

Company Number: 1811707

Charity Number: 289469

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

**DIRECTORS' AND TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2002**



LAKIN ROSE
CHARTERED ACCOUNTANTS

Contents

| | Page |
|--------------------------------------|--------|
| Legal and Administrative Information | |
| Directors' and Trustees' Report | 1 - 5 |
| Auditors' Report | 6 |
| Statement of Financial Activities | 7 |
| Balance Sheet | 8 |
| Notes to the Financial Statements | 9 - 15 |

Legal and Administrative Information

| | |
|----------------------------------|--|
| Company Number | 1811707 |
| Registered Charity Number | 289469 |
| Registered Office | Suite 1, Priestgate House 3/7 Priestgate Peterborough PE1 1JN |
| Directors and Trustees | Mrs Elizabeth Anne Amos, MBE (appointed 9 October 2001) Professor Sir Hermann Bondi, KCB, FRS Mr John C L Cox, CBE (Chairman) Professor P S Dasgupta (resigned 27 June 2001) Dr David Giachardi (appointed 9 October 2001) The Rt. Hon. the Lord Jenkin of Roding, PC Professor Richard Macve (resigned 19 November 2001) Miss Patricia Mann, OBE Mr Paul Sheridan (appointed 9 October 2001) Professor Sir Colin Spedding, CBE |
| Executive Director | Mr Jonathan Selwyn |
| Secretary | Mr Jonathan Selwyn |
| Auditors | Lakin Rose Enterprise House Vision Park Histon Cambridge CB4 9ZR |
| Bankers | National Westminster Bank plc 36 St James's Street London SW1A 1JF |

DIRECTORS' AND TRUSTEES' REPORT
For the year ended 31 March 2002

The directors and trustees present their report and the financial statements for the year ended 31 March 2002.

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.

Review of activities

Established in 1984, The U.K. Centre for Economic and Environmental Development (UK CEED) is an independent charitable foundation working with government, business and the voluntary sector to promote environmental best practice. It undertakes high quality and innovative environmental research, policy development, demonstration projects and education and engagement activities. The Centre focuses on the following programme areas:

- Business and environment
- Information and communications technologies
- Water, leisure and tourism
- Public engagement
- Information and education

UK CEED believes:

Good environmental practice is a strategic necessity for business and is fundamental to economic development and social well-being.

The Centre's mission is:

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

Review of UK CEED's Activities

The year 2001-2002 has been one of unprecedented activity for the Centre. It has further developed a number of existing initiatives and has begun some major new ones during the course of the year as highlighted below.

1. 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 is invaluable in assisting in helping to meet office and administrative costs and providing the base from which a broad range of project activities are identified and undertaken.

DIRECTORS' AND TRUSTEES' REPORT
For the year ended 31 March 2002

Business and Environment

2. Encluster

Lord Sainsbury, the Minister for Science, officially launched UK CEED's Encluster initiative in February 2002 in front of an audience of 150 delegates. The initiative, supported by the Department of Environment, Food and Rural Affairs (DEFRA) and the East of England Development Agency (EEDA), aims to promote environmental innovation and enterprise in Greater Peterborough and the East of England. It focuses on the potential for growing the environmental goods and services sector in the area to deliver significant economic prosperity and social well-being whilst at the same time developing technologies to address environmental challenges.

UK CEED carried out a detailed mapping exercise which revealed an emerging environment sector business cluster of over 240 organisations providing more than 4,000 jobs in the Greater Peterborough area. UK CEED is now working closely with leading organisations in the area to develop the sector's potential through stimulating interaction between organisations in the sector, encouraging joint working, developing skills, marketing capabilities and demonstrating new technologies.

Already, two bids submitted to the DTI in the renewable energy area have been successful: a photovoltaic demonstration project at a new social housing development; and the establishment of a community energy services company to promote the take-up of renewables. UK CEED is to manage the projects which are being delivered by public and private sector partners, including Nene Housing Society and Peterborough City Council. A framework for an environmental mentoring and secondment scheme has also been established with the first secondment being a manager at the Centre for Ecology and Hydrology seconded to UK CEED to examine the potential of environmental technology opportunities to be spun-off from public sector bodies.

