

The Conflict and Environment Observatory

Report and financial statements for the period ended 31 December 2018



www.ceobs.org

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The Conflict and Environment Observatory: reference and administrative information for the period ended 31 December 2018

Charity number: 1174115

Registered office and operational address: The Conflict and Environment Observatory, The Chapel, Scout Road, Mytholmroyd, Hebden Bridge, West Yorkshire, HX7 5HQ.

The charity is also known as CEOBS.

Trustees: Trustees, who served during the period and up to the date of this report, were as follows:

David Cullen (Chair)

Laurence Menhinick (Treasurer)

Joseph Farha

No trustees held title to property belonging to the charity during the reporting period or at the date of approval.

Key management personnel: Douglas Weir (Research and Policy Director)

Bankers: The Co-operative Bank plc. 1 Balloon Street, Manchester, M4 4BE.

Solicitors: Elderflower Legal and Secretarial Services, Chestnut House, 23 Ryles Park Road, Macclesfield, Cheshire SK11 8AH.

Independent examiners: Third Sector Accountancy Ltd., Holyoake House, Hanover Street, Manchester, M60 0AS.

The Conflict and Environment Observatory: trustees' annual report for the period ended 31 December 2018

The trustees present their report and the unaudited financial statements for the period ended 31 December 2018. Included within the trustees' report is the directors' report as required by company law.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Director's report

CEOBS' first full year as a CIO was a busy one. Our one member of staff and three trustees worked hard to ensure that the new organisation was established and successfully launched, and that we were in a position to expand in 2019. We are deeply indebted to the Joseph Rowntree Charitable Trust for its support for our core costs during the period, and to Lush for a grant to develop our website. We are extremely pleased with how our launch in April was received by the public and partners, and with how our online presence has developed since then.

Beyond the tasks associated with establishing and launching CEOBS, we were also focused on financing its expansion. By the end of 2018, we had secured a three-year grant from the Royal Norwegian Ministry of Foreign Affairs, which will allow us to expand to four full-time and one part-time staff positions in 2019. These roles will allow us to fulfil our current work areas – of monitoring conflicts and political processes – and take on new projects. Additional work was undertaken during 2018 to further expand our donor base in order to provide greater financial stability and sustainability.

The environmental issues and policy processes that we monitor were ongoing throughout 2018 and, as the more detailed achievements report below explains, wherever possible, we sought to engage with them. The precise outcomes of many of the policy programmes and projects that we work on will not become clear for a number of years. Nevertheless, we delivered well on the short-term goals that we set for the organisation. We also continued to work in partnership with a diverse range of partners that share our objective of ensuring greater protection for people and the environment in relation to armed conflicts.

By the end of 2018 we had launched a recruitment campaign for new staff positions and were finalising our office relocation from Manchester to West Yorkshire. We are confident that the work undertaken during 2018 will provide a good foundation for CEOBS' expansion in 2019.

Doug Weir
Research and Policy Director

Objectives

CEOBS *Objects* are:

To promote for the public benefit the protection of individuals, communities and ecosystems from the effects of environmental damage related to armed conflicts and military activities.

These objectives will be fulfilled by undertaking the following activities:

1. Monitoring and collecting data on the environmental and derived humanitarian consequences of armed conflicts and military activities;
2. Developing tools and undertaking capacity building activities to enable relevant stakeholders to undertake such monitoring and data collection;
3. Educating the public, decision makers, policy makers, researchers, civil society and the national and international media about the environmental and derived humanitarian consequences of armed conflicts and military activities;
4. Contributing to the sound administration of legislation and commenting on proposed legislation;
5. Undertaking relevant activities in these fields in partnership with other organisations sharing a similar purpose, where the Trustees have determined that this is in keeping with the CIO's Objects.

Activities in 2018, our achievements and performance

The charity's main activities and who it tries to help are described below. All its charitable activities focus on efforts to increase understanding and awareness of the environmental dimensions of conflicts and military activities, and to strengthen protection for those affected, and are undertaken to further The Conflict and Environment Observatory's charitable purposes for the public benefit.

