

**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

**Company Number 1811707**

**Charity Number 289469**



# **THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**

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**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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<b>Directors and trustees</b>	Mr John C L Cox, CBE, Chairman Dr David Giachardi, FRSC Mr Chris Murray Mr James O'Keefe Mr Paul Sheridan (resigned 12/12/08)
<b>Company registered number</b>	1811707
<b>Charlty registered number</b>	289469
<b>Registered office</b>	Eco Innovation Centre Peterscourt City Road Peterborough PE1 1SA
<b>Company Secretary</b>	Ms Lisa Barnes – from 22 December 2009
<b>Chief Executive</b>	Mr Chris Murray – from 1 January 2009
<b>Auditors</b>	Lakin Rose Limited Pioneer House Vision Park Histon Cambridge CB24 9NL
<b>Bankers</b>	National Westminster Bank plc 36 St James' Street London SW1A 1JF

## **THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**

### **CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

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#### **CHAIRMAN'S STATEMENT**

2008 was a very challenging year for UK CEED because of the loss of key income and recurring personnel problems. These left UK CEED in a very difficult financial position at the end of 2008.

The sudden withdrawal by Defra during the year of £200,000 funding for the successful Remade East project, because of Defra's need to make significant cost savings, had a drastic effect on UK CEED's earnings. The Defra revenue formed 25% of the annual budget. This shortfall was compounded by the loss of a very significant contract from Eon because of a change in their strategy. Alongside these funding issues there were serious personnel problems leading to the loss of senior staff.

In spite of that the organisation delivered a number of very successful projects during the year. Project highlights included the publication of a report for the then Department of Business Enterprise and Regulatory Reform (BERR) on service innovation in the environment sector, a report commissioned by the London Development Agency on opportunities for London businesses in the environment sector, a report for BT on how sustainable development policies and actions are being implemented in the UK regions, the re-launch of the environment cluster initiative in Peterborough together with the opening of the Eco Innovation Centre, the holding of a very successful regional environment Expo and the completion of two successful national Awards programmes.

Arrangements were put in place at the end of 2008 that the Board believes will ensure that UK CEED will continue to play an important role in demonstrating how businesses and other organisations can prosper in the new low carbon economy that has to be put in place.

The Board considered all options at that time, including closure of the organisation. To assist the decision process, the Board asked Chris Murray, a long serving Board member, to take the role of Chief Executive and to report urgently to the Board on the prospects for UK CEED. At the end of January 2009 the new Chief Executive reported that the quality of staff and the demand for UK CEED's services were high and that medium and long term prospects were bright. The Board accepted this view and arrangements were made with key creditors to phase payments. During 2009 important contracts have been won in relation to the Peterborough Cluster, a major EU project and the UK CEED Sustainable Development Toolkit.

The Board believes that the action taken is enabling UK CEED to recover its financial stability and we look forward to continued progress throughout 2009 and 2010.

**Mr John C L Cox, CBE, Chairman**

**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements of The UK Centre for Economic and Environmental Development (the charity) for the year ended 31 December 2008. The Trustees confirm that the annual report and financial statements of the charity comply with 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**

**a) Constitution**

The charity is a charitable company limited by guarantee and was set up by a Memorandum of Association on 7 March 1984 under company number 1811707.

**b) 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.

**c) Risk management**

The Trustees continue to monitor the Centre's approach to risk management following a risk management process introduced in 2003. The major risks identified and the approach to managing these risks is summarised in the table below.

