of England and East Midlands regions, the launch of a new initiative aimed at accelerating the adoption of low carbon energy systems, continuation of pilot waste projects encompassing both electronic and construction and demolition waste, and the culmination of a large EU teleworking study.

This past year has seen the Encluster initiative and other UK CEED activities receive widespread

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## THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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### DIRECTORS' AND TRUSTEES' REPORT (continued) For the year ended 31 March 2004

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recognition. The Encluster initiative received a major accolade when it was chosen by the EU Commission's Expert Group on Enterprise Clusters and Networks as one of only two out of an estimated 150 such initiatives in the UK to be highlighted in their report. Further recognition for UK CEED came when the Environment Agency's national Water Efficiency Awards, managed by the Centre, became the first award scheme in the UK to be recognised under the RSA's new environment and sustainable development awards accreditation scheme.

UK CEED prides itself on its entrepreneurial approach to its activities and has developed a range of spin-off projects from its existing activities. A good example is the £250,000 DTI-funded solar roofs project which arose from the Encluster initiative and was implemented in partnership with Nene Housing Society. This project acts as a showcase for how the social housing sector can exploit new technologies to reduce its impact on the environment and, at the same time, improve the well-being of its tenants through provision of greater efficient energy.

Other Encluster projects have focused on construction and demolition and electrical waste. The latter project, supported by the European Recycling Platform (Hewlett Packard, Sony, Electrolux and Braun), illustrates a key criteria UK CEED applies to project development - whether a project is local, regional or national in scope, it must have wider relevance, in this case Europe-wide, and should be capable of replication should it prove successful.

One of the UK CEED's core values is that its policy advice and guidance to external organisations must be based on both on its own direct experience and on sound evidence derived from in-depth research. The Centre's Sustel project provides a good example of how this value is embedded in its projects. The project, coordinated by UK CEED and funded by the EU, is the most comprehensive study worldwide of the economic, environmental and social impacts of teleworking. It has identified ways in which these impacts can be influenced by organisations and governments and has developed tools and guidance materials to enable organisations to evaluate and optimise the sustainability of teleworking initiatives.

#### Charitable Trusts

The Dulverton Trust remains the only major source of core funding for the Centre. The Albert Reckitt and Jeremiah Colman Trusts also awarded small grants to the Centre during the year.

The Trusts' support remains invaluable in helping to meet office and administrative costs and providing the base from which a broad range of project activities are identified and undertaken.

#### Cleaner Technology, Resource and Energy Efficiency

##### Encluster

The Centre's Encluster initiative, formally launched by Lord Sainsbury, Minister for Science, in February 2002, represents the development, in Greater Peterborough, of the UK's first business cluster focusing on the environmental goods and services sector. Supported by the East of England Development Agency (EEDA) and the Greater Peterborough Partnership (GPP), it seeks to expand the sector's role in delivering significant economic prosperity and social well-being through identifying business opportunities, brokering partnerships, developing the sector's knowledge and skills, nurturing new technologies and attracting inward investment.

*Since the initiative's launch in 2002 it has achieved some impressive results including:*

- stimulating £700,000+ of external funding/contracts
- securing at least 8 new jobs for cluster companies/organisations
- securing funding for, coordinating and completing £235,000 DTI-funded project for installing a roof-integrated photovoltaic system at a local housing association's development in Peterborough
- stimulating the establishment of 2 university technology transfer units in the city
- initiating a process which led to Peterborough City Council gaining funding of £266,000 from the Department for Environment, Food and Rural Affairs (DEFRA) for a facility to reprocess waste electronic

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## DIRECTORS' AND TRUSTEES' REPORT (continued) For the year ended 31 March 2004

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- and electrical equipment
- ensuring that Peterborough's forthcoming Innovation Centre has a focus on the city's environment sector and adopts sustainable building features.