3. Sustainability Toolkit

UK CEED is developing a sustainability toolkit for the East of England Regional Assembly. This is designed for use across the region to appraise plans and projects against sustainable development objectives and targets. The project will initially look at plans and projects being developed by the Assembly and regional development agency but will later be developed for use for a diverse audience ranging from local government to SMEs. Later stages of the toolkit will be developed to provide an interactive on-line assessment process and information resource.

Information and Communications Technologies (ICT)

4. SustainIT

UK CEED's SustainIT initiative focuses on the environmental and social impacts of information and communications technologies. The initiative was launched at the House of Commons in November 2001 at an event attracting over 70 attendees including a number of MPs and members of the House of Lords and representatives of companies and other organisations. The event also marked the launch of the European Sustel project and the Centre's national eWell-Being Awards.

Sustel is a major European Commission-backed project designed to assess the impacts of teleworking on travel patterns, worklife and productivity across Europe. UK CEED as the project coordinator is carrying out research with Avanzi (Italy), BT, Danish Technology Institute (Denmark), Empirica (Germany), Telework Forum (Netherlands) and the University of Bradford to help organisations better understand and manage the sustainability of their teleworking schemes. It includes the development of an assessment tool covering the key economic, environmental and social aspects of teleworking.

To coincide with the official launch of SustainIT, UK CEED launched the UK's first national awards programme designed to highlight the positive use of ICT in tackling environmental and social challenges. The UK eWell Being awards, supported by BT and the Local Government Association, aims to recognise and reward innovation and achievement in the use of ICT which improves well-being and quality of life at the community level. The awards are open to local authorities, companies and voluntary organisations and will be presented to the winners at a ceremony in London in June.

DIRECTORS' AND TRUSTEES' REPORT
For the year ended 31 March 2002

UK CEED published a discussion paper on the environmental impacts of e-business as part of BT's Society and Environment report and has continued to monitor the impacts on travel and productivity of BT's Options 2000 teleworking scheme.

Water, Leisure and Tourism

5. ICE Magazine

Following a break in publication, whilst its future was reviewed, discussions are currently taking place with a publishing company with a view to securing the future of UK CEED's ICE magazine and fully developing its potential.

6. Water Framework Directive

Continuing its work in the area of the Water Framework Directive, UK CEED developed a leaflet in conjunction with the Environment Agency to publicise the Directive.

DEFRA commissioned UK CEED in partnership with WWF to produce a discussion paper on the opportunities for public and stakeholder involvement in the implementation of the Water Framework Directive.

7. Bag It and Bin It

UK CEED is continuing to manage the Don't Flush It, Bag It and Bin campaign, an environmental education programme led by the water industry. It aims to promote responsible disposal of personal products thereby minimising the risks of water pollution. 10,000 leaflets have been produced and are being distributed across the country by water companies, retailers, waste companies, the Environment Agency and local authorities.

Schools study cards have also been published aimed at Keystage 2 of the National Curriculum (ages 9-15). These have been distributed to 6,000 targeted schools, reaching over 750,000 pupils during March.

8. Navigate with Nature

Building on the success of UK CEED's Navigate with Nature educational projects, the Centre has been carrying out two boat waste management 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.

Public Engagement

9. Radioactive Waste

Following the success of UK CEED's Consensus Conference on radioactive waste in 1999, the Environment Minister, Michael Meacher, asked UK CEED to reconvene the Citizens' Panel from the Conference to consider the government's recent consultation paper on radioactive waste policy. Over two weekends in February and March the panel reviewed the consultation paper and provided their response in a report to government. This is the first time worldwide that a consensus conference panel has been reconvened by a government and marks the completion of the consensus conference process.

UK CEED was commissioned by Nirex to act as secretariat and report on a workshop concerning the monitoring and retrievability of radioactive waste.

10. Citizens' Jury on Rural Issues

Using the experience gained from the consensus conference, UK CEED developed and managed a successful citizens' jury for Leicestershire Rural Partnership focusing on the provision of services in rural areas of the county.

DIRECTORS' AND TRUSTEES' REPORT
For the year ended 31 March 2002

11. Water Quality Debate

UK CEED was commissioned by DEFRA to undertake an on-line consultation on the forthcoming environmental quality of water strategy. The project involved the Centre developing web-based bulletin boards to facilitate an interactive consultation involving 225 stakeholders under a modified form of Chatham House rules. The process proved very successful with a high level of participation and the generation of useful input for the Department.

