

AMENDED



CENTRE FOR ALTERNATIVE TECHNOLOGY

CHARITY LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1998

Registered number: 1090006

Charity registration number: 265239

PJE

CHARTERED ACCOUNTANTS

Lampeter

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

**FINANCIAL STATEMENTS
for the year ended 31st December 1998**

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**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

COMPANY INFORMATION

31st December 1998

INCORPORATED:	in Wales
REGISTERED NUMBER:	1090006
CHARITY REGISTERED NUMBER:	265239
TRUSTEES:	Dr I Ap Gwynn M L Ashby Ms S C Balsom Ms K Bartholomew T Brown G Evans Mrs R A Rowlands Mrs E Todd I R Warren Professor P Wathern D Wyn Davies Mrs D Wynne Rees
SECRETARY:	Mr R B Dance
REGISTERED OFFICE:	Llwyngwern Quarry Machynlleth Powys SY20 9AZ
AUDITORS:	Patterson, Jones & Evans (inc. Tudor Davies & Co.) Chartered Accountants 23 College Street Lampeter Ceredigion SA48 7DY
BANKERS:	National Westminster Bank Plc P O Box No 5 2 North Parade Aberystwyth Ceredigion SY23 2NB
SOLICITORS:	Malcolm Lynch Solicitors 19 High Court Lane The Calls Leeds LS2 7EU

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

TRUSTEES' REPORT

31st December 1998

The Trustees present their report and the audited financial statements for the year ended 31st December 1998. This is the first year that the accounts have been presented in the format required by the Charities Commission Statement of Recommended Practice which also involves a partial restating of the 1997 accounts to make valid comparatives.

Company Status

The Company is a registered charity and a company limited by guarantee. It was incorporated on 5th January 1973 in the name of "Society of Environmental Improvement Limited" under the Companies Act 1985, and is governed by its Memorandum and Articles of Association. The company changed its name to "Centre for Alternative Technology Charity Limited" in 1990.

Principal activity

The principal activity of the company and its charitable objects is that of the promotion of the countryside and the improvement of the environment with a view to preserving the physical and mental health of the public.

Review of the business

The overall activities of the Centre for Alternative Technology are split between this company and the Centre for Alternative Technology plc. Both companies share the same physical site. C.A.T. Charity Ltd. carries out educational and information work, and C.A.T. plc carries out trading activities and operation of the public visitor display circuit.

Trustees form the Council. The Council may appoint any member of the charity as a member of the Council, provided that the prescribed maximum is not exceeded, to hold office until the next Annual General Meeting when s/he is eligible for re-election. Members of the charity can propose any member for election to the Council at the AGM. Each member holds one vote.

Review of developments:

During 1998, the charity continued to expand its activities and services.

The Information Service answered an increasing number of enquiries from both the general public and professionals. It also benefited from a grant from the Department of Trade and Industry to enhance its existing database with a trial e-commerce facility linked to six different renewable energy companies; this project is a test bed for technology which will be used to aid the development of the global green economy.

The charity also won a Multimedia Demonstrator Programme Award from the DTI. This award has initiated the development of an educational interactive CD-ROM.

A fundraising campaign for a proposed new Autonomous Environmental Information Centre went very well. The building is designed to conserve and create as much energy as it consumes and it will act as a model for similar commercial buildings. Once completed, it will house state-of-the-art Information Technology equipment and the charity's ability to provide essential information to the public will be greatly improved.

The Publications Department increased its range with the publication of three new tipsheets, plus its first full colour 300 page book, *The Whole House Book*. In addition, thirteen of its existing titles were reprinted due to popular demand.

With support from Powys County Council and a private landfill operator, the charity has been undertaking a research project to investigate the use of non-recyclable paper and cardboard in domestic composting. A mixture of laboratory research and home-based trials involving 40 local people have been producing useful results, and considerable interest has been expressed by local authorities, waste management professionals and individual householders.

The number of group day visits from schools and colleges continued to increase, and feedback from these groups was very encouraging. In 1998, thirteen new courses were added to an already packed programme of residential courses for the general public. Participants leave with new skills, confident that they can make their own contribution to sustainability.

