

Charity Registration No. 289469  
Company Registration No. 1811707

THE U.K. CENTRE FOR ECONOMIC AND  
ENVIRONMENTAL DEVELOPMENT

DIRECTORS' AND TRUSTEES' REPORT  
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003



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**RAWLINSONS**  
CHARTERED ACCOUNTANTS

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

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

## COMPANY INFORMATION

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<b>Directors and Trustees</b>	Mr John Cox C.B.E.	Chairman
	Mrs Elizabeth Anne Amos M.B.E.	
	Professor Sir Hermann Bondi K.C.B., F.R.S.	
	Dr Bernard Bulkin	(appointed 10 September 2002)
	Dr David Giachardi	
	The Rt. Hon. The Lord Jenkin of Roding, P.C.	
	Miss Patricia Mann O.B.E.	
	Mr Chris Murray	(appointed 8 May 2002)
	Mr Paul Sheridan	
	Professor Sir Colin Spedding C.B.E.	
<b>Executive Director</b>	Mr Jonathan Selwyn	
<b>Company Secretary</b>	Mr Jonathan Selwyn	
<b>Company number</b>	1811707	
<b>Charity number</b>	289469	
<b>Registered office</b>	Suite 1 Priestgate House 3-7 Priestgate Peterborough PE1 1JN	
<b>Auditors</b>	Rawlinsons 90 Lincoln Road Peterborough PE1 2SP	
<b>Bankers</b>	National Westminster Bank plc 36 St James' Street London SW1A 1JF	

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

## CHAIRMAN'S REPORT

FOR THE YEAR ENDED 31 MARCH 2003

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When The U.K. Centre for Economic and Environmental Development (UK CEED) was originally established its underlying vision – that good environmental practice could coexist with economic development – was considered radical. In the intervening years, the Centre's work has helped to ensure that such principles have been incorporated within European and UK environmental protection policy and business decision-making. In particular, its work in recent years on diverse subjects such as cost effective climate change policy, radioactive waste management, environment sector support mechanisms, teleworking and the Water Framework Directive, has proved influential with policy makers.

As Chairman I am pleased to report that, as the Centre approaches its 20th anniversary, it continues to enjoy a steady expansion in both its activities and its national profile. Its finances, having been consolidated over the last two years, have witnessed a managed growth in the reserve position, consistent with Charity Commission guidelines.

Whilst the progress has been excellent, I have been keen for the Centre to begin a process of looking further forward, both in terms of its financial security and its position in an increasingly competitive market place. This is particularly timely given that the Centre is about to enter its 20th year. This is a remarkable achievement which should be the subject both of a celebration of the past and a vision of the future. With this in mind, the staff and directors of UK CEED have undertaken a review of the organisation's forward vision and strategy for the next three years.

I am pleased to report that this process has now been completed and the resulting vision has been endorsed by the full Board. The new strategy represents an exciting vision for the future work of the Centre and we now look forward to its delivery.

To help deliver the new vision, it is important to have a strong and effective Board of Directors and I am delighted to report that two new Board members have joined UK CEED over the last year: Dr Bernard Bulkin, Chief Scientist at BP and Chris Murray, Managing Director of Nirex. These appointments mark a strengthening of the business representation on the Board and both new members bring significant high-level experience of the relationship between business and environmental policy.

The Board and myself are very much looking forward to working with the executive staff in delivering the Centre's new vision. We are confident that UK CEED's independence and integrity together with its delivery of high quality work will continue to be of value to its diverse range of partners across the public, private and voluntary sectors.

  
John C L. Cox CBE  
Chairman

Date:

17/09/03

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

## DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2003

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The directors and trustees present their report and the financial statements for the year ended 31 March 2003.

### Organisation and structure

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.