Future Programme Strategy

UK CEED will continue to focus on those sector where it has already established a great deal of expertise and where it has a sound reputation. Members of staff and associates, however, have individual expertise in other areas, and further areas of competitive strength are always being considered. The Centre is flexible enough in its structure to be able to respond to needs and opportunities arising in different market sectors.

Financial review

The accounts for 2001-2002 continue to show the progress that has been made over the last two years 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 £10,668 for the year. Although this represents a reduction in last year's surplus of £48,643, last year's figure was heavily distorted by the large capital expenditure resulting from a capital grant from EEDA in that year. The surplus has been achieved despite the aggressive treatment of capital depreciation following the large capital injection last year (33% 'straight line' depreciation over 3 years).

At the close of the financial year, the Centre had £64,321 cash at bank. The Centre's net current assets amount to £52,591. This is a proxy for the current reserve position and shows a continuing upward trend. Turnover on profit activities increased by 50% over the previous year, whilst the margin on project income is down slightly from 20% to 18%. The Centre's costs have been contained during the period.

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 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.

For the year ahead, the target is to build the unrestricted reserve to not less than £50,000 to fulfil these obligations, whilst both continuing to deliver excellent project results and also remaining competitive in the development of new project areas.

Risk review

The trustees review the risks facing the Centre on a regular basis and in particular through the meetings of the Finance and General Purposes Sub-Group. An annual review of these risks was carried out for the year 2001/2002. The management of the risks identified through this process is being addressed through the establishment or confirmation of systems and processes for risk control as appropriate.

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.

DIRECTORS' AND TRUSTEES' REPORT
For the year ended 31 March 2002

Statement of trustees' responsibilities

The trustees are required by law to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charity and of its financial position at the end of that 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;
- state whether the policies adopted are in accordance with the Companies Act 1985 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors and Trustees

The directors and trustees who served during the year are shown on the Legal and Administrative Information page attached to this report.

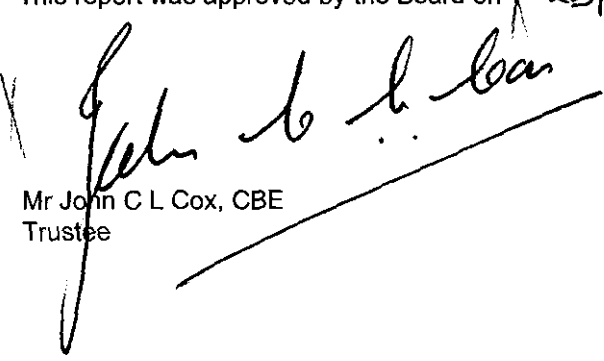
Auditors

The auditors, Lakin Rose, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

Small company exemptions

The directors' and trustees' annual report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 23/7/02 and signed on its behalf.


Mr John C L Cox, CBE
Trustee

AUDITORS' REPORT TO THE MEMBERS OF THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

We have audited the financial statements of The U.K. Centre for Economic and Environmental Development for the year ended 31 March 2002 which comprises of the Statement of Financial Activities, the Balance Sheet and related notes. Those financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' 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. 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 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 trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' 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 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 charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion, the financial statements give a true and fair view of the charitable company's affairs as at 31 March 2002 and 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 provisions of the Companies Act 1985.

