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

**(A company limited by guarantee)**

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 2012**

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28/12/2012

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COMPANIES HOUSE



**LAKIN ROSE**  
CHARTERED ACCOUNTANTS

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

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	Page
<b>Reference and administrative details of the charity, its trustees and advisers</b>	<b>1</b>
<b>Trustees' report</b>	<b>2 - 8</b>
<b>Independent examiner's report</b>	<b>9 - 10</b>
<b>Statement of financial activities</b>	<b>11</b>
<b>Balance sheet</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13 - 21</b>

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**Trustees**

Mr J C L Cox CBE  
Dr D Giachardi, FRSC (resigned 23 November 2011)  
Mr C Murray  
Mr J O'Keefe (resigned 23 November 2011)  
Dr D Slater  
Miss J M Isherwood (appointed 23 November 2011)  
Mr L J Pyle (appointed 6 February 2012)

**Company registered number**

01811707

**Charity registered number**

289469

**Registered office**

Eco Innovation Centre  
Peterscourt  
City Road  
Peterborough  
PE1 1SA

**Company secretary**

Mrs L Barnes

**Chief executive officer**

Mr C Murray

**Accountants**

Lakin Rose Limited  
Chartered Accountants  
Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

**Bankers**

National Westminster Bank plc  
36 St James' Street  
London  
SW1A 1JF

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**THE U K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
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**TRUSTEES' REPORT**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of The U K Centre for Economic and Environmental Development (the charity) for the period ended 31 March 2012. The Trustees confirm that the annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**Constitution**

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 March 1984.

**Method of appointment or election of Trustees**

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

**Organisational structure and decision making**

The Trustees meet regularly to review the charity's operations, but the day-to-day running of the charity is undertaken by the Chief Executive together with the staff of the charity.

The Trustees who served during the year are shown on page 1.

**Risk management**

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

**Objectives and Activities**

**Policies and objectives for the public benefit**

**1 UK CEED Overview**

UK CEED's core belief that 'good environmental practice is a strategic necessity for business and is fundamental for economic development and social well-being' suggests that not only do we need to protect the environment to enhance peoples' sense of well-being but that companies can derive economic benefit from so-doing. This belief underpins all the work that UK CEED undertakes.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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**Strategies for achieving objectives**

In delivering its vision, UK CEED aims to

- Evaluate and demonstrate the economic case for good environmental practice
- Encourage business, government and individuals to incorporate ever higher environmental standards in their activities
- 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 key issues

**Achievements and performance**

**2. Review of activities in 2011/12**

UK CEED's current activities fall into a broad range of projects that are defined as either of local/regional importance or European/Global importance

**2.1 EnviroCluster**

EnviroCluster is Peterborough's network of 350 businesses and organisations working in the environmental goods and services sector. The cluster stimulates economic growth through collaborative working, business support and incubation.

EnviroCluster continues to be one of UK CEED's most important projects, providing a platform that engages with eco-innovative businesses and organisations across the city and the region. It has a lot of potential to promote and encourage the growth of the city's environmental business sector. However, the cluster itself has not generated a direct income stream for UK CEED, instead forming the platform upon which our European projects are based.

UK CEED has successfully negotiated a contract with Peterborough City Council for annual funding of £70k to re-launch the cluster and generate outputs focused on economic growth, job creation, business support and promotion. Delivery will take place from April 1st 2012 until March 31st 2013. Importantly, the funding would allow UK CEED to restructure the cluster in-line with newly available guidelines from the European Commission, so that it can achieve a European Cluster Label. This is important for 3 reasons:

- 1 This designation is likely to be a requirement of the EC for future EU funding
- 2 It ensures that the cluster is managed in a more efficient way
- 3 The label is a good marketing tool for the cluster and for the city

**2.2 Eco Innovation Centre**

The Eco Innovation Centre is performing well and is acting as the base for EnviroCluster business support activities and continues to host eco-innovative businesses in office accommodation or through virtual services. In 2011 the Centre drew in £76k of support to UK CEED from Peterborough City Centre to continue managing the building and providing support to local businesses.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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**2 3. Europe INNOVA Projects**

UK CEED is currently engaged in 2 Europe INNOVA projects, funded by the EC's Competitiveness and Innovation Programme (CIP)

**2 3 1 Eco-Innovation Cluster Partnership (EcoCluP)**

EcoCluP is helping bring together Europe's eco-innovation clusters and support the growth and internationalisation of European cleantech companies. UK CEED is the coordinator of the project and is responsible for the coordination of the 12 other project partners and their activities to meet the goals set out by the European Commission.