Identified Risk	Comments	Management approaches
Failure to achieve reserves policy	Main causes would include difficulty of raising project funding, withdrawal of major project sponsors or late payments from larger debtors. These issues are more particularly acute in the context of the wider current financial turmoil in the markets.	Ensure that sufficient staff with the right skills are available to raise revenue. Carry out robust project appraisal to determine funding risks and time to market. Build sufficient reserves to cover short-term cashflow issues (see reserves policy). Review need for overdraft facilities. Ensure robust contracts are in place with key project sponsors. Programme invoicing to take account of cashflow needs.
HR challenges	HR issues (whether contentious, or non-contentious such as sickness, maternity, etc) can have a more pronounced effect on a small organisation than a larger organisation.	Ensure robust employment policies are in place and in line with good practice. Regularly review policies and monitor practice to ensure compliance. Retain independent, expert HR advice. Explore whether insurance against adverse incidents is appropriate.

# THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

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### c) Risk management (continued)

Long term sickness and/or key staff leaving	UK CEED has completed a full external review of terms and conditions and implemented all recommendations	Monitor sickness rates and take appropriate action to address long term sickness problems  Ensure that pay, conditions and staff development opportunities match, and where possible exceed, those on offer elsewhere
Adverse currency movements	Risk in pan-European projects due to adverse Euro movements	Ensure sufficient flexibility is built in to budgets during proposal stage to absorb adverse movements

These and the other less critical risks facing the Centre are monitored regularly by the Board's Resources Committee and reviewed at each full Board meeting

### OBJECTIVES AND ACTIVITIES

#### a) Policies and objectives for the public benefit

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

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities

UK CEED believes

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

UK CEED's vision is for the charity to be

A leading source of independent expertise on the relationship between economic development and environmental best practice

#### b) 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 the key issues

# THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

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### ACHIEVEMENTS AND PERFORMANCE

#### REPORT ON ACTIVITIES

In view of the financial difficulties facing UK CEED at the end of 2008 it is important to outline the activities undertaken during the year since this formed the backdrop to the decision to continue trading in 2009

##### 1 Charitable Trusts

The Dulverton Trust remains the major source of core funding for the Centre. The Albert Reckitt and Jeremiah Colman Trusts also awarded small grants to the Centre during the year.

The Dulverton Trusts' support remains invaluable in helping to meet office and administrative costs and providing the base from which a broad range of project activities are identified and undertaken. UK CEED is extremely grateful to the Dulverton Trust in particular for its strong support over the 24 years UK CEED has been in existence.

##### 2 Environmental Industries Programme

UK CEED's Environmental Industries programme seeks to encourage the adoption of ever higher environmental standards in companies and to support the growth and development of the environmental goods and services (EGS) sector. Highlights of 2008 included:

- Publication of UK CEED's report for BERR, DIUS (Department of Innovation, Universities and Skills) and Nesta focusing on innovation in the environmental service sector. This formed part of a wider government inquiry into innovation in services.
- UK CEED completed a major study for the London Development Agency looking at the size and structure of London's environment sector and its key opportunities for growth.
- UK CEED's environment business cluster project in Peterborough was re-launched as EnviroCluster with private sector support from both local companies and national companies such as Hammerson.
- UK CEED initiated and ran the East of England's first Energy and Environment Expo in Peterborough. It was a sell-out with 80 trade stands and 400 visitors. It was backed by the East of England Development Agency, Opportunity Peterborough and Applied Energy.
- As well as being originator and anchor tenant of the Eco Innovation Centre in Peterborough, UK CEED held a successful launch event and has seconded staff to manage the Centre's operation. The Centre is almost fully occupied after only 8 months.

##### 3 Low Carbon

UK CEED's low carbon programme continues to be supported by the JJ Sainsbury Charitable and Mark Leonard Trusts and aims to encourage the concerted application of lower and zero carbon energy technologies and an enhanced programme of energy efficiency investments. Highlights of 2008 included:

- Successful third year of the National Energy Efficiency Awards. The awards, sponsored by EDF Energy, Dyson Airblade and the Independent newspaper, seek to highlight good practice in energy efficiency by individuals and organisations. Over 170 award nominations were received with the winners announced at a successful awards ceremony attended by 190 at the Globe Theatre in December 2008.
- Completion of the 8-country European CENCE project - designed to identify Europe's most successful renewable energy business support initiatives and establish a network to link them.