CEOBS was established in August 2017 and publicly launched in April 2018. The primary task throughout 2018 was completing the establishment of CEOBS. This included developing its identity and website, its administrative and governance systems, and fundraising and recruitment. Nevertheless, and in spite of having just one member of staff, we were still able to undertake work towards our Objects during the period.

1. Monitoring and collecting data on the environmental and derived humanitarian consequences of armed conflicts and military activities.

During 2018, CEOBS gathered data on the environmental dimensions of the conflict in Libya for a major upcoming desk study on this conflict, utilising satellite imagery, social and traditional media research and interviews with NGOs and experts. We also utilised remote sensing and other data sources to track and raise awareness of several incidents during ongoing conflicts. These included:

- Damage caused to oil facilities and water treatments plants in Libya as a result of the conflict;
- An unplanned explosion at a weapons storage facility in Ukraine;
- An investigation into a serious industrial chemical leak on the occupied Crimean Peninsula;
- The use of incendiary kites by Palestinian protestors and their impact on protected natural areas in Israel;¹
- The threat posed by an ageing oil storage platform off the Red Sea coast of Yemen.²

¹ CEOBS (2018) Fanning the flames – the environmental impact of Gaza's incendiary kites <https://ceobs.org/fanning-the-flames-the-environmental-impact-of-gazas-incendiary-kites>

² CEOBS (2018) Is an ageing oil tanker threatening an environmental disaster off the coast of Yemen? <https://ceobs.org/is-an-ageing-oil-tanker-threatening-an-environmental-disaster-off-the-coast-of-yemen>

Results

- The desk study on Libya is due to be completed in 2019 and will draw attention to the currently neglected environmental situation in the country, and its consequences for public health and ecosystems.
- The research outputs from our monitoring work were released via social media or on our website. Quantifying their precise impact is challenging but they all contribute to the environmental conflict narratives that we present on our website to help increase public awareness and understanding.
- The case from Crimea was utilised to help inform our policy advice on the legal framework protecting the environment in situations of occupation – see 4 below.

2. Developing tools and undertaking capacity building activities to enable relevant stakeholders to undertake such monitoring and data collection.

The main focus of this work in 2018 was on developing the concept of participatory “civilian science” research methodologies, this included:

- The preparation of an academic paper on the potential of participatory citizen science techniques for monitoring environmental and health risks in conflict and post-conflict settings. This was prepared in partnership with researchers from King’s College London and Goldsmiths, University of London, and submitted to the journal *Environmental Monitoring and Assessment* in December 2018;
- Continued engagement with a research consortium developing a study design to investigate a potential link between pollution and antimicrobial resistance in areas affected by conflict, a component of which will involve community-led environmental data collection.

Results

- If accepted for publication, we anticipate that our paper in *Environmental Monitoring and Assessment* will contribute to increasing understanding of the potential role of citizen science as one solution to addressing the data gaps on environmental risks in conflict settings. The methodologies it considers would help to reduce public health risks and also enhance the environmental human rights of affected communities.
- The study on antimicrobial resistance could have a significant impact on understanding the environmental drivers of antibiotic resistance in areas affected by conflicts and in the approaches to the treatment and management of wounds. This could have direct public health benefits. Development of the project is ongoing.

3. Educating the public, decision makers, policy makers, researchers, civil society and the national and international media about the environmental and derived humanitarian consequences of armed conflicts and military activities.

