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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 1999**



**LAKIN ROSE**  
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 E 3 King's Parade Cambridge CB2 1SJ
<b>Directors and Trustees</b>	Sir Michael Colman Professor Sir Kenneth Alexander (resigned 31 December 1998) The Lord Barber of Tewkesbury (resigned 15 April 1998) Professor Sir Hermann Bondi FRS Sir Anthony Cleaver (resigned 13 October 1998) Professor P S Dasgupta Professor John Durant Ms Noriko Hama (resigned 20 October 1998) 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>	D Cope (resigned 1 May 1998) J Winward (appointed 1 May 1998)
<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 1999**

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The directors and trustees present their report and the financial statements for the year ended 31 March 1999.

**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 has seen the completion of a number of projects, the production of several publications and the securing of funding for a range of new projects.

At the beginning of the financial year, John Winward, previously Acting Director, assumed the post of part-time Executive Director, with Jonathan Selwyn continuing in the role of Deputy Director.

The Centre continued to receive core funding from the Department of the Environment, Transport and the Regions, under the Environmental Action Fund, and from the Dulverton Trust.

A number of projects were undertaken during the year including:

- Consensus Conference on Radioactive Waste Management, funded by the Office of Science and Technology, the Natural Environmental Research Council and Nirex.
- European Union LIFE-Environment and the UK Countryside Agencies: An Assessment of the Impacts of Recreational Activities on Marine Special Areas of Conservation
- European Union Information Society Project Office/British Telecom: Local Authorities' Role in Information and Communications Technologies: A Regional Seminar Series
- Automobile Association: The Travel Substitution Effects of a Tele-working Pilot Project
- British Airways/British Airways Holidays: The Relative Environmental and Social Implications of All-Inclusive Holiday Resorts
- British Marine Industries Federation/Department of the Environment, Transport and the Regions/the RSPB/Perkins: Navigate with Nature: Encouraging the Responsible Use of Boats and Other Craft in Inland and Marine Environments
- Marina Developments Ltd: Environmental Site Audit and Management Training Programme
- European Union DG XI: AIRMAS: Examining the Feasibility of Extending EMAS to European Airports
- European Union DG XI: Eco-Services: Examining opportunities for 'dematerialising' and reducing the environmental impacts of product chains through the development of service-based solutions.

During the year, the Centre has secured funding for a number of new projects, including:

- European Interreg Project Office: Extension of Navigate with Nature to Wales and Ireland
- DETR: Inland Coastal and Estuarine Waters (ICE): A New Magazine for Water Environment Professionals
- The Automobile Association: Extension of Tele-working Pilot Project
- DETR, BMIF, RSPB, Perkins, MDL: Renewal of Navigate with Nature funding
- Cambridge City Council: Video-conferencing Pilot Project

**DIRECTORS' AND TRUSTEES' REPORT**  
**For the year ended 31 March 1999**

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**Financial review**

This year has seen encouraging progress in placing the Centre's finances on a more sustainable long-term footing. The Centre has achieved a year end surplus for 1998/99 of £12,356. This result stems both from an increase in project activity and from a significant restructuring of the Centre's operations.

The aim of the restructuring has been to ensure that all of the Centre's activities are financially viable and are undertaken within a financially stable environment. The organisation's current funding broadly covers core costs (e.g. contracted staff salaries, office costs etc.) and specific project costs (including external consultancy). This is achieved through a relatively small level of unattributed funding and project sponsorship.

In the short term, the current level of core funding is seen as an essential element in the overall viability of the Centre. Whilst the medium term goal is to ensure that all fixed and variable costs are covered fully by a management element included within project costings, securing core funding remains an important objective.

The outlook for the next financial year remains promising as the restructuring and new work programme continue to produce results. Several new, fully-funded projects have already been secured (see below) and several more project proposals are being worked up. It is forecast that a small surplus will again be achieved in this period.