### Objects and aims

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

#### 1 Executive Director's Report

- 1.1 Over the first 19 years of its existence, UK CEED has focussed on conducting original research and developing practicable environmental policy. It has supported this programme by acting as a facilitator in bringing together the key interests in the environment and economic fields to find common purpose and also through education and public engagement activities.
- 1.2 The Centre's new vision seeks to build on its many achievements while at the same time reaching a wider audience with its varied activities. It focuses on an expansion of the existing work programme areas, the development of imaginative and effective new projects utilising existing expertise, and, for the first time, the development of arms-length 'ventures' activities consisting of more commercially orientated and/or operational projects, including stimulation of further pilot projects.

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

## DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2003

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- 1.3 The work programme will continue to be developed largely in-house to protect the Centre's integrity and independence, although there may be occasions when competitive bidding would be appropriate.
- 1.4 Its work will continue to exploit areas of expertise within which the Centre focuses on specific projects. For example, its work on developing the environmental goods and services sector, its SustainIT initiative and work in the water environment sector. These activities also extend into operational ventures and consultancy covering information provision, advice, tools and techniques, and communications and education.
- 1.5 UK CEED will seek to stimulate, where appropriate, broad partnerships to realise a range of pilot and operational projects. These would be designed to explore and test the practicability of new environmental technologies and management processes and may cover areas such as renewable energy, waste, information and communications technologies and so on.
- 1.6 As we begin delivering the new vision, it is vital that the Centre's current work programme continues to develop and deliver high quality outputs for our many partners. I am delighted to report that thanks to the hard work of our dedicated team of professionals at UK CEED, the past year has marked a further expansion both in the Centre's activities and in its range of partners. All of its existing activities have been further developed and a range of new projects have been commenced.

### Charitable Trusts

- 1.7 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.
- 1.8 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.

### Business and Environment

#### Encluster

- 1.9 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.
- 1.10 Impressive headline achievements for the initiative's first year include:
  - stimulating £400,000+ of external funding/contracts
  - securing at least 5 new jobs for cluster companies/organisations
  - securing funding for, and coordinating, £235,000 DTI-funded project for installing a roof-integrated photovoltaic system at a local housing association's development in Peterborough
  - undertaking feasibility studies on establishing a community renewable energy initiative and a university-level research centre for the sector
  - 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 and electrical equipment.

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

## **DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2003**

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- 1.11 As part of the Encluster project, UK CEED secured funding from EEDA to extend its environment sector mapping methodology to a study covering the whole of East of England region. The project was completed in March and subsequent activities will enable UK CEED to develop a regional dimension to its Encluster project.

### **Sustainability Toolkit**

- 1.12 UK CEED is developing a sustainability toolkit for the East of England Regional Assembly and EEDA. This is designed for use across the region to appraise plans and projects against sustainable development objectives and targets. The first stage of the project, involving development of a paper-based appraisal mechanism, has been successfully completed and piloted on the regional waste strategy, economic strategy and regional planning guidance. The next phase is currently under development which will provide an interactive on-line assessment process and information resource.

### **Undergrounding Overhead Electricity Transmission Lines**

- 1.13 UK CEED has completed a project designed to produce an up-to-date and authoritative analysis of the scope for placing overhead electricity transmission lines underground. The project was carried out for Friends of the Lake District and updates a previous UK CEED study by providing up-to-date information on relative costs, 'best practices' in undergrounding and new strategic arguments to influence action within the electricity industry.

### **Service Innovation**

- 1.14 A report on 'Service Innovation for Sustainability' was launched in 2002 by UK CEED Associate Professor Peter James in association with the Green Alliance. The report looks at the way in which innovation can transform enterprises from product to service-based and, as a result, can potentially reduce material resource use and environmental impact.

