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

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**DIRECTORS' AND TRUSTEES' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2000**



**LAKIN ROSE**  

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CHARTERED ACCOUNTANTS

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**Legal and Administrative Information**

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<b>Company Number</b>	1811707
<b>Registered Charity Number</b>	289469
<b>Registered Office</b>	Suite 1 Priestgate House 3/7 Priestgate Peterborough PE1 1JN
<b>Directors and Trustees</b>	Sir Michael Colman Professor Sir Hermann Bondi FRS Professor P S Dasgupta Professor John Durant The Rt Hon the Lord Jenkin of Roding Mr Robert Jordan Miss Patricia Mann Professor Richard Macve Professor Sir Colin Spedding The Lord Tombs Mr John Cox
<b>Executive Director</b>	J Winward
<b>Secretary</b>	Sir Michael Colman
<b>Auditors</b>	Lakin Rose Enterprise House Vision Park Histon Cambridge CB4 9ZR
<b>Bankers</b>	National Westminster Bank plc 36 St James's Street London SW1A 1JF

**DIRECTORS' AND TRUSTEES' REPORT**  
**For the year ended 31 March 2000**

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The directors and trustees present their report and the financial statements for the year ended 31 March 2000.

**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**

The year just ended has seen the busiest period in UK CEED's sixteen years existence. The Centre has been involved in a growing number of high profile projects, the highlight of which was perhaps the holding of the UK's second Consensus Conference. A number of projects were completed during the year, such as the EU Life project for the UK Countryside agencies, whilst new projects were started, including the launch of Inland, Coastal and Estuarine Waters magazine (ICE), a new water environment magazine. The Centre has also relocated to Peterborough after nine years in Cambridge.

The period has also provided a crucial test for the Centre's financial stability. For the first time since the Centre's foundation, UK CEED has had to operate without core funding support from the government. There is no doubt that the loss of £24,000 per annum has been keenly felt and this is reflected in the disappointing figures for the year. However, the new financial systems brought in over the last 18 months coupled with the increasing contribution that project funding is making to core costs have ensured that the Centre is able to plan confidently for the future. The recent office relocation, although making a negative contribution to the finances towards the end of this financial year, will begin making a major positive contribution to the finances over the coming years, with office costs having been reduced by two-thirds.

The year ahead will see a number of new and exciting initiatives designed both to keep UK CEED at the forefront of the sustainable development agenda, but also to contribute towards improved financial stability. Amongst these will be the launch of UK CEED's new Centre for Sustainable Communications and the first national conference promoted through UK CEED's ICE magazine.

**Financial review**

The finances continue to be relatively stable, with total income relatively unchanged, despite the loss of core funding noted above. However the underlying position remains fragile and vulnerable to late payment of grants and project support. The building of an adequate reserve to provide a safety net remains a high priority.

Expenditure on core costs has remained relatively unchanged, whilst expenditure on projects for the year was increased markedly from last year. The latter reflects the high costs of staging the Consensus Conference, which nonetheless generated a net surplus for the Centre, and the increased printing and stationery costs resulting from the production of ICE magazine. Nevertheless, all of the projects during the year generated net surpluses.

The surplus generated by project activities was not in itself enough to offset the loss of £24,000 of government core funding for the year. However, new projects and savings in office costs will push the Centre's activities back into the black for the year ahead.

As noted above, the new office will yield significant cost savings over the coming year, although early savings from the relocation were offset by the exit costs from the relocation.

**Projects**

Consensus Conference

**DIRECTORS' AND TRUSTEES' REPORT**  
**For the year ended 31 March 2000**

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This year saw the culmination of the year-long Consensus Conference project which was designed to elicit the views of a Citizens' Panel on the complex issues relating to the long term management of radioactive waste in the UK. Both the Panel and UK CEED, as organisers, were congratulated on what was widely recognised as an innovative, stimulating and influential example of public participation. On more than one occasion the Panel's report has been cited by government and industry as playing a key role in policy development in this area.