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

TRUSTEES' REPORT CONTINUED

31st December 1998

A successful fundraising campaign resulted in much needed renovation of the eco-cabins, a popular and respected residential facility for school-children. A bursary from Marks & Spencer also enabled children from a school in a disadvantaged inner city area to stay in the cabins.

Children's awareness of their environment was further enhanced through entertainment by 'A Planetary Celebration', a unique mix of activities which included wind power workshops and a live theatre performance. These were offered free-of-charge to young visitors, thanks to a Millennium Awards grant. In addition, a COPUS grant was secured to provide 50% funding to build a new straw-bale building specifically as a performance/classroom area for children.

Membership of the Alternative Technology Association saw a slow but steady increase. The annual members' conference was a great success.

As ever, the charity received help throughout the year from numerous unpaid volunteers, both those who stay for only a week or two and those who stay for six months.

Review of financial activity

The financial statements following this report are presented in accordance with the Statement of Recommended Practice issued by the Charities Commission. This new reporting format enables greater clarity of presentation and thus allows the user to have a better understanding of how the charity operates. The adoption of a new reporting format is always problematic and it will therefore not be until the second year of this format that comparative analysis will be completely valid.

During the year the charity spent 61% of incoming resources on Direct Charitable Expenditure. A further 16% was spent on fundraising activities and publicity.

The assets are held for the promotion of the charity's objects. Fixed assets consist mainly of leasehold buildings at the Quarry. These form the basis of the educational work undertaken by the Charity and are essential to its work. The Charity has also invested in information technology both for development of information and publication services and to make day-to-day management more efficient.

At the balance sheet date the net worth of the Charity was £291,374. This represents an increase of £60,427 as against 1997. Much of this increase reflects the success of the fundraising activity during 1998.

The major project commitment is currently the Ateic project which is estimated to cost circa £630,000 all of which has already been raised or committed.

The charity changed its accounting policy on capitalisation of certain fundraising costs during the year. The effect of this was to increase the loss in 1997 as shown in note 12.

Analysis of funds

At 31st December 1998 our reserves were made up as follows:

	£,000
Funds which are restricted to donor nominated purposes	234
Endowment funds	6
Unrestricted funds	51
	<u>291</u>
These are held as follows:	
	£,000
In Fixed assets	290
In cash and amounts owing	23
In amounts owed by the charity	(22)
	<u>291</u>

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

TRUSTEES' REPORT CONTINUED

31st December 1998

Trustees

The board of Directors act as trustees for the charitable company. The Directors during the year were as follows:

Dr I Ap Gwynn
M L Ashby
Ms S C Balsom
Ms K Bartholomew
T Brown
G Evans
Mrs R A Rowlands
Mrs E Todd
I R Warren
Professor P Wathern
D Wyn Davies
Mrs D Wynne Rees

Auditors

Patterson, Jones & Evans have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


Mr R B Dance
Secretary

Llwyngwern Quarry
Machynlleth
Powys
SY20 9AZ

Date: 9/4/99

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

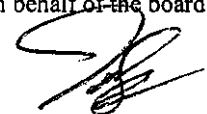
STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing those financial statements, the Directors are required to

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

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

On behalf of the board



Dr I Ap Gwynn
Director

Date: 14/9/99

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

AUDITORS' REPORT

Auditors' report to the members of

Centre for Alternative Technology

Charity Limited

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of Directors and auditors

As described on page 3, the company's directors (who are also the Trustees 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 those statements and to report our opinion to you.

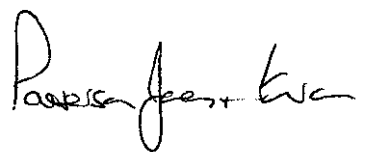
Basis of opinion

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 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31st December 1998 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 Companies Act 1985.



Lampeter

Patterson, Jones & Evans
Registered Auditors
(inc. Tudor Davies & Co.)