### **Information and Communications Technologies (ICT) SustainIT**

- 1.15 The 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 highly successful launch of the UK eWell-Being Awards, supported by BT and the Local Government Association, the first national award programme to recognise organisations whose use of ICT delivers environmental and social benefits. The Awards attracted national publicity and have had a very positive impact on several of the inaugural winners, particularly those from the voluntary sector. The Awards are currently in their second year and have attracted further support from Vodafone, the AA and IDEA.
- 1.16 As part of the SustainIT initiative, UK CEED has also been undertaking a major European Commission-backed project, Sustel, designed to assess the impacts of teleworking on travel patterns, worklife and productivity across Europe. The interim report from UK CEED gained extensive media coverage including a half page feature in the Financial Times. Other research has focused on the impact of tele and video conferencing on travel for BT. UK CEED has also run a number of seminars on key ICT issues, such as green ICT procurement and smart services.

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

## DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2003

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### Water, Leisure and Tourism

- 1.17 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 and a schools study pack, aimed at Keystage 2 of the National Curriculum (ages 9-15), was produced and distributed to 6000 schools, reaching over 750,000 pupils.
- 1.18 Following the success of the eWell-Being Awards, UK CEED was commissioned by the Environment Agency to take over the management of its National Water Efficiency Awards. The Centre developed a new brand identity for the Awards and helped attract sponsorship from the NFU, Envirowise, CIRIA, IDEA and OFWAT. Following widespread promotion of the Awards in the first quarter of 2003, UK CEED received over 100 entries across seven categories. The Award winners are to be announced at a ceremony in London in June 2003.
- 1.19 The Centre has been continuing to develop two boat waste management pilot projects, funded by Onyx Environment Trust. The first is at Hamble Point Marina on the River Hamble and is focusing on the development of new low-cost methods of reducing wash down run-off and improving special waste handling. The other project has involved the installation of new sewage pump-out facilities at Yarmouth Harbour on the Isle of Wight.

### Engagement, Consultation and Education

- 1.20 The Centre has continued to be involved in the development of radioactive waste policy in the UK. UK CEED was invited by the Environment Minister to reconvene its Citizens' panel from the 1999 Consensus Conference on Radioactive Waste in early 2002 to consider the government's consultation paper on the issue. The subsequent report of the panel, published by UK CEED, has proved influential in the ongoing policy making process and panel members have continued to receive invitations to make public presentations on their experience.
- 1.21 UK CEED's input played an important role in the development of the recently released Energy White Paper. The Centre was part of a consortium, along with the New Economics Foundation and IPPR, commissioned by DTI to find out the views of public and stakeholder groups on energy policy. UK CEED undertook a series of focus groups involving 50 members of the public in four locations around the UK. These were followed by deliberative workshops and on-line debate.
- 1.22 The purpose of the process was to identify stakeholders' views on the main issues in energy policy, discover what strategic stakeholders believe to be the major priorities and dilemmas that government faces in planning energy strategy, and to identify the common ground and differences among different stakeholder groups. The process was run in parallel with a conventional consultation on the development of the White Paper and their influence can be clearly seen in the resulting White Paper.
- 1.23 UK CEED also held its first Young Persons' Citizens' Jury. The Jury, made up of 16 people aged 12-18, looked at the provision of youth services in rural areas of Leicestershire. At least two of their recommendations following the two-day hearing have been adopted by the County Council and developed into pilot projects.
- 1.24 UK CEED held a facilitated discussion workshop for DEFRA to explore stakeholder views on Diffuse Water Pollution from Agriculture (DWPA). The workshop was designed to provide front-end input into a wider consultation process launched with a formal consultation paper in Autumn 2002.



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

## **DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2003**

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### **2 Future Strategy**

#### **Business and Environment**

- 2.1 Encluster will continue to provide the major focus for UK CEED's business and environment activities. For 2003/04, the initiative will continue to seek to expand the environment sector in Greater Peterborough and increasingly across the East of England region. It will work with training agencies and education providers, such as the Learning and Skills Council, universities and the Regional College, to develop skills training and support and work with the Resource Centre for Innovation and Design and Loughborough University Business Enterprise Centre to promote academic spin-out activity. A number of pilot projects will be undertaken including a renewable energy initiative and a construction waste project. The Centre will continue to develop its proposal to establish a university-level research facility to support the cluster in the area of sustainable technologies.
- 2.2 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 region.