UK CEED's Low Carbon programme didn't develop as much as expected due to the long term absence and later departure of the head of unit.

# THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

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### 4 Resource Efficiency

UK CEED's Resource Efficiency programme focuses on demonstrating and promoting the benefits to business and the public sector of the efficient use of resources and a reduction in waste. Highlights of 2008 included

- Successful completion of the second year of the Remade East project. Funded by EEDA, this project focused on developing the market for recycled materials and providing business support for companies and public/voluntary sector organisations in the waste and recycling sector. Over its two years this project
  - Played a key role in creating 16 Jobs
  - Supported 75 companies to grow and exploit new opportunities
  - Diverted 173 000 tonnes of waste from going to landfill
  - Levered £1.06 million of new private investment in the region

As noted in the Chairman's Statement, funding for this project was withdrawn in February 2008 and no further activities have been undertaken.

### 5 SustainIT

SustainIT seeks to assess, demonstrate and promote the potential for information and communications technologies (ICT) to improve people's lives and their environment. Highlights of 2008 included

- The 2008 eWell-Being Awards, which seek to recognise organisations whose use of ICT delivers environmental and social benefits. The programme was supported by BT and Brother. Over 150 high quality entries were received and 180 guests attended the awards ceremony at the Globe Theatre. An awards supplement was published in the Independent newspaper.
- UK CEED was commissioned by BT to produce a report assessing the way in which sustainable development policy and practice has been implemented in the UK regions. This was launched at a seminar in Nottingham.
- UK CEED took part in the SUSTE-IT project which investigated ways in which information technology within universities and colleges can be made more sustainable.
- UK CEED's online sustainability toolkit has continued to be developed for the East of England, East Midlands and North West regions.

### 6 Future Strategy

During 2009 UK CEED will seek to maximise its sales of the UK CEED sustainability toolkit and the work it is undertaking within the Peterborough cluster and the associated European Union cluster partnerships.

UK CEED recognises the very demanding conditions within the UK economy and will adjust its strategy in regards to Awards events to take account of the great difficulties in obtaining commercial sponsorships during the economic downturn.



**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**FINANCIAL REVIEW**

**a) Reserves Policy**

It is the Centre's policy to generate sufficient funding to ensure that its current operating costs (contracted staff salaries, office costs, etc ) and specific project costs (including external consultancy) and fully covered. There remains a relatively small level (less than 10% of the Centre's total funds) of wholly unrestricted funding (Dulverton and other charitable trusts) with the balance of funds being generated through project activity.

The Centre'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

Following the disappointing results for 2008, it is the Board's aim for the year ahead to rebuild the Centre'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.

**b) Financial review**

The accounts for the financial year ended December 2008 show a deficit of £202,821 on incoming resources of £390,852 with net expenditure of £593,673. Staff salaries accounted for £249,951 of this total.

At the close of the 12 month period, the Centre had net liabilities of £133,972. Outstanding debtors totalled £63,973 being mainly trade debtors and accrued income. Outstanding creditors totalled £207,607 being mostly trade creditors and accruals and deferred income.

The result for the year was extremely disappointing, particularly when set against the ambitious business plan.

# THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

## REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2008

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### Statement of Trustees' Responsibilities

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations

Company and charity law requires the trustees to prepare financial statements for each financial year. Under those laws the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the surplus or deficit of charity for that period. In preparing these 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business

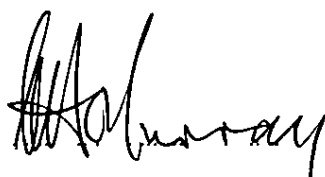
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

### Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee/director in order to make himself or herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to smaller entities.