Date: 14/1/99

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST DECEMBER 1998**

	Notes	Unrestricted General Funds £	Restricted & Endowment Funds £	1998 TOTAL £	1997 TOTAL As restated £
Incoming resources					
Donations and gifts		114,986	72,362	187,348	123,203
Grants received		1,588	51,185	52,773	62,345
Investment income		1,671	267	1,938	453
Course income		150,796	-	150,796	130,648
Publication and leaflet sales		63,145	-	63,145	49,333
Membership income		48,423	-	48,423	46,811
Information and feasibility income		9,529	-	9,529	8,855
Other income		36,895	-	36,895	47,322
Surplus on sale of assets		-	-	-	383
Total incoming resources	2	427,033	123,814	550,847	469,353
Resources used					
<i>Direct charitable expenditure</i>					
Direct costs		233,355	34,776	268,131	293,392
Support costs		65,931	-	65,931	66,914
		299,286	34,776	334,062	360,306
<i>Other expenditure</i>					
Fund raising and publicity		64,683	22,891	87,574	82,356
Management and administration		65,682	3,102	68,784	72,061
		130,365	25,993	156,358	154,417
Total resources expended in the year	3	429,651	60,769	490,420	514,723
Net (outgoing)/incoming resources before transfers		(2,618)	63,045	60,427	(45,370)
Transfer between funds		11,698	(11,698)	-	-
Net (outgoing)/incoming resources for the year		9,080	51,347	60,427	(45,370)
Fund balances brought forward		42,100	188,847	230,947	276,317
Fund balances carried forward	9	51,180	240,194	291,374	230,947

The notes on pages 8 to 12 form part of these accounts

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

SUMMARY INCOME AND EXPENDITURE ACCOUNT

for the year ended 31st December 1998

	Notes	1998 £	1997 £ As restated
Gross income from continuing operations	2	550,847	469,353
Total expenditure of continuing operations	3	490,420	514,723
Net income / (deficit) for the year retained		<u>60,427</u>	<u>(45,370)</u>

Movements in reserves are shown in notes 8 and 9.

None of the company's activities were acquired or discontinued during the above financial year.

There are no recognised gains and losses in 1998 other than the surplus for the year.

Total income comprises £427,033 for unrestricted funds and £123,814 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities.

Net income for the year comprises £9,080 net income on unrestricted funds and £ 49,736 net income on restricted funds and £1,611 net income on endowment funds.

There were prior period adjustments in respect of the year ended 31 December 1997. Details of these adjustments are shown in note 12. The effect of the prior period adjustments were to increase the net outgoing resources for the year ended 31 December 1997 from £881 to £45,370.

The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 5, which together with the notes to the accounts on pages 8 to 12 provides full information on the movements during the year on the funds of the company.

CENTRE FOR ALTERNATIVE TECHNOLOGY

CHARITY LIMITED

BALANCE SHEET

at 31st December 1998

	Notes	£	1998 £	£	1997 £ As restated
Fixed assets					
Tangible assets	5		290,453		311,027
Current assets					
Stocks		60,987		30,166	
Debtors	6	21,606		25,614	
Cash at bank and in hand		114,873		119,696	
		<u>197,466</u>		<u>175,476</u>	
Creditors: amounts falling due within one year	7	<u>174,971</u>		<u>225,277</u>	
Net current assets			<u>22,495</u>		<u>(49,801)</u>
Total assets less current liabilities			312,948		261,226
Creditors: amounts falling due after more than one year	8		<u>21,574</u>		<u>30,279</u>
			<u>291,374</u>		<u>230,947</u>
Capital and reserves					
Unrestricted funds	9		51,180		42,100
Restricted funds	10		234,473		184,737
Endowment funds	11		<u>5,721</u>		<u>4,110</u>
Total funds	9		<u>291,374</u>		<u>230,947</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements on page 5 to 12 were approved by the board of Trustees on.....6/9/99.....and signed on its behalf by:


Dr I Ap Gwynn
Trustee

The notes on pages 8 to 12 form part of these accounts

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

31st December 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with the Financial Reporting Standard on Smaller Entities and the Statement of Recommended Practice - Accounting for Charities.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Income

All donations, gifts and other income are included in full in the accounts when receivable.