Increasingly UK CEED's work on the Encluster initiative has been expanding across the East of England region. Following on from the Ecodirectory sector mapping project, UK CEED has been conducting a research project for the East of England Development Agency (EEDA) to identify the barriers to, and opportunities for, growth in the environmental goods and services sector across the region. A complementary project has also been started on behalf of the i10 group of regional higher education institutes (HEIs). The SEEK (Supporting SMEs Engaged in the Environmental sector with Knowledge transfer) project focuses on matching company needs to HEI expertise to encourage enhanced growth and innovation, particularly amongst smaller companies.

The Centre has also been involved in the continuing development of the emerging regional sector support initiative, Ecospace.

### Waste Electrical and Electronic Equipment

The European Directive on Waste Electrical and Electronic Equipment (WEEE) is designed to increase the refurbishment and recycling of old electrical appliances, including IT equipment. Its implementation has major implications for producers in areas such as product design, supply chains, marketing strategies and brand protection. It also has implications for local authorities and waste collection companies in terms of designing new routes for collection and processing of the waste raw materials.

This year UK CEED teamed up with Hewlett Packard, Sony, Braun and Electrolux for a project designed to identify best practice options for collecting, processing and remanufacturing/recycling WEEE items. It analyses what data can be generated and at what cost, and how the costs of processing and remanufacturing/recycling such activities may be most effectively allocated between different elements in the supply chain. It also looked at national markets for secondary materials and the role of social enterprise in such markets. The project ran alongside the development of the physical WEEE facility for which Peterborough City Council obtained £250k from DEFRA (with UK CEED's assistance). This is the only local authority WEEE facility in the UK.

### Exploiting the Value of Construction Waste

UK CEED secured funding under the DTI Partners in Innovation scheme for a major project focusing on construction waste. The project involves a number of private and public sector partners researching in detail the quantities, types and sources of construction and demolition waste arising in the Greater Peterborough sub-region. It has been testing the most efficient and viable ways to divert significant tonnages from landfill, for reprocessing, remanufacturing and reuse, encourage local reprocessing. Finally the project results will be disseminated at a national level through a series of workshops.

### Low Carbon Technology Partnership

Following successful completion of a feasibility study funded by the Energy Savings Trust, UK CEED has now established the Low Carbon Technology Partnership (LCTP). The LCTP aims to support the concerted application of sustainable energy technologies in the Peterborough/Fenland area. With seedcorn funding from the Mark Leonard Trust, JJ Sainsbury Trust and Fenland District Council, it will focus initially on identifying and facilitating a range of projects that will achieve carbon emission reductions and stimulate the growth of expertise in low carbon technologies in the area. The projects will range from community-scale to those involving local authorities and companies and will be focused on those at the boundaries of commercial viability.

### Sustainability Toolkit

UK CEED's project to develop an online sustainability toolkit is nearing completion. Initially being developed for the East of England Regional Assembly and EEDA, it is designed to appraise plans and projects against sustainable development objectives and targets. An online implementation of the tool has been completed and is

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## THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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### DIRECTORS' AND TRUSTEES' REPORT (continued) For the year ended 31 March 2004

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currently being piloted in the region. The toolkit is also being further developed to encompass its use as an integrated regional appraisal tool for the East Midlands Regional Assembly.

#### Centre for Sustainable Engineering (CSE)

UK CEED secured funding from the East of England Development Agency to undertake detailed feasibility and business planning work on its Centre for Sustainable Engineering proposal. This work has now culminated in significant funding being secured for the Centre's establishment in Autumn 2004.

'Sustainable engineering' is defined here as engineering technologies which deliver greater resource productivity or efficiency and fewer emissions of hazardous substances and/or emissions presenting lower hazards. This is distinct from most engineering research which majors on improving or increasing functionality and reducing cost.

The proposal arises from UK CEED's EnCluster initiative which has identified a need, and opportunity, for an initiative focused on radical technologies which can create 'step change' improvements in environmental performance. Working in partnership with the Universities of Cambridge, Cranfield and Newcastle, UK CEED has now developed a plan for a centre of excellence focusing on R&D and commercialisation of sustainable engineering technologies and services. The Centre will work with academic and commercial researchers, start-ups, SMEs and larger companies to identify and exploit relevant market opportunities.