Now in its final year, there are still many outcomes which need to be delivered. These include 3 international fact-finding business trips to Russia (on water), Brazil (on waste), and Canada (on cleantech). The final Cluster Manager Day will be held in Hungary in May 2012 where European eco-innovation Cluster Managers can share best practice and translate these practices into their own clusters, and a final stakeholder conference will be held in Brussels in October 2012. UK CEED also needs to test 2 tools on innovation management and risk management with EnviroCluster companies.

**2 3 2 Innovative Water Partnership (INNOWATER)**

INNOWATER is creating a number of tools to help water sector innovators better promote their products and services to large-scale end-users of water and is helping these end-users better understand their water use.

UK CEED is responsible for creating a programme of 3 international business trips (similar to EcoCluP) but focused on the water sector and to promote the newly created business support tools to companies in the water sector supply chain.

INNOWATER has progressed slowly in the last year due to an extensive audit carried out by the European Commission of all partners but will resume activities in 2012.

**2 4 INTERREG Projects**

UK CEED has commenced work as a delivery partner in 2 European Commission projects funded through the INTERREG IVC programme from January 2012. These projects will help improve regional policies on various issues. UK CEED is also currently in negotiations to become an external advisor providing consultancy support to Peterborough City Council / Serco for a third project (CIE) which aims to share best practice on the creation and running of cleantech incubators. All three projects will create a Regional Implementation Plan (RIP) that will ensure that the lessons learnt from the projects will be put in place in Peterborough over the next 3 years.

**2 4 1 InnoFun**

InnoFun aims to reduce the communications gap between innovation and investment. The project aims to better help businesses and entrepreneurs promote their innovations to investors. The outputs of the project are expected to be an online platform for entrepreneurs that enables the "digital pitching" of ideas to innovators and/or a series of investor-readiness workshops.

InnoFun is worth around €119k to UK CEED over 3 years. The kick-off meeting will take place in the Czech Republic in May 2012.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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## **2.4.2 RECOMMEND**

RECOMMEND aims to encourage the take up of environmental management systems with the view of improving corporate innovation and eco-efficiency of production

RECOMMEND is worth €79k to UK CEED over 3 years. RECOMMEND's kick-off meeting took place in Austria in March 2012.

## **2.5 PeterboroughBiz**

PeterboroughBiz is a one-to-one business support, coaching and mentoring service operated by UK CEED for high growth businesses in and around Peterborough.

Take-up of PeterboroughBiz services continues to grow and is generating around £600 a month through companies purchasing expert advice from UK CEED. PeterboroughBiz will also be better integrated and "white-labeled" in the EnviroCluster project as that now moves forward, to generate more awareness of the service.

## **2.6 Water Innovation Network**

The Water Innovation Network (WIN) aims to stimulate innovation in the water industry and encourage take-up of new solutions by water utility companies.

Anglian Water has committed £40k to UK CEED in 2012 for the delivery of WIN, which is a 100% increase on their financial commitment last year, demonstrating the value that they see in the network. To capitalise on demand, UK CEED will meet all of the UK's water utility companies to see if a nationalised WIN model can be established, without compromising the relationship established with Anglian Water.

Additional income for WIN is derived through delegate fees at events and from memberships. Membership sales have been flat in recent months but a new membership model has been created which will help increase income.

## **3 Tendered Projects**

UK CEED has bid for a number of new projects which are currently being assessed.

### **3.1 Regions of Knowledge**

Regions of Knowledge is a European fund which aims to create new innovation partnerships between different regions in Europe. With 100% funding, it is extremely competitive. 119 proposals have been submitted with decisions expected by June 2012.

#### **3.1.1 WE@EU**

WE@EU is a project that would help regions improve their urban water management performance. Value to UK CEED would be around £290k over 3 years.

#### **3.1.2 World-C4**

World-Class Cleantech Cluster Collaboration would create an innovation partnership between cleantech clusters. Value to UK CEED.