**Digital Futures**

UK CEED, Forum for the Future and other organisations have joined to undertake Digital Futures, a 1 year government-backed inquiry into the environmental and social impacts of e-commerce, the Digital Futures inquiry. The Digital Futures inquiry is backed by a consortium of government departments, companies and think-tanks.

**Local Authorities and the Information Society**

The final seminars in UK CEED's LARICT seminar series, supported by the European Commission and BT, took place in Edinburgh and London during this year. The seminars were designed to investigate and promote the role of the Information Society in achieving local, regional and central government sustainable development objectives.

**Eco-services**

UK CEED is undertaking a European Union-financed project on the development of eco-efficient producer services. The project partners UK CEED with research partners in the Netherlands, Germany, Italy and Spain. The project is examining opportunities for dematerialising and otherwise reducing the environmental impacts of product chains through development of service-based solutions.

**Water Environment**

UK CEED has launched Inland, Coastal and Estuarine Waters magazine (ICE), a new bi-monthly magazine, supported by the Department of Environment, Transport and the Regions and the European Commission. Aimed at water environment professionals, it promotes integrated aquatic management through coverage of water environment news and reviews.

The Centre has produced the final report for the UK conservation agencies on recreational impacts in areas designated under the Habitats Directive. The report is due to be published towards the end of the year and will form an integral part of European wide guidance on implementing the Directive.

UK CEED's long-running Navigate with Nature project, run in partnership with the British Marine Industries Federation, DETR, RSPB and Marina Developments Ltd, continued to deliver high quality environmental information for leisure boaters. For the first time, the project has expanded into the provision of facilities for boat users in partnership with the Environment Agency and Onyx Environmental Trust. The Solent's first sewage pump-out facilities together with comprehensive recycling facilities were launched in July at Warsash on the River Hamble. The project is also expanding into the Irish Sea area, with the support of the European Interreg fund.

**Reports**

UK CEED has published reports on the use of science in Corporate Environmental Reporting and the environmental and socioeconomic impacts of all-inclusive resorts relative to conventional hotels.

**DIRECTORS' AND TRUSTEES' REPORT**  
**For the year ended 31 March 2000**

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**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 9 January 2001 and signed on its behalf.

  
Mr John Cox  
Trustee


**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 on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of trustees and auditors**

As described on page 2 the trustees of The U.K. Centre for Economic and Environmental Development who are also the directors of the charity for the purposes of company law are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 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 charity's state of affairs as at 31 March 2000 and of its incoming resources and application of resources, including its income and expenditure, in 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 Auditor

Enterprise House  
Vision Park  
Histon  
Cambridge  
CB4 9ZR

Date: *12 January 2001*

**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 March 2000

	Note	Restricted funds £	Unrestricted funds £	Total 2000 £	Total 1999 £
<b>SUMMARY INCOME AND EXPENDITURE ACCOUNT</b>					
<b>INCOMING RESOURCES</b>					
Donations and grants		-	25,298	25,298	53,858
Research projects funding	2	176,498	-	176,498	263,624
add: income deferred from prior year		62,671	-	62,671	8,750
less: income deferred to next year		(5,000)	-	(5,000)	(62,671)
	2	<u>234,169</u>	<u>25,298</u>	<u>259,467</u>	<u>263,561</u>
Publications		-	1,780	1,780	1,346
Consultancy		-	3,998	3,998	6,360
Interest receivable		-	311	311	582
<b>Total incoming resources</b>	2	<u>234,169</u>	<u>31,387</u>	<u>265,556</u>	<u>271,849</u>
<b>RESOURCES EXPENDED</b>					
Direct charitable expenditure	5	(192,442)	(27,467)	(219,909)	(202,588)
Management and administration	5	(48,110)	(11,245)	(59,355)	(56,905)
<b>Total resources expended</b>	5	<u>(240,552)</u>	<u>(38,712)</u>	<u>(279,264)</u>	<u>(259,493)</u>
<b>NET (OUTGOING)/INCOMING RESOURCES FOR THE YEAR</b>		<u>£ (6,383)</u>	<u>£ (7,325)</u>	<u>£ (13,708)</u>	<u>£ 12,356</u>
<b>FUNDS BROUGHT FORWARD</b>		<u>12,468</u>	<u>22,628</u>	<u>35,096</u>	<u>22,740</u>
<b>FUNDS CARRIED FORWARD</b>		<u>£ 6,085</u>	<u>£ 15,303</u>	<u>£ 21,388</u>	<u>£ 35,096</u>

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

There were no recognised gains and losses for 2000 or 1999 other than those included above.