#### SustainIT

UK CEED's SustainIT initiative aims to identify, demonstrate and promote the role that information and communications technologies (ICT) can play in environmental and social improvement. Last year saw the culmination of the second annual UK eWell Being Awards, supported by BT, Vodafone, the AA and IDEA. The national award programme seeks to recognise organisations whose use of ICT delivers environmental and social benefits. There were over 100 entries for the Awards which attracted national publicity, including significant coverage in the Guardian, and had a very positive impact on several of the winners, particularly those from the voluntary sector.

As part of the SustainIT initiative, UK CEED has recently completed a major European Commission-backed project, Sustel, designed to assess the impacts of teleworking on travel patterns, worklife and productivity across Europe. The study gained extensive media coverage including a feature in the Financial Times and coverage on national radio. An online toolkit and business materials for organisations wishing to implement teleworking have also been produced.

Other SustainIT research has focused on the benefits of broadband for community organisations and a feasibility study looking at the potential of neighbourhood 'eWork Centres' to bridge the gap between home and office working. UK CEED has also run a number of events on key ICT issues, including a major European Commission-backed conference on the sustainable development dimensions of the eEurope strategy.

#### Land and Water Management

Following the success of the Environment Agency's 2003 National Water Efficiency Awards, UK CEED has once again been commissioned by the Agency to manage the 2005 Awards. The 2003 Awards, sponsored by the NFU, Envirowise, CIRIA, IDEA and Offwat, attracted over 100 entries across seven categories and culminated in a prestigious Awards ceremony held on a replica paddle steamer on the Thames.

UK CEED continues to manage the national Bag It and Bin It campaign, supported by the water industry and Procter and Gamble. Over the last year, several thousand information packs and stickers have been distributed.

The Centre's boat waste management project at Yarmouth Harbour on the Isle of Wight has now been completed. The project, funded by Onyx Environment Trust involved the installation of new sewage pump-out facilities and associated recycling facilities at the Harbour supported by the distribution of educational materials to boat owners.

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## THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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### DIRECTORS' AND TRUSTEES' REPORT (continued)

For the year ended 31 March 2004

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#### Policy Engagement and Consultation

Following on from the Centre's facilitated discussion workshop for DEFRA on Diffuse Water Pollution from Agriculture (DWPA), UK CEED was commissioned by the Department to undertake an integrated stakeholder engagement exercise as part of its strategic review and associated programme of consultation on the policy area. This included an online discussion forum in partnership with Farmers Weekly Interactive and a series of 5 focus groups across the country with farmers and other key stakeholders.

#### **Future Strategy**

Encluster will continue to provide the major focus for UK CEED's business and environment activities. For 2004/05, the initiative will continue to seek to expand the environment sector in Greater Peterborough and increasingly across the East of England region. Its major projects, including the Centre for Sustainable Engineering, the Low Carbon Technology Partnership and waste pilots will be further developed.

UK CEED will also continue the development of a web-based sustainable development toolkit aimed at appraising regional and local government policies and projects, initially in the East of England and East Midlands regions.

UK CEED's forward development of the SustainIT initiative will include the launch of the third year of the eWell-Being Awards with BT and a number of other sponsors, continued development of its teleworking expertise with a particular focus on the role of telework centres in regenerating urban areas. The Centre will also seek to develop its expertise in waste electrical and electronic equipment (WEEE) recycling in advance of the UK implementation of the EU WEEE Directive.

UK CEED will deliver the 2005 Water Efficiency Awards on behalf of the Environment Agency and continue to work with DEFRA on the development of water environment policy.

#### **Financial review**

The financial statements for 2003-2004 continue to show the progress that has been made in putting the Centre's finances on a more stable footing. The stability has been achieved both through an increase in project activity and also through a realignment in project costings.

The Centre returned a surplus of £30,166 for the year. This represents an improvement on last year's surplus of £17,362. The surplus has been achieved despite the continuing aggressive treatment of capital depreciation following the large capital expenditure on IT systems in 2001 (33% 'straight line' depreciation over 3 years).