#### **Information and Communications Technologies**

- 2.3 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 the EU Sustel teleworking project, and new projects looking at the impact of broadband and the role of telework centres in regenerating urban areas. There will also be a major project designed to develop the most practicable and cost effective approach to collecting and processing waste electrical and electronic equipment (WEEE). This will help the UK to develop effective strategies for implementing the recently introduced European WEEE Directive.

#### **Water, Leisure and Tourism**

- 2.4 Bag It and Bin It will continue to expand its reach through material dissemination and partnerships with manufacturers, retailers and water companies. The Centre's work on diffuse pollution will also be developed further together with activities relating to the Water Framework Directive.

#### **Engagement, Consultation and Education**

- 2.5 UK CEED will continue to build upon its expertise in engagement and education projects and aims to launch a major new process, which is currently under development.

### **3 Financial Review**

- 3.1 The accounts for 2002-2003 continue to show the progress that has been made over the last three years in putting the Centre's finances on a more stable footing. This stability has been achieved both through an increase in project activity and also through a realignment in project costings.
- 3.2 The Centre returned a surplus of £17,362 for the year. This represents an improvement on last year's surplus of £10,668. The surplus has been achieved despite the continuing aggressive treatment of capital depreciation following the large capital expenditure on IT systems in 2001 (30% 'straight line' depreciation over 3 years).

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

## DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2003

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3.3 At the close of the financial year, the Centre had £52,388 cash at bank, with outstanding debtors totalling £115,672.28. The latter relates largely to two large outstanding invoice payments which were made the week following the close of the financial year. Outstanding creditors totalled £102,507, some £42,000 of which related to deferred income for projects to be completed in the following financial year

3.4 The Centre's net assets amount to £98,061. This is a proxy for the current reserve position and shows a continuing upward trend from £80,699 last year. There was again a rise in income, up from £343,969 in 2001/02 to £551,115. Total expenditure rose in line with this, from £333,301 to £533,753, reflecting the increased level of activity.

### 4 Reserves Policy

4.1 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.

4.2 The Centre's Board of Directors consider 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.

4.3 For the year ahead, the target is to build the unrestricted reserve to not less than £100,000 to fulfil these obligations, whilst both continuing to deliver excellent project results and also remaining competitive in the development of new project areas.

### 5 Risk Review

5.1 The trustees carried out a major review of the Centre's approach to risk management during the year. The major risks identified and the approach to managing these risks is summarised in the table below:

Identified Risk	Comments	Management approaches
Significant uplift in lease upon renegotiation in 2004	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 £8,000 per annum inclusive. It may be necessary to relocate in 2004 due to the Centre's continuing expansion.	The Board to develop a process to identify suitable alternative premises whilst opening negotiations with current landlords.
Key staff leaving	All permanent staff have employment contracts requiring 2 months notice of termination.	Ensure that pay, conditions and staff development opportunities match, and where possible exceed, those on offer elsewhere.

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

## DIRECTORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2003

Adverse currency  
movements

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

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

Liquidity/cashflow

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

Build sufficient reserves to cover  
short-term cashflow issues (see  
reserves policy). Ensure robust  
contracts are in place with key  
project sponsors. Programme  
invoicing to take account of  
cashflow needs.

- 5.2 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.

### Statement of trustees' responsibilities

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue on that basis.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Directors and Trustees

The trustees, who are also the directors for the purpose of company law, who served during the year and up to the date of this report are set out on page 1.