Fixed Assets and Depreciation

Fixed assets are recorded at cost, or at valuation, if donated, at the time of acquisition. Depreciation on fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	nil
Freehold buildings	3% straight line
Leasehold land and buildings	over 10 to 20 years
Fixtures and fittings	25% straight line

Grants Received

Grants receivable are credited to income in the period to which they relate, except where the donor imposes restrictions on the timing of expenditure in which case the grant is treated as deferred. All capital grants are allocated to restricted funds and expended on equipment, etc as directed. Each year the grants are amortised by equal annual instalments on the same basis as the depreciation charge applicable to the asset concerned and this sum is transferred to general funds.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Restricted, Unrestricted and Designated Funds

The accounts distinguish between restricted and unrestricted funds. The former is received from donors and is subject to restrictions on the purposes for which they may be used. Unrestricted funds are those where there are no externally imposed restrictions and are freely available to the charity for expenditure on its objects or appropriation to reserves for internally designated purposes.

Resources Expended

Expenses and costs are recognised when incurred and allocated to funds on a direct cost basis.

Taxation

The company is a registered charity and the results of its normal activities are not liable to corporation tax.

Investment Income

Investment Income represents bank deposit interest and is recognised when received.

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st December 1998

2 Income

In the opinion of the Trustees, none of the income of the company is attributable to geographical markets outside the UK (1997: nil).

Grants received during the year comprise:

	Unrestricted Funds £	Restricted Funds £	1998 Total £	1997 Total £
European Energy Efficiency Fund	-	12,852	12,852	-
Commission of Public Understanding of Science	-	20,000	20,000	-
Department of Trade and Industry	-	10,000	10,000	-
Powys County Council	-	-	-	40,000
European Regional Development Fund	-	-	-	5,943
Prince's Trust	-	-	-	2,780
Various miscellaneous	<u>1,588</u>	<u>8,333</u>	<u>9,921</u>	<u>13,622</u>
	<u>1,588</u>	<u>51,185</u>	<u>52,773</u>	<u>62,345</u>

3 Analysis of total resources expended

	Staff Costs £	Other Costs £	Depreciation £	1998 Total £	1997 Total £ As restated
Direct charitable expenditure					
- Direct costs	121,349	112,670	34,112	268,131	293,392
- Support costs	<u>3,112</u>	<u>62,819</u>	<u>-</u>	<u>65,931</u>	<u>66,914</u>
	124,461	175,489	34,112	334,062	360,306
Other expenditure					
- Fund raising and publicity	23,857	63,717	-	87,574	82,356
- Management and administration	<u>15,906</u>	<u>40,010</u>	<u>12,868</u>	<u>68,784</u>	<u>72,061</u>
	164,224	279,216	46,980	490,420	514,723
	1998 £	1997 £ As restated			
Other costs					
- Office costs	275,749	215,080			
- Audit fees	2,532	3,000			
- Other accountancy services	<u>935</u>	<u>834</u>			
	<u>279,216</u>	<u>218,914</u>			

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st December 1998

4 Trustees and employees

	1998 £	1997 £
Staff costs include the following:		
Wages and salaries	153,827	121,919
Social Security costs	<u>10,397</u>	<u>7,367</u>
	<u>164,224</u>	<u>129,286</u>

None of the trustees received any emoluments or reimbursed expenses during the year (1997: £Nil)

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

The average number of employees during the year were as follows:

	1998 No	1997 No
Direct Charitable	23	13
Fundraising	2	2
Management & administration	<u>1</u>	<u>1</u>
	<u>26</u>	<u>16</u>

5 Tangible fixed assets

	Freehold Buildings £	Leasehold Buildings £	Fixtures And Fittings £	Total As restated £
Cost				
At 1 January 1998	13,544	506,541	55,770	575,855
Additions	-	25,214	1,405	26,619
Disposals	-	-	(1,084)	(1,084)
31 December 1998	<u>13,544</u>	<u>531,755</u>	<u>56,091</u>	<u>601,390</u>
Depreciation				
At 1 January 1998	4,738	218,649	41,441	264,828
Charge for year	406	39,243	7,137	46,786
Disposals	-	-	(677)	(677)
31 December 1998	<u>5,144</u>	<u>257,892</u>	<u>47,901</u>	<u>310,937</u>
Net Book Value				
At 31 December 1998	<u>8,400</u>	<u>273,863</u>	<u>8,190</u>	<u>290,453</u>
31 December 1997	<u>8,806</u>	<u>296,698</u>	<u>14,329</u>	<u>311,027</u>

All the fixed assets are held for continuing use in the charity's activities except for the Freehold Building which is let to Centre For Alternative Technology Plc.