Lakin Rose

Lakin Rose

Chartered Accountants
Registered Auditors

Enterprise House
Vision Park
Histon
Cambridge
CB4 9ZR

Date: 1 August 2002

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2002

| | Note | Restricted funds £ | Unrestricted funds £ | Endowment funds £ | Total 2002 £ | Total 2001 £ |
|--|------|--------------------------|----------------------------|-------------------------|--------------------|--------------------|
| SUMMARY INCOME AND EXPENDITURE ACCOUNT | | | | | | |
| INCOMING RESOURCES | | | | | | |
| Donations and grants: | | | | | | |
| Revenue donations and grants | | 7,000 | 24,694 | - | 31,694 | 37,748 |
| Capital grants | | - | - | - | - | 43,500 |
| Activities to further the charity's objects: | | | | | | |
| Research projects funding | | 306,537 | - | - | 306,537 | 202,816 |
| Publications | | - | 5,735 | - | 5,735 | 4,640 |
| Interest receivable | | - | 3 | - | 3 | 47 |
| Total incoming resources | 2 | 313,537 | 30,432 | - | 343,969 | 288,751 |
| RESOURCES EXPENDED | | | | | | |
| Charitable expenditure | | | | | | |
| Research projects | | (253,994) | - | - | (253,994) | (162,083) |
| Publications | | (27,354) | - | - | (27,354) | (32,394) |
| Support costs | | (28,645) | (10,136) | (7,029) | (45,810) | (42,181) |
| Management and administration | | - | (6,143) | - | (6,143) | (3,450) |
| Total resources expended | | (309,993) | (16,279) | (7,029) | (333,301) | (240,108) |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | 3,544 | 14,153 | (7,029) | 10,668 | 48,643 |
| Transfer between funds | | (32,255) | - | 32,255 | - | - |
| NET INCOMING RESOURCES FOR THE YEAR | 3 | £ (28,711) | £ 14,153 | £ 25,226 | £ 10,668 | £ 48,643 |
| FUNDS BROUGHT FORWARD | | £ 56,658 | £ 13,373 | £ - | £ 70,031 | £ 21,388 |
| FUNDS CARRIED FORWARD | | £ 27,947 | £ 27,526 | £ 25,226 | £ 80,699 | £ 70,031 |

Income and net incoming/(outgoing) resources derive wholly from continuing operations.

There were no recognised gains and losses for 2002 or 2001 other than those included above.

The notes on pages 9 to 15 form part of these financial statements.

BALANCE SHEET
As at 31 March 2002

| | Note | £ | 2002 £ | £ | 2001 £ |
|---|------|----------------|-----------------|----------------|-----------------|
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 6 | | 28,108 | | 42,334 |
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 54,605 | | 78,957 | |
| Cash at bank and in hand | | 64,321 | | 27,636 | |
| | | <u>118,926</u> | | <u>106,593</u> | |
| CREDITORS: amounts falling due within one year | 8 | (66,335) | | (78,896) | |
| NET CURRENT ASSETS | | | <u>52,591</u> | | <u>27,697</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>£ 80,699</u> | | <u>£ 70,031</u> |
| CAPITAL | | | | | |
| Endowment funds | 11 | | 25,226 | | - |
| Restricted funds | 12 | | 27,947 | | 56,658 |
| Unrestricted funds | | | 27,526 | | 13,373 |
| | | | <u>£ 80,699</u> | | <u>£ 70,031</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 March 2000).

The financial statements were approved by the Board on 23/7/02 and signed on its behalf


Mr John C L Cox, CBE
Trustee

The notes on pages 9 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

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 March 2000), the Companies Act 1985 and follow the recommendations in *Accounting and Reporting by Charities: Statement of Recommended Practice* issued in October 2000.

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard No. 1.

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 in 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 costs 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 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 |

1.5 Operating leases

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

1.6 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.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

2. INCOMING RESOURCES

All of the charity's incoming resources arose within the United Kingdom.

| | Restricted funds £ | Unrestricted funds £ | Total 2002 £ | Total 2001 £ |
|---------------------------------|--------------------------|----------------------------|--------------------|--------------------|
| Donations and grants | | | | |
| Trusts | - | 21,000 | 21,000 | 22,000 |
| Government Bodies | 7,000 | - | 7,000 | 8,000 |
| Other | - | 3,694 | 3,694 | 7,748 |
| | <u>£ 7,000</u> | <u>£ 24,694</u> | <u>£ 31,694</u> | <u>£ 37,748</u> |
| Research project funding | | | | |
| Trusts | 61,424 | - | 61,424 | 37,200 |
| Government Bodies | 74,204 | - | 74,204 | 54,607 |
| European Funding | 39,838 | - | 39,838 | - |
| Public Companies | 55,000 | - | 55,000 | 26,000 |
| Local Authorities | 36,274 | - | 36,274 | - |
| Charitable Bodies | 2,000 | - | 2,000 | 6,100 |
| Other | 37,797 | - | 37,797 | 78,909 |
| | <u>£ 306,537</u> | <u>£ -</u> | <u>£ 306,537</u> | <u>£ 202,816</u> |