### Auditors

Lakin Rose resigned as auditors on 10 April 2003 and were replaced by Rawlinsons. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Rawlinsons be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

John C L Cox  
Chairman

Date:

17/09/03

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

## INDEPENDENT AUDITORS' 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 2003 which comprise the Statement of Financial Activities, Summary Income and Expenditure Account, the Balance Sheet and the 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 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 company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 9. 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 Trustees' Report is not consistent with the financial statements, if the company 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 trustees' remuneration and transactions with the charitable group is not disclosed.

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

We read other information contained in the Trustees' 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 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 trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 state of the charitable company's affairs as at 31 March 2003 and of its 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.

Rawlinsons  
Chartered Accountants  
Registered Auditors



90 Lincoln Road  
Peterborough  
PE1 2SP

Date:

14 October 2003

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

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2003

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2003 £	Total 2002 £
<b><u>Incoming resources</u></b>						
Donations and grants	2	25,107	11,000	-	36,107	31,694
Activities in furtherance of the charity's objects:						
Research project funding	3	-	514,695	-	514,695	306,537
Publications		-	90	-	90	5,735
Investment income		223	-	-	223	3
<b>Total incoming resources</b>		<u>25,330</u>	<u>525,785</u>	<u>-</u>	<u>551,115</u>	<u>343,969</u>
<b><u>Resources expended</u></b>						
Charitable expenditure:						
Research projects		-	471,959	-	471,959	253,994
Publications		-	2,749	-	2,749	27,354
General office costs		24,925	22,008	12,112	59,045	51,953
<b>Total resources expended</b>	4	<u>24,925</u>	<u>496,716</u>	<u>12,112</u>	<u>533,753</u>	<u>333,301</u>
<b>Net incoming/ (outgoing) resources</b>	5	405	29,069	(12,112)	17,362	10,668
<b>Fund balances brought forward at 1 April 2002</b>		27,526	27,947	25,226	80,699	70,031
<b>Fund balances carried forward at 31 March 2003</b>		<u>27,931</u>	<u>57,016</u>	<u>13,114</u>	<u>98,061</u>	<u>80,699</u>

All incoming resources and resources expended derive from continuing activities.

There are no recognised gains and losses other than those passing through the statement of financial activities.

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

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Note	Total 2003 £	Total 2002 £
<b><u>Income</u></b>			
Donations and grants	2	36,107	31,694
Activities in furtherance of the charity's objects:			
Research project funding	3	514,695	306,537
Publications		90	5,735
Investment income		223	3
<b>Total income</b>		<b>551,115</b>	<b>343,969</b>
<b><u>Expenditure</u></b>			
Charitable expenditure:			
Research projects		471,959	253,994
Publications		2,749	27,354
Management and administration		59,045	41,330
<b>Total expenditure</b>	4	<b>533,753</b>	<b>322,678</b>
<b>Net surplus of income for the year before transfers</b>		<b>17,362</b>	<b>21,291</b>
Transfer to endowment fund		-	(32,255)
<b>Net income for the year</b>		<b>17,362</b>	<b>(10,964)</b>

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

## BALANCE SHEET AS AT 31 MARCH 2003

	Note	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Tangible assets	8		20,584		28,108
<b>Current assets</b>					
Debtors	9	127,596		54,605	
Cash at bank and in hand:					
Nat West Current account		48,370		45,596	
Nat West Reserve account		4		4	
Nat West Capital Reserve account		17		17	
Nat West Euro account	14	3,992		18,692	
Petty cash		5		12	
		<u>179,984</u>		<u>118,926</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>102,507</u>		<u>66,335</u>	
<b>Net current assets</b>			77,477		52,591
<b>Net assets</b>	11		<u>98,061</u>		<u>80,699</u>
<b>Financed by:</b>					
<b>Reserves</b>					
Endowment fund	12		13,114		25,226
Restricted funds	12		57,016		27,947
Unrestricted funds:					
Other charitable funds	12		27,931		27,526
			<u>98,061</u>		<u>80,699</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The financial statements were approved by the Trustees on 17<sup>th</sup> September 2003.