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st December 1998

6	Debtors	1998	1997
		£	£
	Amounts falling due within one year		
	Trade debtors	13,516	11,586
	Other debtors and prepayments	8,090	14,028
		<u>21,606</u>	<u>25,614</u>
7	Creditors: amounts falling due within one year	1998	1997
			As
			restated
		£	£
	Trade creditors	22,542	46,009
	Amounts owed to undertaking in which The company has a participating Interest	122,158	153,617
	Other taxation and social security	4,152	1,865
	Other creditors	26,119	23,786
		<u>174,971</u>	<u>225,277</u>
	The amount of £122,158 (1997: £153,617) is owed to Centre For Alternative Technology Plc and that company is willing to defer payment of the sum due to it until such time as Centre for Alternative Technology Charity Limited is able to pay.		
8	Creditors: amounts falling due after more than one year	1998	1997
			As
			restated
		£	£
	Other creditors	<u>21,574</u>	<u>30,279</u>

**CENTRE FOR ALTERNATIVE TECHNOLOGY
CHARITY LIMITED**

NOTES TO THE FINANCIAL STATEMENTS (continued)

31st December 1998

9 Analysis of net assets between funds

	Tangible Fixed Assets £	Net Current Assets £	Creditors > 1 Year £	1998 Total £	1997 Total £ As restated
Restricted Funds	159,845	74,628	-	234,473	184,737
Endowment Funds	-	5,721	-	5,721	4,110
Unrestricted Funds	130,608	(57,854)	(21,574)	51,180	42,100
	<u>290,453</u>	<u>22,495</u>	<u>(21,574)</u>	<u>291,374</u>	<u>230,947</u>

10 Restricted Funds

	Balance @ 01/01/98 £ As Restated	Incoming Resources £	Expenditure & Transfers £	Balance @ 31/12/98 £ As Restated
Catalyst	95,595	13,067	11,698	96,964
Virtual CAT	-	10,000	15,793	(5,793)
Bursary – cabins	-	5,000	-	5,000
ATEIC fund	38,259	67,128	22,891	82,496
HFC Landfill / Compost	45,755	6,741	21,690	30,806
Polden Puckam	5,000	-	-	5,000
COPUS – Theatre fund	-	20,000	-	20,000
Josh Brown Bursary Fund	128	267	395	-
	<u>184,737</u>	<u>122,203</u>	<u>72,467</u>	<u>234,473</u>

11 Endowment funds

	Balance @ 01/01/98 £ As Restated	Incoming Resources £	Expenditure & Transfers £	Balance @ 31/12/98 £ As Restated
Josh Brown Bursary Fund	4,110	1,611	-	5,721
	<u>4,110</u>	<u>1,611</u>	<u>-</u>	<u>5,721</u>

12 Prior period adjustments

In the financial statements for the year ended 31 December 1997, fundraising costs of £32,493 in respect of the ATEIC restricted fund were capitalised on the balance sheet as capital expenditure on land and buildings. As a result of a change in accounting policy, this amount has been transferred to the ATEIC restricted fund, and the financial statements have been restated. The effect of this restatement was to increase the deficit for the financial year ended 31 December 1997 by £32,493.

The financial statements for the year ended 31 December 1997 have been restated as a result of a change in accounting policy. The change has arisen due to the requirement to comply with the Statement of Recommended Practice for Charities with regard to the treatment of funds received for capital expenditure. The effect of this restatement was to increase the deficit for the financial year ended 31 December 1997 by £11,996, with a corresponding increase in reserves brought forward from 1996.