At the close of the financial year, the Centre had £85,284 cash at bank, with outstanding trade debtors of £64,347 and other debtors of £43,365 being mainly accrued income. Outstanding trade creditors totalled £22,239 with other creditors of £54,772 including deferred income of £18,595.

The Centre's net current assets amount to £115,985. This is a proxy for the current reserve position and shows a continuing upward trend from £98,061 last year. There was again a rise in income, up from £551,115 in 2002/03 to £609,736. Total expenditure rose in line with this, from £533,753 to £579,570, reflecting the increased level of activity.

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## DIRECTORS' AND TRUSTEES' REPORT (continued) For the year ended 31 March 2004

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### Reserves policy

It is the Centre's policy to generate sufficient funding to ensure that its current operating costs (contracted staff salaries, office costs, etc.) and specific project costs (including external consultancy) are fully covered. There remains a relatively small level (10% of the Centre's total funds) of unattributed funding (Dulverton Trust) with the balance of funds being generated through project activity.

The Board considers it prudent to build sufficient unrestricted reserves to:

- " cover the organisation's operating liabilities
- " invest in improved staff training and development
- " provide funds for internally-devised projects on key emerging issues which can be undertaken at short notice.

For the year ahead, the target is to continue to build the unrestricted reserve to fulfil these obligations, whilst both continuing to deliver excellent project results and also remaining competitive in the development of new project areas.

### Risk management

The Board continues to monitor the Centre's approach to risk management following a risk management review in 2002/03. The major risks identified and the approach to managing these risks is summarised below:

#### Identified Risk

Significant uplift in lease upon renegotiation in 2004.

#### Comments

UK CEED occupies a leased office within a modern three-floor office building in Peterborough. The lease rate and associated service charges are fixed for its five-year term which ends in December 2004. For the term of the lease UK CEED is liable for a maximum of £8000 per annum inclusive. It may be necessary to relocate in 2004 due to the Centre's continuing expansion.

#### Management approaches

Board process to be developed to identify suitable alternative premises whilst opening negotiations with current landlords.

#### Identified Risk

Key staff leaving.

#### Comments

All permanent staff have employment contracts requiring 2 months notice of termination.

#### Management approaches

Ensure that pay, conditions and staff development opportunities match, and where possible exceed, those on offer elsewhere.

#### Identified Risk

Adverse currency movements.

#### Comments

Risk in pan-European projects due to adverse Euro movements.

#### Management approaches

Ensure sufficient flexibility is built in to budgets during proposal stage to absorb adverse movements.

#### Identified Risk

Liquidity/cash flow.

#### Comments

Main causes would include late payments from larger debtors or withdrawal of major project sponsors.

#### Management approaches

Build sufficient reserves to cover short-term cash flow issues (see reserves policy). Ensure robust contracts are

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## THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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### DIRECTORS' AND TRUSTEES' REPORT (continued) For the year ended 31 March 2004

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in place with key project sponsors. Programme invoicing to take account of cash flow needs.

These and the other less critical risks facing the Centre will be monitored regularly by the Board's Finance and General Purposes Committee and reviewed at each full Board meeting.

#### Directors' and trustees' responsibilities

Company and charity law applicable to charities in England/Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements the trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the charity will continue in operation).

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

This report was approved by the trustees on *28th September 2004* and signed on its behalf, by:



Mr John Cox C.B.E., Chairman

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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We have audited the financial statements of The U.K. Centre for Economic and Environmental Development for the year ended 31 March 2004 set out on pages 10 to 20. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on pages 12 to 13.

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinion we have formed.

### RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITOR

As described in the Statement of Directors' and Trustees' Responsibilities the Directors and Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. 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 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2000. We also report to you if, in our opinion, the Directors' and Trustees' Report is not consistent with the financial statements, if the charity has 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 Directors' and Trustees' remuneration and transactions with the charity is not disclosed.