**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.

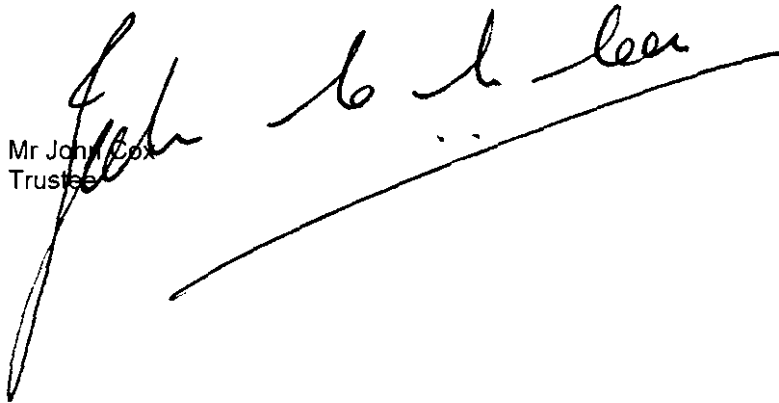
**DIRECTORS' AND TRUSTEES' REPORT**  
For the year ended 31 March 1999

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**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 of Directors and Trustees on 7/12/99 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'John Cox', is written over a horizontal line. The signature is stylized and cursive.

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 1999 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

*10 December 1999*

**STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 March 1999

	Note	Restricted funds £	Unrestricted funds £	Total 1999 £	Total 1998 £
<b>SUMMARY INCOME AND EXPENDITURE ACCOUNT</b>					
<b>INCOMING RESOURCES</b>					
Donations and grants		15,000	38,858	53,858	60,080
Research projects funding	2	263,624	-	263,624	108,232
add: income deferred from prior year		8,750	-	8,750	7,500
less: income deferred to next year		(62,671)	-	(62,671)	(8,750)
	2	<u>224,703</u>	<u>38,858</u>	<u>263,561</u>	<u>167,062</u>
Publications		-	1,346	1,346	2,002
Consultancy		-	6,360	6,360	-
Interest receivable		-	582	582	831
<b>Total incoming resources</b>	2	<u>224,703</u>	<u>47,146</u>	<u>271,849</u>	<u>169,895</u>
<b>RESOURCES EXPENDED</b>					
Direct charitable expenditure	5	(177,007)	(25,581)	(202,588)	(154,996)
Management and administration	5	(44,252)	(12,653)	(56,905)	(39,054)
<b>Total resources expended</b>	5	<u>(221,259)</u>	<u>(38,234)</u>	<u>(259,493)</u>	<u>(194,050)</u>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>3,444</b>	<b>8,912</b>	<b>12,356</b>	<b>(24,155)</b>
Transfer from revaluation reserve		-	-	-	1,555
<b>NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR</b>		<b>3,444</b>	<b>8,912</b>	<b>12,356</b>	<b>(22,600)</b>
<b>FUNDS BROUGHT FORWARD</b>		<u>9,024</u>	<u>13,716</u>	<u>22,740</u>	<u>45,340</u>
<b>FUNDS CARRIED FORWARD</b>		<u>£ 12,468</u>	<u>£ 22,628</u>	<u>£ 35,096</u>	<u>£ 22,740</u>

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

There were no recognised gains and losses for 1999 or 1998 other than those included above.

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



**BALANCE SHEET**  
As at 31 March 1999

	Note	£	1999 £	£	1998 £
<b>FIXED ASSETS</b>					
Tangible assets	6		11,675		10,644
<b>CURRENT ASSETS</b>					
Debtors	7	46,548		32,917	
Cash at bank and in hand		56,354		7,689	
		<u>102,902</u>		<u>40,606</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(79,481)</u>		<u>(28,510)</u>	
<b>NET CURRENT ASSETS</b>			<u>23,421</u>		<u>12,096</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£ 35,096</u>		<u>£ 22,740</u>
<b>CAPITAL</b>					
Restricted funds	10		12,468		9,024
Unrestricted funds			22,628		13,716
			<u>£ 35,096</u>		<u>£ 22,740</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.

The financial statements were approved by the Board of Directors and Trustees on and signed on its behalf

Mr John Cox Trustee

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 1999**

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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 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.