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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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**4. UK CEED Strategy**

This table serves as an overview of UK CEED, summarising the key issues being addressed, the key sectors being supported and the responses needed to achieve sustainable growth. All of UK CEED's current and future projects fit into this strategy.

**UK CEED Strategy**

<b>Issues</b>	<ul style="list-style-type: none"> <li>• Climate Change &amp; Environmental Protection (mitigation and adaptation)</li> <li>• Resource Security (sustainable sourcing of future resources)</li> <li>• Economic Development (creation of jobs and economic wealth)</li> <li>• Inward Investment (need to attract high growth companies)</li> <li>• Competitiveness (increased national &amp; international competitiveness of companies)</li> <li>• Social Improvement (reduce poverty, inequality, interaction with the environment, skills)</li> </ul>
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<b>Sectors</b>	<b>Energy Efficiency &amp; Generation</b>	<b>Materials &amp; Design</b>	<b>Pollution Prevention</b>	<b>Waste &amp; Recycling</b>	<b>Water</b>
	<ul style="list-style-type: none"> <li>•Biomass</li> <li>•Geothermal</li> <li>•Hydro</li> <li>•Photovoltaic</li> <li>•Wave/Tidal</li> <li>•Wind</li> </ul>	<ul style="list-style-type: none"> <li>•Zero/Low Embodied &amp; Operational Carbon</li> <li>•Sustainable Design</li> <li>•Passivhaus</li> <li>•LCA</li> </ul>	<ul style="list-style-type: none"> <li>•Vehicles</li> <li>•Carbon Capture &amp; Storage</li> <li>•Air Pollution</li> <li>•Land Remediation</li> <li>•Noise &amp; Vibration</li> </ul>	<ul style="list-style-type: none"> <li>•Waste Collection &amp; Handling</li> <li>•Recycling &amp; Reuse</li> <li>•Digestion Technologies</li> <li>•Energy Recovery</li> </ul>	<ul style="list-style-type: none"> <li>•Waster Supply</li> <li>•Wastewater Treatment</li> <li>•Biosolids</li> </ul>

**Smart Tech & ICT**

- Modelling & Monitoring
- Sensors & Instrumentation

**Environmental Services**

- Consultancy
- Environmental Management/Awareness

<b>Response</b>	<ul style="list-style-type: none"> <li>•Growth &amp; Development (one-to-one and collective business support, incubation)</li> <li>•Innovation Support (one-to-one, tools, finance, partnership, cluster programmes)</li> <li>•Internationalisation (market intelligence, brokerage, missions, expertise, grants)</li> <li>•Knowledge &amp; Intelligence (sharing, academic links, intelligence on new markets)</li> <li>•Promotion (of cleantech companies/expertise/capabilities/facilities - inward investment)</li> <li>•Investment (secure funding for cluster programmes/specific companies, inc VCs/angels)</li> <li>•Skills (creation of skilled workforce, plugging gaps, anticipation of future skills demands)</li> <li>•Engagement (facilitation of collaboration between cleantech stakeholder members)</li> <li>•Policy advice and recommendation (lobbying, policy recommendations to government)</li> </ul>
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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**Financial review**

**Reserves policy**

It is UK CEED'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 (less than 10% of the UK CEED's total funds) of wholly unrestricted funding with the balance of funds being generated through project activity.

UK CEED's Board of Trustees 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

It is the board's aim for the year ahead to rebuild UK CEED's unrestricted reserve to fulfil these obligations, whilst both continuing to deliver excellent project results and remaining competitive in the development of new project areas.

**Members' liability**

The members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

**Trustees' responsibilities statement**

The Trustees (who are also directors of The U K Centre for Economic and Environmental Development for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

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**THE U K CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
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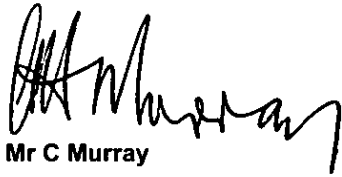
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**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the Trustees on 11 - 12 - 12 and signed on their behalf, by



Mr C Murray

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

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**INDEPENDENT EXAMINER'S REPORT  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**Independent Examiner's Report to the Trustees of The U K Centre for Economic and Environmental Development**

I report on the financial statements of the charity for the period ended 31 March 2012 which are set out on pages 11 to 21

This report is made solely to the charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

**Respective Responsibilities of Trustees and Examiner**

The Trustees, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the financial statements. The Trustees consider that an audit is not required for this period under section 144(2) of the Charities Act 2011 (the Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants in England and Wales.