We are not required to consider whether any statement in the Directors' and Trustees' Annual Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read other information contained in the Directors' and Trustees' Annual Report 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 AUDIT 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 Directors and Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity'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 state of the charity's affairs as at 31 March 2004 and of the 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.

*Lakin Rose*

**Lakin Rose**  
Chartered Accountants  
Registered Auditor  
Pioneer House  
Vision Park  
Histon  
Cambridge  
CB4 9NL

Date: 20 October 2004

# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## STATEMENT OF FINANCIAL ACTIVITIES For the year ended 31 March 2004

	Note	Endowment Funds 2004 £	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Year ended 31 March 2004 £	Year ended 31 March 2003 £
<b>INCOMING RESOURCES</b>						
Donations, grants and similar incoming resources	2	-	-	22,318	22,318	36,107
Activities in furtherance of the charity's objects	3	-	586,747	-	586,747	514,785
Investment income	4	-	-	671	671	223
<b>TOTAL INCOMING RESOURCES</b>		-	586,747	22,989	609,736	551,115
<b>RESOURCES EXPENDED</b>						
<i>Charitable expenditure:</i>						
Costs of activities in furtherance of the charity's objects	5	-	505,251	-	505,251	474,708
Support costs for activities	6	-	36,067	33,678	69,745	54,087
Resources expended on managing and administering the charity	7	-	-	4,574	4,574	4,958
<b>TOTAL RESOURCES EXPENDED</b>	8	-	541,318	38,252	579,570	533,753
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		-	45,429	(15,263)	30,166	17,362
Transfers between Funds	14	(13,114)	-	13,114	-	-
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR</b>		(13,114)	45,429	(2,149)	30,166	17,362
<b>TOTAL FUNDS AT 1 APRIL 2003</b>		13,114	57,016	27,931	98,061	80,699
<b>TOTAL FUNDS AT 31 MARCH 2004</b>		£ -	£ 102,445	£ 25,782	£ 128,227	£ 98,061

The notes on pages 12 to 20 form part of these financial statements.

# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## BALANCE SHEET As at 31 March 2004

	Note	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	11		12,242		20,584
<b>CURRENT ASSETS</b>					
Debtors	12	107,712		127,596	
Cash at bank and in hand		85,284		52,388	
			<u>192,996</u>	<u>179,984</u>	
<b>CREDITORS:</b> amounts falling due within one year	13	(77,011)		(102,507)	
<b>NET CURRENT ASSETS</b>			<u>115,985</u>		<u>77,477</u>
<b>NET ASSETS</b>	15	£	<u><u>128,227</u></u>	£	<u><u>98,061</u></u>
<b>CHARITY FUNDS</b>					
Endowment Funds	14		-		13,114
Restricted Funds	14		102,445		57,016
Unrestricted - General Funds	14		25,782		27,931
			<u>£ 128,227</u>	<u>£ 98,061</u>	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the directors and trustees on *28th September 2004* and signed on their behalf, by:

  
Mr John Cox C.B.E., Chairman

The notes on pages 12 to 20 form part of these financial statements.

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

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### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000, applicable accounting standards and the Companies Act 1985.

#### 1.2 Company status

The charity is a company limited by guarantee. The members of the charity are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### 1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

#### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

#### 1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

#### 1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

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### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fittings	-	25%	reducing balance
Computer equipment	-	33%	straight line

#### 1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities as incurred.

#### 1.9 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at net incoming resources for the year.

### 2. DONATIONS, GRANTS AND SIMILAR INCOMING RESOURCES

	Endowment Funds 2004 £	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Year ended 31 March 2004 £	Year ended 31 March 2003 £
Trusts	-	-	22,300	22,300	24,300
European funding	-	-	-	-	11,000
Other	-	-	18	18	807
Donations, grants and similar incoming resources	£ -	£ -	£ 22,318	£ 22,318	£ 36,107

# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

### 3. ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Endowment Funds 2004 £	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Year ended 31 March 2004 £	Year ended 31 March 2003 £
Trusts	-	19,191	-	19,191	-
Government bodies	-	227,832	-	227,832	138,630
European funding	-	82,000	-	82,000	17,348
Public companies	-	156,447	-	156,447	134,100
Local authorities	-	93,767	-	93,767	96,193
Other	-	7,510	-	7,510	4,781
PV income	-	-	-	-	123,733
<b>Total</b>	<b>£ -</b>	<b>£ 586,747</b>	<b>£ -</b>	<b>£ 586,747</b>	<b>£ 514,785</b>

Included in the PV income in the prior year are amounts of £116,733 from the DTI and £7,000 from Centrica.