Mr John C L. Coe CBE  
Director

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

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### 1 Accounting Policies

#### 1.1 Basis of preparation

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 Companies Act 1985, the Statement of Recommended Practice - "Accounting and Reporting by Charities" - (SORP 2000) issued in October 2000 and applicable accounting standards.

#### 1.2 Incoming resources

Voluntary income and donations are accounted for as received by the charity. Grants and project funding, where received for a specified period or future purpose, are shown as incoming resources and deferred to such future periods to which the income relates. Where the charity receives funding in kind rather than cash, this is accounted for as income and expenditure in the Statement of Financial Activities.

#### 1.3 Resources expended

The majority of costs are directly attributable to specific activities. Certain shared assets are apportioned in accordance with what the trustees consider to be a fair estimate of their functional split.

#### 1.4 Tangible fixed assets and depreciation

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

Furniture and fittings	25% reducing balance
Computer equipment	over 3 years straight line

#### 1.5 Leasing

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

#### 1.6 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate 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.



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

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 MARCH 2003 (CONTINUED)

#### 2 Donations and grants

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2003 £	Total 2002 £
Trusts	24,300	-	-	24,300	21,000
Government bodies	-	-	-	-	7,000
European funding	-	11,000	-	11,000	-
Other	807	-	-	807	3,694
	<u>25,107</u>	<u>11,000</u>	<u>-</u>	<u>36,107</u>	<u>31,694</u>

#### 3 Research project funding

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2003 £	Total 2002 £
Trusts	-	-	-	-	61,424
Government bodies	-	138,630	-	138,630	74,204
European funding	-	17,348	-	17,348	39,838
Public companies	-	134,100	-	134,100	55,000
Local authorities	-	96,193	-	96,193	36,274
Charitable bodies	-	-	-	-	2,000
Other	-	4,691	-	4,691	37,797
PV income	-	123,733	-	123,733	-
	<u>-</u>	<u>514,695</u>	<u>-</u>	<u>514,695</u>	<u>306,537</u>

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

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## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2003 (CONTINUED)

### 4 Total resources expended

	Activities to further the charity's objects £	Management and administration £	Total 2003 £	Total 2002 £
<b>Project work</b>				
Staff salaries	167,322	31,323	198,645	135,849
Consultancy	110,643	-	110,643	91,446
Hotels and travel	28,953	-	28,953	15,532
Staff recruitment	-	-	-	267
Events and meetings	16,124	-	16,124	10,900
PV expenditure	117,594	-	117,594	-
	<u>440,636</u>	<u>31,323</u>	<u>471,959</u>	<u>253,994</u>
<b>Publications</b>				
Books and publications	-	1,603	1,603	1,603
Printing and stationery	-	-	-	21,813
Postage	-	1,146	1,146	3,938
	<u>-</u>	<u>2,749</u>	<u>2,749</u>	<u>27,354</u>
<b>General office costs</b>				
Printing and stationery	17,188	-	17,188	9,348
Postage	-	1,145	1,145	1,688
Telephone and fax	6,623	-	6,623	8,316
Computer costs	-	1,933	1,933	1,146
General office expenses	1,096	-	1,096	1,279
Legal and professional	-	1,958	1,958	350
Audit fee	-	3,000	3,000	3,000
Accountancy	-	-	-	2,000
Bank charges	-	515	515	894
Foreign exchange movements	-	(835)	(835)	(553)
Equipment leasing	491	-	491	504
Depreciation	-	14,331	14,331	15,175
Rent	-	4,990	4,990	5,088
Rates and service charge	-	2,031	2,031	2,140
Insurances	-	3,762	3,762	1,391
Repairs and maintenance	817	-	817	187
	<u>26,215</u>	<u>32,830</u>	<u>59,045</u>	<u>51,953</u>
Total resources expended 2003	<u>466,851</u>	<u>66,902</u>	<u>533,753</u>	<u>333,301</u>
Total resources expended 2002	<u>264,756</u>	<u>68,725</u>	<u>333,301</u>	