This report was approved by the Trustees on 08/03/2010 and signed on their behalf, by



Mr Chris Murray

## THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements of The UK Centre for Economic and Environmental Development for the year ended 31 December 2008 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein, the Statement of Recommended Practice 'Accounting and Reporting by Charities' published in March 2005 and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of trustees and auditors

The charity's trustees, who are also directors for the purposes of the Companies Act 1985, are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Trustees is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to charitable companies and smaller entities, of the state of affairs of the Charity as at 31 December 2008 and of the incoming resources and application of resources in the year then ended, and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees' Annual Report is consistent with the financial statements.

#### Emphasis of matter

Without qualifying our opinion, we draw attention to note 1a in the financial statements which sets out the trustees' assumptions and uncertainties relating to going concern. The charity incurred a negative net movement in funds during the year ended 31 December 2008 and, as of that date, the charity's current liabilities exceeded its total assets by £133,972. These conditions, along with the matters set out in note 1a, indicate the existence of a material uncertainty which may cast significant doubt about the charity's ability to continue as a going concern.

Pioneer House  
Vision Park  
Histon  
Cambridge  
CB24 9NL

*Lakin Rose Limited*

Lakin Rose Limited  
Chartered Accountants  
& Registered Auditor

Date 11<sup>th</sup> March 2009

**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2008 £	Total 2007 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2	24,250	-	24,250	22,800
Investment income	3	1	-	1	1,268
<b>Incoming resources from charitable activities</b>	4	<u>15,600</u>	<u>351,001</u>	<u>366,601</u>	<u>629,010</u>
<b>Total incoming resources</b>		<u><b>39,851</b></u>	<u><b>351,001</b></u>	<u><b>390,852</b></u>	<u><b>653,078</b></u>
<b>Resources expended</b>					
Charitable activities		21,625	568,598	590,223	698,822
Governance costs		<u>3,000</u>	<u>450</u>	<u>3,450</u>	<u>3,550</u>
<b>Total resources expended</b>	5	<u><b>24,625</b></u>	<u><b>569,048</b></u>	<u><b>593,673</b></u>	<u><b>702,372</b></u>
<b>Net movement in funds</b>		15,226	(218,047)	(202,821)	(49,294)
Total funds at 1 January 2008		20,126	48,723	68,849	118,143
<b>Total funds at 31 December 2008</b>		<u><b>£35,352</b></u>	<u><b>£(169,324)</b></u>	<u><b>£(133,972)</b></u>	<u><b>£68,849</b></u>

The Statement of Financial Activities includes all gains and losses recognised in the year

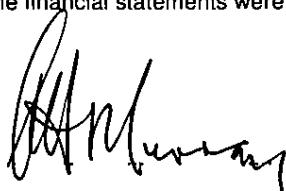
The notes on pages 12 to 17 form part of these financial statements

**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

	Notes	£	<u>2008</u>	£	£	<u>2007</u>	£
<b>Fixed assets</b>							
Tangible fixed assets	10			9,094			16,151
<b>Current assets</b>							
Debtors	11	63,973			256,004		
Cash at bank and in hand		568			26,664		
		64,541			282,668		
<b>Creditors: Amounts falling due</b>							
Within one year	12	(207,607)		(143,006)	(229,970)		52,698
<b>Net assets</b>				<u>£(133,972)</u>			<u>£68,849</u>
<b>Funds</b>							
Restricted funds				(169,324)			48,723
Unrestricted funds				35,352			20,126
	13			<u>£(133,972)</u>			<u>£68,849</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities and with the Financial Reporting Standard for Smaller Entities (January 2007)

The financial statements were approved by the Trustees on 08/03/2010 and signed on their behalf, by



**Mr Chris Murray**

The notes on pages 12 to 17 form part of these financial statements

**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

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**1 ACCOUNTING POLICIES**

**a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard for Smaller Entities (effective January 2007). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" in March 2005, applicable accounting standards and the Companies Act 1985.

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 for 2009 have been waived, it has an agreed overdraft facility with its bank and 2009 management accounts and 2010 forecasts show positive cash flows. Accordingly trustees believe it appropriate to prepare the financial statements on the going concern basis.