**1.6 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.

**1.7 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.

**2. INCOMING RESOURCES**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 1999

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

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

	<b>Total 1999 £</b>	<b>Total 1998 £</b>
Depreciation of tangible fixed assets		
- owned by the charity	<b>3,176</b>	<b>3,548</b>
Audit fees	<b>2,000</b>	<b>2,250</b>
Auditors' remuneration - accountancy services	<b>925</b>	-
Operating lease rentals		
- land and buildings	<b>14,138</b>	<b>14,138</b>
Pension costs	<b>2,214</b>	-
Foreign exchange differences	<b>(380)</b>	<b>(1)</b>

**4. EMPLOYEE INFORMATION**

No director or trustee received any emoluments in the year (1998 - £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>1999 No.</b>	<b>1998 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 1999

5. TOTAL RESOURCES EXPENDED

	Direct charitable expenditure 1999 £	Management and administration 1999 £	Total 1999 £	Total 1998 £
<b>Project work</b>				
Staff salaries	88,048	24,834	112,882	89,368
Pensions	1,727	487	2,214	-
Consultancy	48,702	6,000	54,702	30,045
Hotels and travel	13,791	-	13,791	11,870
Events and meetings	8,500	-	8,500	-
Printing	4,200	-	4,200	12,000
	<u>164,968</u>	<u>31,321</u>	<u>196,289</u>	<u>143,283</u>
<b>Publications</b>				
Books and publications	360	838	1,198	2,289
Printing and stationery	6,345	2,720	9,065	7,913
Postage	912	912	1,824	1,512
	<u>7,617</u>	<u>4,470</u>	<u>12,087</u>	<u>11,714</u>
<b>General office costs</b>				
Entertainment	-	112	112	984
Office supplies	1,025	1,026	2,051	1,142
Printing and stationery	4,230	1,813	6,043	5,275
Postage	912	912	1,824	1,512
Telephone and fax	2,317	2,317	4,634	4,444
Computer costs	-	391	391	-
Conferences	4,666	4,665	9,331	-
General office expenses	-	749	749	20
Subscriptions and courses	84	751	835	1,133
Legal and professional	-	-	-	30
Audit remuneration	-	2,000	2,000	2,250
Accountancy	-	925	925	-
Bank charges	-	812	812	422
Foreign exchange profits	-	(380)	(380)	(1)
Project petty cash	-	-	-	401
Depreciation	2,223	953	3,176	3,548
Rent	11,028	3,110	14,138	14,138
Rates and service charges	778	184	962	951
Light and heat	729	206	935	1,255
Cleaning	573	162	735	1,096
Insurances	682	193	875	453
Repairs and maintenance	756	213	969	-
	<u>30,003</u>	<u>21,114</u>	<u>51,117</u>	<u>39,053</u>
<b>Total expenditure</b>	<u>£ 202,588</u>	<u>£ 56,905</u>	<u>£ 259,493</u>	<u>£ 194,050</u>

NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 March 1999

6. TANGIBLE FIXED ASSETS

	Furniture and equipment £
<b>Cost</b>	
At 1 April 1998	56,443
Additions	4,207
At 31 March 1999	60,650
<b>Depreciation</b>	
At 1 April 1998	45,799
Charge for year	3,176
At 31 March 1999	48,975
<b>Net Book Value</b>	
At 31 March 1999	£ 11,675
At 31 March 1998	£ 10,644

7. DEBTORS

	1999 £	1998 £
<b>Due within one year</b>		
Trade debtors	42,277	23,124
Other debtors	736	6,258
Prepayments	3,535	3,535
	£ 46,548	£ 32,917

8. CREDITORS:  
Amounts falling due within one year

	1999 £	1998 £
Other creditors	3,776	2,674
Accruals and deferred income	75,705	25,836
	£ 79,481	£ 28,510

Included within other creditors is an amount of £3,775 (1998 - £2,675) relating to social security and other taxes.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 1999

**9. OTHER COMMITMENTS**

At 31 March 1999 the company had annual commitments under non-cancellable operating leases as follows:

	1999 £	1998 £
<b>Expiry date:</b>		
Between 2 and 5 years	<u>14,138</u>	<u>14,138</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	10,395	1,280	11,675
Net current assets	12,233	11,188	23,421
	<u>£ 22,628</u>	<u>£ 12,468</u>	<u>£ 35,096</u>