### 4. INVESTMENT INCOME

	Endowment Funds 2004 £	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Year ended 31 March 2004 £	Year ended 31 March 2003 £
Interest receivable	£ -	£ -	£ 671	£ 671	£ 223

### 5. COSTS OF ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS

	Endowment Funds 2004	Restricted Funds 2004	Unrestricted Funds 2004	Year ended 31 March 2004 £	As restated Year ended 31 March 2003 £
<b>Project work:</b>					
Staff salaries	-	262,115	-	262,115	181,701
Employers NI	-	22,372	-	22,372	16,944
Consultancy	-	176,006	-	176,006	110,643
Hotels and travel	-	26,207	-	26,207	28,953
Events and meetings	-	18,551	-	18,551	16,124
PV expenditure	-	-	-	-	117,594
<b>Publications:</b>					
Books and publications	-	-	-	-	1,603
Postage	-	-	-	-	1,146
<b>Total</b>	<b>£ -</b>	<b>£ 505,251</b>	<b>£ -</b>	<b>£ 505,251</b>	<b>£ 474,708</b>

# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

### 6. SUPPORT COSTS FOR ACTIVITIES

	Endowment Funds 2004 £	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Year ended 31 March 2004 £	Year ended 31 March 2003 £
Depreciation	-	12,669	1,653	14,322	14,331
Printing and stationery	-	17,025	4,296	21,321	17,188
Postage	-	1,741	1,034	2,775	1,145
Telephone and fax	-	2,961	3,738	6,699	6,623
Computer costs	-	618	3,581	4,199	1,933
General office expenses	-	1,053	2,207	3,260	1,096
Bank charges	-	-	1,026	1,026	515
Foreign exchange movements	-	-	3,178	3,178	(835)
Equipment leasing	-	-	310	310	491
Rent	-	-	5,087	5,087	4,990
Rates and service charges	-	-	725	725	2,031
Insurances	-	-	5,280	5,280	3,762
Repairs and maintenance	-	-	763	763	817
Bad debts	-	-	800	800	-
<b>Total</b>	<b>£ -</b>	<b>£ 36,067</b>	<b>£ 33,678</b>	<b>£ 69,745</b>	<b>£ 54,087</b>

### 7. RESOURCES EXPENDED ON MANAGING AND ADMINISTERING THE CHARITY

	Endowment Funds 2004 £	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Year ended 31 March 2004 £	Year ended 31 March 2003 £
Legal and professional fees	-	-	1,574	1,574	1,958
Auditors' remuneration	-	-	3,000	3,000	3,000
<b>Total</b>	<b>£ -</b>	<b>£ -</b>	<b>£ 4,574</b>	<b>£ 4,574</b>	<b>£ 4,958</b>

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

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### 8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff Costs	Depreciation	Other Costs	Total Year ended	Total Year ended
	2004	2004	2004	31 March	31 March
	£	£	£	2004	2003
				£	£
Research projects	284,487	-	220,764	505,251	471,959
Publications	-	-	-	-	2,749
Support costs for activities	-	14,322	55,423	69,745	54,087
Resources expended on managing and administering the charity	-	-	4,574	4,574	4,958
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total resources expended	£ 284,487	£ 14,322	£ 280,761	£ 579,570	£ 533,753
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

### 9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging/(crediting):

	Year ended	Year ended
	31 March	31 March
	2004	2003
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	14,322	14,332
Auditors' remuneration	3,000	3,000
Difference on foreign exchange	3,178	(835)
	<hr/>	<hr/>

During the year, no Directors and Trustees received any emoluments or expenses (2003 - £NIL).