**b) Company status**

The charity is a company limited by guarantee. The members of the charity 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.

**c) Fund accounting**

Restricted funds are to be used for specific purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the Charity. Designated funds are unrestricted funds that the trustees have allocated to particular projects for the time being.

**d) Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income including grants and donations are recognised where there is entitlement, certainty of receipt and the amount can be measured with reliability.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

**e) 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.

**f) 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 basis:

Furniture and fittings	-	25% reducing balance
Computer equipment	-	33% straight line

**g) Leasing and hire purchase**

Assets obtained under hire purchased contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives.

**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

**1 ACCOUNTING POLICIES - continued**

**h) Operating leases**

Rentals under operating leases are charged 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 prevailing market rate

**i) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 gains and losses are recognised in the Statement of Financial Activities

**2 VOLUNTARY INCOME**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2008 £</b>	<b>2007 £</b>
Donations from trusts	<u>£24,250</u>	<u>£ -</u>	<u>£24,250</u>	<u>£22,800</u>

**3 INVESTMENT INCOME**

Interest receivable	<u>£ 1</u>	<u>£ -</u>	<u>£ 1</u>	<u>£1,268</u>
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**4 ACTIVITIES IN FURTHERANCE  
OF THE CHARITY'S OBJECTS**

Environmental research projects	<u>£15,600</u>	<u>£351,001</u>	<u>£366,601</u>	<u>£629,010</u>
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**5 EXPENDITURE BY CHARITABLE ACTIVITY**

<b>Summary by expenditure type</b>	<b>Staff costs £</b>	<b>Other costs £</b>	<b>2008 £</b>	<b>2007 £</b>
Environmental research projects	249,951	340,272	590,223	698,822
Governance	-	3,450	3,450	3,550
	<u>£249,951</u>	<u>£343,722</u>	<u>£593,673</u>	<u>£702,372</u>

**THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2008**

<b>6</b>	<b>SUPPORT COSTS</b>			<b><u>2008</u></b> <b>£</b>	<b><u>2007</u></b> <b>£</b>
	Expenditure on environmental research projects includes the following support costs				
	General office expenses			-	1,622
	Printing and stationery			20,501	14,239
	Rent			13,454	8,677
	Repairs and maintenance			1,367	901
	Rates and service charges			-	2,894
	Telephone and fax			8,286	5,456
	Bad debts			7,655	-
	Bank charges			1,808	1,022
	Insurance			4,869	7,112
	Computer costs			17,676	9,218
	Postage			966	1,148
	Foreign exchange movements			(193)	(44)
	Legal and professional fees			14,787	35,302
	Accountancy			8,123	3,500
	Depreciation			7,057	9,092
				<b><u>£106,356</u></b>	<b><u>£100,139</u></b>
<b>7</b>	<b>GOVERNANCE COSTS</b>	<b><u>Restricted Funds</u></b> <b>£</b>	<b><u>Unrestricted Funds</u></b> <b>£</b>	<b><u>2008</u></b> <b>£</b>	<b><u>2007</u></b> <b>£</b>
	Auditors' remuneration	<u>3,000</u>	<u>450</u>	<u>3,450</u>	<u>3,550</u>
<b>8</b>	<b>NET INCOME/(EXPENDITURE)</b>			<b><u>2008</u></b> <b>£</b>	<b><u>2007</u></b> <b>£</b>
	This is stated after charging				
	Depreciation of tangible fixed assets				
	- owned by the charity			7,057	8,389
	- held under finance leases			-	702
	Auditors' remuneration			<u>3,450</u>	<u>3,550</u>

During the year, no Trustees received any emoluments (2007 - £Nil) for their services as trustees  
During the year, two Trustees received reimbursement of expenses amounting to £2,585 (2007 - 1 of £2,391)