Having satisfied myself that the charity is not subject to audit under charity or company law and is eligible for independent examination, it is my responsibility to

- examine the financial statements under section 145 of the Act,
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act, and
- state whether particular matters have come to my attention

**Basis of Independent Examiner's Report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the statement below.

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**THE U K CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
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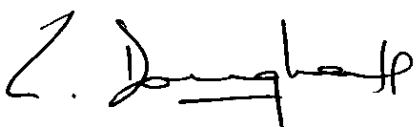
**INDEPENDENT EXAMINER'S REPORT (continued)**  
**FOR THE PERIOD ENDED 31 MARCH 2012**

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**Independent Examiner's Statement**

In connection with my examination, no matter has come to my attention

- (1) which gives me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 386 of the Companies Act 2006, and
  - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice Accounting and Reporting by Charities
- have not been met, or
- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached

Signed  Dated 13<sup>th</sup> December 2012

Christopher Dougherty FCA

**Lakin Rose Limited**

Chartered Accountants

Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

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

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account)  
FOR THE PERIOD ENDED 31 MARCH 2012

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2010 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	2	-	30,250	30,250	35,600
Investment income	3	-	17	17	-
Incoming resources from charitable activities		282,893	-	282,893	206,710
<b>TOTAL INCOMING RESOURCES</b>		<b>282,893</b>	<b>30,267</b>	<b>313,160</b>	<b>242,310</b>
<b>RESOURCES EXPENDED</b>					
Charitable activities	5	264,107	38,935	303,042	231,799
Governance costs	8	1,538	-	1,538	416
<b>TOTAL RESOURCES EXPENDED</b>	9	<b>265,645</b>	<b>38,935</b>	<b>304,580</b>	<b>232,215</b>
<b>MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>17,248</b>	<b>(8,668)</b>	<b>8,580</b>	<b>10,095</b>
<i>Total funds at 1 January 2011</i>		<i>(123,384)</i>	<i>9,901</i>	<i>(113,483)</i>	<i>(123,578)</i>
<b>TOTAL FUNDS AT 31 MARCH 2012</b>		<b>£ (106,136)</b>	<b>£ 1,233</b>	<b>£ (104,903)</b>	<b>£ (113,483)</b>

The notes on pages 13 to 21 form part of these financial statements

**THE U.K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER 01811707**

**BALANCE SHEET**  
**AS AT 31 MARCH 2012**

	Note	£	31 March 2012 £	31 December 2010 £
<b>FIXED ASSETS</b>				
Tangible assets	12		1,785	4,403
Investments	13		100	-
			<u>1,885</u>	<u>4,403</u>
<b>CURRENT ASSETS</b>				
Debtors	14	48,232		72,592
Cash at bank and in hand		63		540
		<u>48,295</u>		<u>73,132</u>
<b>CREDITORS</b> amounts falling due within one year	15	(155,083)		(191,018)
<b>NET CURRENT LIABILITIES</b>			<u>(106,788)</u>	<u>(117,886)</u>
<b>NET LIABILITIES</b>			<u>£ (104,903)</u>	<u>£ (113,483)</u>
<b>CHARITY FUNDS</b>				
Restricted funds	16		(106,136)	(123,384)
Unrestricted funds	16		1,233	9,901
			<u>£ (104,903)</u>	<u>£ (113,483)</u>

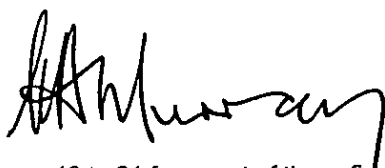
The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the period in question in accordance with section 476 of the Act

The Trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the charity as at 31 March 2012 and of its net incoming resources for the period in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charity

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Trustees on 11-12-12 and signed on their behalf, by

Mr C Murray



The notes on pages 13 to 21 form part of these financial statements

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**THE U K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**1 ACCOUNTING POLICIES**

**1.1 Working capital**

The financial statements have been prepared on the going concern basis which assumes that the charity will continue as a going concern for the foreseeable future. The validity of this assumption depends on continuing support from creditors by delaying payment terms, support of bankers/others by providing finance, and positive cash flows from future activities.