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

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### 10. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	Year ended 31 March 2004 £	Year ended 31 March 2003 £
Wages and salaries	262,115	181,701
Social security costs	22,372	16,944
	<u>£ 284,487</u>	<u>£ 198,645</u>

The average monthly number of employees during the year was as follows:

	Year ended 31 March 2004 No.	Year ended 31 March 2003 No.
Research projects	11	7
Administration	1	1
	<u>12</u>	<u>8</u>

No employee received remuneration amounting to more than £50,000 in either year.

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# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2004

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### 11. TANGIBLE FIXED ASSETS

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 April 2003	58,795
Additions	5,980
Disposals	(3,612)
	<hr/>
At 31 March 2004	61,163
<b>Depreciation</b>	
At 1 April 2003	38,211
Charge for the year	14,322
On disposals	(3,612)
	<hr/>
At 31 March 2004	48,921
<b>Net book value</b>	
At 31 March 2004	£ 12,242
	<hr/>
At 31 March 2003	£ 20,584
	<hr/>

### 12. DEBTORS

	2004 £	2003 £
<b>Due within one year</b>		
Trade debtors	64,347	115,672
Prepayments and accrued income	43,365	11,924
	<hr/>	<hr/>
	£ 107,712	£ 127,596
	<hr/>	<hr/>

# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

### 13. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Trade creditors	22,239	44,745
Social security and other taxes	15,603	12,262
Accruals and deferred income	39,169	45,500
	<u>£ 77,011</u>	<u>£ 102,507</u>

Deferred income of £18,595 (2003 - £42,000) represents funding for specific research projects undertaken by the charity, received in advance, from various sources.

### 14. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>					
General fund	<u>27,931</u>	<u>22,989</u>	<u>38,252</u>	<u>13,114</u>	<u>25,782</u>

#### ENDOWMENT FUNDS

Capital grant	<u>13,114</u>	<u>-</u>	<u>-</u>	<u>(13,114)</u>	<u>-</u>
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The Capital grant has been transferred to unrestricted funds as the original restriction has been discharged.

#### RESTRICTED FUNDS

Research projects	<u>57,016</u>	<u>586,747</u>	<u>541,318</u>	<u>-</u>	<u>102,445</u>
Total of Funds	<u>£ 98,061</u>	<u>£ 609,736</u>	<u>£ 579,570</u>	<u>£ -</u>	<u>£ 128,227</u>

Research projects represents various sources of funding for specific research projects undertaken by the charity.

# THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

### 13. STATEMENT OF FUNDS AND SUMMARY (continued)

#### SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
General Funds	27,931	22,989	38,252	13,114	25,782
Endowment Funds	13,114	-	-	(13,114)	-
Restricted Funds	57,016	586,747	541,318	-	102,445
Total of Funds	<u>£ 98,061</u>	<u>£ 609,736</u>	<u>£ 579,570</u>	<u>£ -</u>	<u>£ 128,227</u>

### 15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Funds 2004 £	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Year ended 31 March 2004 £	Year ended 31 March 2003 £
Tangible fixed assets	-	-	12,242	12,242	20,584
Current assets	-	102,445	90,551	192,996	179,984
Creditors due within one year	-	-	(77,011)	(77,011)	(102,507)
Total	<u>£ -</u>	<u>£ 102,445</u>	<u>£ 25,782</u>	<u>£ 128,227</u>	<u>£ 98,061</u>

### 16. OPERATING LEASE COMMITMENTS

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
Expiry date:		
Within 1 year	-	491
Between 2 and 5 years	<u>5,087</u>	<u>4,990</u>

### 17. CAPITAL COMMITMENTS

At 31 March 2004 the company had capital commitments as follows:

	2004 £	2003 £
Contracted for but not provided in these financial statements	<u>£ 7,591</u>	<u>£ -</u>

### 18. TRUSTEE INDEMNITY INSURANCE

During the year, the charity paid £3,213 (2003 - £1,516) to provide indemnity insurance for the trustees.