The notes on pages 7 to 11 form part of these financial statements.

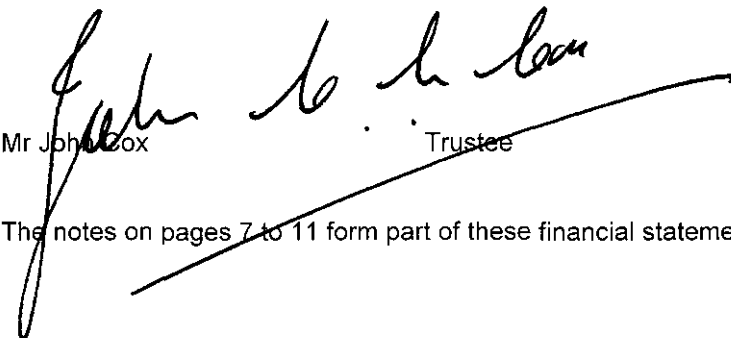


**BALANCE SHEET**  
As at 31 March 2000

	Note	£	2000 £	£	1999 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	6		9,636		11,675
<b>CURRENT ASSETS</b>					
Stocks		8,690		-	
Debtors	7	27,717		46,548	
Cash at bank and in hand		105		56,354	
			36,512	102,902	
<b>CREDITORS: amounts falling due within one year</b>	8	(24,760)		(79,481)	
<b>NET CURRENT ASSETS</b>			11,752		23,421
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			£ 21,388		£ 35,096
<b>CAPITAL</b>					
Restricted funds	10		6,085		12,468
Unrestricted funds			15,303		22,628
			£ 21,388		£ 35,096

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 9 January 2001 and signed on its behalf

  
 Mr John Cox                      Trustee

The notes on pages 7 to 11 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2000

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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 Statement of Recommended Practice "Accounting by Charities" and applicable accounting standards, and include the results of the charity's operations which are described in the Directors' and Trustees' Report and all of which are continuing.

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 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 equipment	-	25%	reducing balance
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**1.4 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.

**1.5 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**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.

**1.7 Pensions**

The charity pays contributions to employees' personal pension schemes and the pension charge represents the amounts paid by the charity to these schemes during the year.

**1.8 Management and administration costs**

Administration expenditure includes all expenditure not directly related to charitable activities. Where items of expenditure include both charitable and administrative elements the trustees have apportioned the expenditure using a suitable basis.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2000

**2. INCOMING RESOURCES**

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

**3. NET (OUTGOING)/INCOMING RESOURCES**

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

	<b>Total 2000 £</b>	<b>Total 1999 £</b>
Depreciation of tangible fixed assets		
- owned by the charity	<b>2,938</b>	<b>3,176</b>
Audit fees	<b>2,000</b>	<b>2,000</b>
Auditors' remuneration - accountancy services	<b>1,325</b>	<b>925</b>
Operating lease rentals		
- land and buildings	<b>11,224</b>	<b>14,138</b>
Pension costs	<b>1,107</b>	<b>2,214</b>
Foreign exchange differences	<b>1,890</b>	<b>(380)</b>

**4. EMPLOYEE INFORMATION**

No director or trustee received any emoluments in the year (1999 - £Nil). No expenses were reimbursed to them.

No employee earned £40,000 per annum or more.