3. NET INCOMING/(OUTGOING) RESOURCES

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

| | Total 2002 £ | Total 2001 £ |
|---|--------------------|--------------------|
| Depreciation of tangible fixed assets | | |
| - owned by the charity | 15,175 | 5,428 |
| Audit fees | 3,000 | 2,000 |
| Auditors' remuneration - accountancy services | 2,000 | 1,200 |
| Operating lease rentals | | |
| - hire of plant & machinery | 504 | 294 |
| - land and buildings | 5,088 | 4,400 |
| Foreign exchange differences | (553) | - |
| | <u></u> | <u></u> |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

4. EMPLOYEE INFORMATION

No director or trustee received any emoluments in the year (2001 - £Nil). No expenses were reimbursed to them.

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

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

| | 2002 No. | 2001 No. |
|------------------------------|------------------|------------------|
| Research projects | 5 | 3 |
| Publications | - | 1 |
| Administration | 1 | 1 |
| | <u>6</u> | <u>5</u> |
| Staff costs were as follows: | £ | £ |
| Salaries and wages | 124,335 | 97,277 |
| National insurance | 11,514 | 9,085 |
| | <u>£ 135,849</u> | <u>£ 106,362</u> |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

5. TOTAL RESOURCES EXPENDED

| | Direct charitable expenditure 2002 £ | Support costs 2002 £ | Management and administration 2002 £ | Total 2002 £ | Total 2001 £ |
|---------------------------------------|--|-------------------------------|--|--------------------|--------------------|
| Project work | | | | | |
| Staff salaries | 105,962 | 29,887 | - | 135,849 | 106,362 |
| Consultancy | 85,446 | 6,000 | - | 91,446 | 29,764 |
| Hotels and travel | 15,532 | - | - | 15,532 | 13,538 |
| Staff recruitment | 267 | - | - | 267 | 2,469 |
| Events and meetings | 10,900 | - | - | 10,900 | 9,450 |
| Printing | - | - | - | - | 500 |
| | <u>218,107</u> | <u>35,887</u> | <u>-</u> | <u>253,994</u> | <u>162,083</u> |
| Publications | | | | | |
| Books and publications | 481 | 1,122 | - | 1,603 | 600 |
| Printing and stationery | 16,204 | 5,609 | - | 21,813 | 25,753 |
| Postage | 2,532 | 1,406 | - | 3,938 | 6,041 |
| | <u>19,217</u> | <u>8,137</u> | <u>-</u> | <u>27,354</u> | <u>32,394</u> |
| General office costs | | | | | |
| Office supplies | - | - | - | - | 2,000 |
| Printing and stationery | 5,609 | 3,739 | - | 9,348 | 11,037 |
| Postage | 282 | 1,406 | - | 1,688 | 2,589 |
| Telephone and fax | 4,158 | 4,158 | - | 8,316 | 5,755 |
| Computer costs | - | 1,146 | - | 1,146 | 1,392 |
| General office expenses | - | 1,279 | - | 1,279 | 825 |
| Legal and professional | - | - | 350 | 350 | 250 |
| Audit remuneration | - | - | 3,000 | 3,000 | 2,000 |
| Accountancy | - | - | 2,000 | 2,000 | 1,200 |
| Loss on sale of tangible fixed assets | - | - | - | - | 4,660 |
| Bank charges | - | 894 | - | 894 | 1,234 |
| Foreign exchange loss | - | (553) | - | (553) | - |
| Equipment leasing | 504 | - | - | 504 | 294 |
| Depreciation | 10,623 | 4,552 | - | 15,175 | 5,428 |
| Rent | 3,969 | 1,119 | - | 5,088 | 4,400 |
| Rates and service charges | 1,669 | 471 | - | 2,140 | 905 |
| Insurances | 292 | 306 | 793 | 1,391 | 155 |
| Repairs and maintenance | 146 | 41 | - | 187 | - |
| Other interest paid | - | - | - | - | 1,507 |
| | <u>27,252</u> | <u>18,558</u> | <u>6,143</u> | <u>51,953</u> | <u>45,631</u> |
| Total expenditure | <u>£ 264,576</u> | <u>£ 62,582</u> | <u>£ 6,143</u> | <u>£ 333,301</u> | <u>£ 240,108</u> |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