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONTINUED)

### 5 Net incoming resources

Net incoming resources for the year are stated after charging/(crediting):

	Total 2003 £	Total 2002 £
Depreciation	14,331	15,175
Audit fee	3,000	3,000
Auditors' remuneration - accountancy services (previous auditors)	-	2,000
Auditors' remuneration - computer services (current auditors)	300	-
Operating lease rentals:		
Hire of machinery	491	504
Land and buildings	4,990	5,088
Foreign exchange differences	(835)	(553)

### 6 Employee information

No director or trustee received any emoluments or expenses during the year (2002 - £nil).

No employee earned £50,000 per annum or more.

The average number of employees (excluding directors and trustees) analysed by function was:

	Total 2003	Total 2002
Research projects	7	5
Administration	1	1
	<u>8</u>	<u>6</u>

Staff costs were as follows:

	Total 2003 £	Total 2002 £
Salaries and wages	181,701	124,335
National insurance	16,944	11,514
	<u>198,645</u>	<u>135,849</u>

### 7 Trustee indemnity insurance

During the year, the charity paid £1,516 (2002 - £793) to provide indemnity insurance for the trustees.

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONTINUED)

### 8 Tangible fixed assets

Fixtures,  
fittings and  
equipment  
£

#### Cost

At 1 April 2002

51,987

Additions

6,808

At 31 March 2003

58,795

#### Depreciation

At 1 April 2002

23,879

Charge for the year

14,332

At 31 March 2003

38,211

#### Net book value

At 31 March 2003

20,584

At 31 March 2002

28,108

### 9 Debtors

2003  
£

2002  
£

Trade debtors

115,672

45,744

Prepayments and accrued income

11,924

8,861

127,596

54,605

By 31 May 2003, £114,497 of the amount due in trade debtors had been received.

### 10 Creditors : amounts falling due within one year

2003  
£

2002  
£

Trade creditors

44,745

-

Taxation and social security

12,262

8,542

Accruals

3,500

31,995

Deferred income

42,000

25,798

102,507

66,335

£43,888 of trade creditors were cleared by 31 May 2003 following the receipt of monies due to the charity included in the trade debtors figure shown in note 9 above.

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONTINUED)

### 11 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2003 £
Tangible fixed assets	7,470	-	13,114	20,584
Current assets	54,003	125,981	-	179,984
Current liabilities	(33,542)	(68,965)	-	(102,507)
	<u>27,931</u>	<u>57,016</u>	<u>13,114</u>	<u>98,061</u>

### 12 Statement of funds

	Opening balance £	Income £	Expenditure £	Closing balance £
Unrestricted funds	27,526	25,330	(24,925)	27,931
Restricted funds: Research projects	27,947	525,785	(496,716)	57,016
Endowment funds: Capital grant	25,226	-	(12,112)	13,114
	<u>80,699</u>	<u>551,115</u>	<u>(533,753)</u>	<u>98,061</u>

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

### 13 Commitments

At 31 March 2003, the charitable company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within 1 year	491	168
Between 2 and 5 years	<u>4,990</u>	<u>5,088</u>

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

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONTINUED)

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### 14 Movements on Euro bank account

Included within notes 3 and 4 are the movements on the Euro bank account as listed below:

#### Income

European Commission funding for Sustel project	10,348
Bank interest received	289
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	10,637

#### Expenditure

Funds disbursed by UKCEED to partners working on EU Sustel project	10,598
UKCEED project costs	15,616
Bank charges	82
Exchange rate differences	(959)
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	(25,337)

#### Movement in year

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(14,700)

Euro Bank account balance brought forward at 1 April 2002 - stated in pounds	18,692
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Euro Bank account balance carried forward at 31 March 2003 - stated in pounds	<hr/> <hr/> 3,992
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