The trustees believe that these assumptions are valid because UK CEED has agreed delayed payment terms with its major creditors, chief executive fees from 2009 to 2012 have been waived, it has an agreed overdraft facility with its bank and management accounts and forecasts show positive cash flows. Accordingly trustees believe it appropriate to prepare the financial statements on the going concern basis.

**1.2 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in March 2005, applicable accounting standards and the Companies Act 2006.

**1.3 Company status**

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

**1.4 Fund accounting**

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

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

**1.5 Incoming resources**

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

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

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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**THE U K CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**1 ACCOUNTING POLICIES (continued)**

**1 6 Resources expended**

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

Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

**1 7 Cash flow**

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 the Financial Reporting Standard for Smaller Entities (effective April 2008).

**1 8 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:

Fixtures & fittings	-	25% reducing balance
Computer equipment	-	33% straight line

**1 9 Investments**

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost.

**1 10 Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

**2. VOLUNTARY INCOME**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2010 £</b>
Donations	£ -	£ 30,250	£ 30,250	£ 35,600

**3. INVESTMENT INCOME**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2010 £</b>
Interest receivable	£ -	£ 17	£ 17	£ -

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2010 £</b>
Environmental research projects	£ 282,893	£ -	£ 282,893	£ 206,710

**5. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	<b>Activities undertaken directly 2012 £</b>	<b>Support costs 2012 £</b>	<b>Total 2012 £</b>	<b>Total 2010 £</b>
Environmental research projects	£ 275,250	£ 27,792	£ 303,042	£ 231,799

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

**6 DIRECT COSTS**

Expenditure on environmental research projects included the following direct costs

	<b>Charitable Activities £</b>	<b>Total 2012 £</b>	<b>Total 2010 £</b>
Direct project costs	56,244	56,244	21,532
Wages and salaries	205,759	205,759	159,166
National insurance	13,247	13,247	14,612
	<u>£ 275,250</u>	<u>£ 275,250</u>	<u>£ 195,310</u>

**7 SUPPORT COSTS**

Expenditure on environmental research projects included the following support costs

	<b>Charitable Activities £</b>	<b>Total 2012 £</b>	<b>Total 2010 £</b>
Rent	6,659	6,659	9,750
Printing and stationery	1,328	1,328	1,666
Repairs and maintenance	925	925	1,682
Telephone and fax	4,552	4,552	4,367
Interest payable	107	107	-
Bank charges	3,796	3,796	3,195
Insurance	5,621	5,621	5,492
Computer costs	2,897	2,897	5,870
Postage	213	213	435
Foreign exchange movements	(3,356)	(3,356)	(63)
Legal and professional fees	535	535	828
Accountancy	1,897	1,897	624
Loss on disposal of fixed assets	517	517	-
Depreciation	2,101	2,101	2,643
	<u>£ 27,792</u>	<u>£ 27,792</u>	<u>£ 36,489</u>

**8 GOVERNANCE COSTS**

	<b>Restricted funds 2012 £</b>	<b>Unrestricted funds 2012 £</b>	<b>Total funds 2012 £</b>	<b>Total funds 2010 £</b>
Accountancy and independent examination costs	£ 1,538	£ -	£ 1,538	£ 416

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

**9 ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2010 £
Environmental research projects	219,006	2,101	81,935	303,042	231,799
Governance	-	-	1,538	1,538	416
	<u>£ 219,006</u>	<u>£ 2,101</u>	<u>£ 83,473</u>	<u>£ 304,580</u>	<u>£ 232,215</u>

**10. NET INCOME / (EXPENDITURE)**

This is stated after charging

	2012 £	2010 £
Depreciation of tangible fixed assets - owned by the charity	<u>2,101</u>	<u>2,643</u>

During the year, no Trustees received any remuneration or benefits in kind (2010 - £NIL)