6. TANGIBLE FIXED ASSETS

| | Fixtures, fittings and equipment £ |
|-----------------------|---|
| Cost | |
| At 1 April 2001 | 51,038 |
| Additions | 949 |
| At 31 March 2002 | 51,987 |
| Depreciation | |
| At 1 April 2001 | 8,704 |
| Charge for year | 15,175 |
| At 31 March 2002 | 23,879 |
| Net Book Value | |
| At 31 March 2002 | £ 28,108 |
| At 31 March 2001 | £ 42,334 |

7. DEBTORS

| | 2002 £ | 2001 £ |
|--------------------------------|-----------|-----------|
| Due within one year | | |
| Trade debtors | 45,744 | 47,440 |
| Other debtors | - | 1,121 |
| Prepayments and accrued income | 8,861 | 30,396 |
| | £ 54,605 | £ 78,957 |

8. CREDITORS:
Amounts falling due within one year

| | 2002 £ | 2001 £ |
|--------------------------|-----------|-----------|
| Other creditors | 8,542 | 2,917 |
| Accruals | 31,995 | 16,009 |
| Deferred income (note 9) | 25,798 | 59,970 |
| | £ 66,335 | £ 78,896 |

Included within other creditors is an amount of £8,542 (2001 - £2,917) relating to social security and other taxes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

9. DEFERRED INCOME

| | Project funding 2002 £ | Publications 2002 £ | Total 2002 £ | Total 2001 £ |
|---------------------------------------|---------------------------------|---------------------------|--------------------|--------------------|
| Balance at 1 April 2001 | (56,470) | (3,500) | (59,970) | (5,000) |
| Amount released to incoming resources | 56,470 | 3,500 | 59,970 | 5,000 |
| Amount deferred in the year | 23,000 | 2,798 | 25,798 | 59,970 |
| Balance at 31 March 2002 | £ 23,000 | £ 2,798 | £ 25,798 | £ 59,970 |

10. OTHER COMMITMENTS

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

| | 2002 £ | 2001 £ |
|-----------------------|-----------|-----------|
| Expiry date: | | |
| Within 1 year | 168 | - |
| Between 2 and 5 years | 5,088 | 5,592 |

11. ENDOWMENT FUNDS

| | Balance at 1 April 2001 | Incoming resources | Expenditure | Transfers | Balance at 31 March 2002 |
|---------------|-------------------------------|-----------------------|-------------|-----------|--------------------------------|
| Capital Grant | - | - | (7,029) | 32,255 | 25,226 |
| | £ - | £ - | £ (7,029) | £ 32,255 | £ 25,226 |

Capital Grant fund is a balance transferred from restricted reserves, which represents income spent in prior years on capital items.

12. RESTRICTED FUNDS

| | Balance at 1 April 2001 | Incoming resources | Expenditure | Transfers | Balance at 31 March 2002 |
|-------------------|-------------------------------|-----------------------|-------------|------------|--------------------------------|
| Research projects | 24,403 | 313,537 | (309,993) | - | 27,947 |
| Capital Grant | 32,255 | - | - | (32,255) | - |
| | £ 56,658 | £ 313,537 | £ (309,993) | £ (32,255) | £ 27,947 |

Research projects represents various sources of funding for specific research projects undertaken by the charity, together with funding for the charity's quarterly bulletin.

Capital Grant was transferred to an Endowment fund during the year (see note 11 above).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2002

13. ANALYSIS OF FUNDS BETWEEN NET ASSETS

| | Endowment funds £ | Unrestricted funds £ | Restricted funds £ | Total funds £ |
|-----------------------|-------------------------|----------------------------|--------------------------|---------------------|
| Tangible fixed assets | 25,226 | 2,882 | - | 28,108 |
| Net current assets | - | 24,644 | 27,947 | 52,591 |
| | <u>£ 25,226</u> | <u>£ 27,526</u> | <u>£ 27,947</u> | <u>£ 80,699</u> |

14. INDEMNITY INSURANCE

The charity paid £793 (2001 - Nil) to provide indemnity insurance for the trustees.