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

	<b>2000 No.</b>	<b>1999 No.</b>
Research projects	<b>3</b>	<b>3</b>
Publications	<b>1</b>	<b>1</b>
Administration	<b>1</b>	<b>1</b>
	<b>5</b>	<b>5</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2000

**5. TOTAL RESOURCES EXPENDED**

	Direct charitable expenditure 2000 £	Management and administration 2000 £	Total 2000 £	Total 1999 £
<b>Project work</b>				
Staff salaries	80,497	22,704	103,201	112,882
Pensions	863	244	1,107	2,214
Consultancy	56,969	6,000	62,969	54,702
Hotels and travel	17,309	-	17,309	13,791
Events and meetings	23,925	-	23,925	14,187
Printing	(500)	-	(500)	4,200
	<u>179,063</u>	<u>28,948</u>	<u>208,011</u>	<u>201,976</u>
<b>Publications</b>				
Books and publications	243	568	811	1,198
Printing and stationery	9,866	4,228	14,094	9,065
Postage	1,212	1,212	2,424	1,824
	<u>11,321</u>	<u>6,008</u>	<u>17,329</u>	<u>12,087</u>
<b>General office costs</b>				
Entertainment	-	-	-	112
Office supplies	1,315	1,314	2,629	2,051
Printing and stationery	6,577	2,819	9,396	6,043
Postage	1,212	1,212	2,424	1,824
Telephone and fax	2,723	2,723	5,446	4,634
Computer costs	-	-	-	391
Conferences	2,503	2,503	5,006	3,644
General office expenses	-	420	420	749
Subscriptions and courses	9	78	87	835
Legal and professional	-	1,410	1,410	-
Audit remuneration	-	2,000	2,000	2,000
Accountancy	-	1,325	1,325	925
Bank charges	-	2,145	2,145	812
Foreign exchange profits	-	1,890	1,890	(380)
Depreciation	2,057	881	2,938	3,176
Rent	8,755	2,469	11,224	14,138
Rates and service charges	689	170	859	962
Light and heat	652	184	836	935
Cleaning	222	63	285	735
Insurances	682	192	874	875
Repairs and maintenance	2,129	601	2,730	969
	<u>29,525</u>	<u>24,399</u>	<u>53,924</u>	<u>45,430</u>
<b>Total expenditure</b>	<u>£ 219,909</u>	<u>£ 59,355</u>	<u>£ 279,264</u>	<u>£ 259,493</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 2000

6. TANGIBLE FIXED ASSETS

	Furniture and equipment £
<b>Cost</b>	
At 1 April 1999	60,650
Additions	899
At 31 March 2000	<u>61,549</u>
<b>Depreciation</b>	
At 1 April 1999	48,975
Charge for year	2,938
At 31 March 2000	<u>51,913</u>
<b>Net Book Value</b>	
At 31 March 2000	<u>£ 9,636</u>
At 31 March 1999	<u>£ 11,675</u>

7. DEBTORS

	2000 £	1999 £
<b>Due within one year</b>		
Trade debtors	11,890	42,277
Other debtors	-	736
Prepayments and accrued income	15,827	3,535
	<u>£ 27,717</u>	<u>£ 46,548</u>

8. CREDITORS:  
Amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	2,504	-
Other creditors	10,822	3,776
Accruals and deferred income	11,434	75,705
	<u>£ 24,760</u>	<u>£ 79,481</u>

Included within other creditors is an amount of £2,746 (1999 - £3,775) relating to social security and other taxes.

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2000

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**9. OTHER COMMITMENTS**

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	1999 £
<b>Expiry date:</b>		
Within 1 year	-	14,138
Between 2 and 5 years	5,100	-
	<u>5,100</u>	<u>-</u>

**10. RESTRICTED FUNDS**

The restricted funds are represented by working capital balances and result from various sources of funding for specific research projects undertaken by the charity, together with funding for the charity's quarterly bulletin.

**11. ANALYSIS OF FUNDS BETWEEN NET ASSETS**

	Unrestricted funds £	Project funds £	Total funds £
Tangible fixed assets	8,676	960	9,636
Net current assets	6,627	5,125	11,752
	<u>£ 15,303</u>	<u>£ 6,085</u>	<u>£ 21,388</u>