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<b>9</b>	<b>STAFF COSTS</b>	<b><u>2008</u></b> <b>£</b>	<b><u>2007</u></b> <b>£</b>
	Staff costs were as follows		
	Wages and salaries	229,784	263,320
	Social security costs	20,167	26,828
		<b><u>£249,951</u></b>	<b><u>£290,148</u></b>
		<b>Number</b>	<b>Number</b>
	The average monthly number of staff during the year was as follows		
	Environmental research projects	8	8
	Administration	1	1
		<b><u>9</u></b>	<b><u>9</u></b>
	There were no employees receiving emoluments over £60,001 in the year ended 31 December 2008 (2007 none)		
<b>10</b>	<b>TANGIBLE FIXED ASSETS</b>		<b>Furniture, fittings and equipment</b> <b>£</b>
	<b>Cost</b>		
	At 1 January 2008		64,440
	Additions		-
	At 31 December 2008		<b><u>64,440</u></b>
	<b>Depreciation</b>		
	At 1 January 2008		48,289
	Charge for the year		7,057
	At 31 December 2008		<b><u>55,346</u></b>
	<b>Net Book Value</b>		
	At 31 December 2008		<b><u>£9,094</u></b>
	At 31 December 2007		<b><u>£16,151</u></b>
<b>11</b>	<b>DEBTORS</b>		
	Trade debtors	23,686	99,382
	Other debtors	14,322	-
	Prepayments and accrued income	25,965	156,622
		<b><u>£63,973</u></b>	<b><u>£256,004</u></b>

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<b>12</b>	<b>CREDITORS</b> Amounts falling due within one year	<b>2008</b> £	<b>2007</b> £
	Bank overdraft	29,476	-
	Trade creditors	127,366	131,901
	Social security and other taxes	4,377	27,186
	Accruals and deferred income	46,388	70,883
		<b>£207,607</b>	<b>£229,970</b>

Deferred income of £32,754 (2007 - £13,550) represents funding received in advance from various sources, for specific research projects undertaken by the charity

<b>13</b>	<b>STATEMENT OF FUNDS</b>	<b>Brought forward</b> £	<b>Incoming resources</b> £	<b>Resources expended</b> £	<b>Carried forward</b> £
	<b>Unrestricted</b>				
	General fund	20,126	39,851	24,625	35,352
	<b>Restricted funds</b>				
	Environmental research projects	48,723	351,001	569,048	(169,324)
	<b>Total of funds</b>	<b>£68,849</b>	<b>£390,852</b>	<b>£593,673</b>	<b>£(133,972)</b>

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

<b>14</b>	<b>ANALYSIS OF NET ASSETS BETWEEN FUNDS</b>	<b>Unrestricted Funds</b> £	<b>Restricted Funds</b> £	<b>2008</b> £	<b>2007</b> £
	Tangible fixed assets	7,852	1,242	9,094	16,151
	Current assets	44,058	20,483	64,541	282,668
	Creditors due within one year	(16,558)	(191,049)	(207,607)	(229,970)
		<b>£35,352</b>	<b>£(169,324)</b>	<b>£(133,972)</b>	<b>£68,849</b>

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**15 OPERATING LEASE COMMITMENTS**

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows

	<u>2008</u> £	<u>2007</u> £
<b>Expiry date</b>		
Between 2 and 5 years	<u>£14,000</u>	<u>£14,000</u>

**16 TRUSTEE INDEMNITY INSURANCE**

During the year, the charity paid £2,888 (2007 - £2,888) to provide indemnity insurance for the trustees

**17 RELATED PARTY TRANSACTIONS**

Mr Chris Murray, a trustee of the Charity, is also the Chief Executive. During the year Mr Murray, through Ratagan Limited, invoiced an amount of £4,200 on normal commercial terms. At the year end a balance of £nil was due to Mr Murray.

No other trustee or person with family or business connections with the same, received remuneration in the year, directly or indirectly, from the Charity.