1 Trustee received reimbursement of expenses amounting to £1,771 in the current period, (2010 - £NIL)

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

**11 STAFF COSTS**

Staff costs were as follows

	2012 £	2010 £
Wages and salaries	205,759	159,166
Social security costs	13,247	14,612
	<u>£ 219,006</u>	<u>£ 173,778</u>

The average monthly number of employees during the period was as follows

	2012 No	2010 No
Environmental research projects	6	7
Administration	1	1
	<u>7</u>	<u>8</u>

No employee received remuneration amounting to more than £60,000 in either year

**12 TANGIBLE FIXED ASSETS**

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 January 2011	67,574
Disposals	(24,533)
At 31 March 2012	<u>43,041</u>
<b>Depreciation</b>	
At 1 January 2011	63,171
Charge for the period	2,101
On disposals	(24,016)
At 31 March 2012	<u>41,256</u>
<b>Net book value</b>	
At 31 March 2012	<u>£ 1,785</u>
At 31 December 2010	<u>£ 4,403</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

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**13. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2011	-
Additions	100
	<hr/>
At 31 March 2012	£ 100
	<hr/>

**Subsidiary undertakings**

The following were subsidiary undertakings of the company

Name	Holding
CEED Management Limited	100%

The aggregate of the share capital and reserves as at 31 March 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
CEED Management Limited	100	-
	<hr/>	<hr/>

**14 DEBTORS**

	31 March 2012 £	31 December 2010 £
Trade debtors	1,332	19,214
Prepayments and accrued income	46,900	53,378
	<hr/>	<hr/>
	£ 48,232	£ 72,592
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**THE U K. CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

**15. CREDITORS**

Amounts falling due within one year

	31 March 2012 £	31 December 2010 £
Bank loans and overdrafts	28,974	23,310
Trade creditors	42,208	51,341
Amounts owed to group undertakings	100	-
Social security and other taxes	23,102	50,185
Other creditors	55,914	34,000
Accruals and deferred income	4,785	32,182
	<u>£ 155,083</u>	<u>£ 191,018</u>

Deferred income of £1,550 (2010 - £29,684) represents funding received in advance from various sources

**16. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
<b>Unrestricted funds</b>				
General funds	9,901	30,267	(38,935)	1,233
<b>Restricted funds</b>				
Environmental research projects	(123,384)	282,893	(265,645)	(106,136)
Total of funds	<u>£ (113,483)</u>	<u>£ 313,160</u>	<u>£ (304,580)</u>	<u>£ (104,903)</u>

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

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	9,901	30,267	(38,935)	1,233
Restricted funds	(123,384)	282,893	(265,645)	(106,136)
	<u>£ (113,483)</u>	<u>£ 313,160</u>	<u>£ (304,580)</u>	<u>£ (104,903)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2012**

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Restricted funds 2012 £	Unrestricte d funds 2012 £	Total funds 2012 £	Total funds 2010 £
Tangible fixed assets	-	1,785	1,785	4,403
Fixed asset investments	-	100	100	-
Current assets	46,885	1,410	48,295	73,132
Creditors due within one year	(153,021)	(2,062)	(155,083)	(191,018)
	<u>£ (106,136)</u>	<u>£ 1,233</u>	<u>£ (104,903)</u>	<u>£ (113,483)</u>

**18 OPERATING LEASE COMMITMENTS**

At 31 March 2012 the charity had annual commitments under non-cancellable operating leases as follows

	Land and buildings 31 March 2012 £	31 December 2010 £
<b>Expiry date:</b>		
Within 1 year	-	3,430

**19 RELATED PARTY TRANSACTIONS**

Included within other creditors due within one year are loans from Mr C Murray, a trustee and Chief Executive, amounting to £23,000 (2010 - £34,000) Interest on these loans accrues on a monthly basis at between 10% and 12% Capital and interest payments are due monthly, however Mr C Murray has agreed to defer receipt of all interest and some capital repayments until further notice

Also included in creditors were the following amounts due to trustees in respect of unpaid expenses

Mr J C L Cox - £830 (2010 - £830)  
Mr C Muray - £1,771 (2010 - £nil)

**20 TRUSTEE INDEMNITY INSURANCE**

During the year the charity paid £1,880 (2010 - £1,863) to provide indemnity insurance for the trustees