During 2018 CEOBS undertook a range of outreach and educational activities for a diverse range of audiences. This included:

- Presentations and seminars for students at Harvard Law School,³ Manchester University, King’s College London and the Central European University in Budapest;
- Providing technical advice to journalists and media organisations, including the BBC and *New York Times*, and to other civil society organisations; our predecessor organisation was quoted in the *Washington Post* shortly before CEOBS’ public launch;
- Presentations at expert and public conferences on conflicts in drylands (RUSI), on water and peace (Lund University), on public health and the environment in Iraq (University College London), and on the

³ Harvard Law School (2018) Humanitarian disarmament: the way ahead, conference summary: <http://hrp.law.harvard.edu/wp-content/uploads/2018/10/HumanitarianDisarmamentConferenceReport.pdf>

role of civil society data collection in enhancing the visibility of environmental damage in conflicts at the United Nations in New York;⁴

- To mark the United Nations' International Day for Preventing the Exploitation of the Environment in War and Armed Conflict on November 6th, CEOBS contributed to a common statement from civil society and undertook social media activities to promote the day and its message;⁵
- Work to increase public awareness of the environmental dimensions of armed conflicts, achieved through completing the design, build and launch of our website, which acts as an information resource tracking environmental issues in eight recent and ongoing conflicts by collating data from a range of sources. We also host short briefings on country and thematic issues and a wide range of reports from third parties. CEOBS regularly publishes blogs, which are disseminated via our mailing list and through social media channels. During 2018 our blogs addressed the environmental consequences of conflicts and military activities, and provided coverage and analysis of relevant developments in law and policy.

Results

- CEOBS' Research and Policy Director received an achievement award from the Iraqi Environment and Health Society-UK for his work raising awareness of conflict pollution in Iraq.
- During 2018, our website www.ceobs.org, which was launched in April, was visited by 6,000 users who viewed 13,600 pages. The site seeks to increase public understanding of the environmental dimensions of armed conflicts and military activities and act as a resource for researchers, governments and the media.
- CEOBS Twitter feed registered between 176,000 and 249,000 impressions per month following CEOBS' launch in April 2018.

4. Contributing to the sound administration of legislation and commenting on proposed legislation.

In 2018 CEOBS worked on a number of ongoing legal processes and on the implementation of international agreements. This included:

- Work with NGO partners to encourage the effective implementation of the 2017 United Nations Environment Assembly resolution *Pollution mitigation and control in areas affected by armed conflict or terrorism*. This was undertaken through contributions to UN Environment's consultation process on its implementation plan;
- Contributing to the 2018 review of UN Environment's Montevideo Programme on the development and promotion of environmental law, in order to highlight compliance and implementation gaps in the legal protection of the environment in relation to conflicts;
- Over several months, and in partnership with the human rights NGO Al-Haq, CEOBS submitted comments on proposed legislation intended to enhance the protection of the environment and public health in situations of occupation, and also provided policy advice to governments engaged in this process, which is being undertaken by the United Nations' International Law Commission;
- Also in connection to the work of the International Law Commission, CEOBS worked with Harvard Law School to provide commentary on the principle of state responsibility for victim assistance for people affected by environmental harm related to conflicts;
- CEOBS also continued to work with a range of civil society partners on the implementation of the obligations for environmental remediation and victim assistance within the Treaty on the Prohibition of Nuclear Weapons. These obligations are intended to enhance environmental and public health protection for communities affected by the legacy of nuclear weapons' testing.

Results

- CEOBS was formally accredited to the United Nations Environment Assembly in the NGO Major Group.

⁴ Mission of Finland to the United Nations (2018) Seminar on Protection of the Environment in Relation to Armed Conflict: http://www.un.org/en/ga/sixth/73/pdfs/18_october_2018.pdf

⁵ CEOBS (2018) NGOs and experts: Human security requires environmental security #EnvConflictDay: <https://ceobs.org/ngos-and-experts-human-security-requires-environmental-security-envconflictday>

- Work on the implementation of the United Nations Environment Assembly resolution *Pollution mitigation and control in areas affected by armed conflict or terrorism* is ongoing, as is that in connection to the Montevideo Programme. The successful implementation of the UN Environment Assembly's resolutions would help improve international and domestic responses to environmental harm and public health risks in conflicts.
- Four governments quoted from our joint research on environmental protection in situations of occupation during a debate at the UN General Assembly, and the draft principles prepared by the International Law Commission were strengthened during the process to provide greater protection for people and the environment. If adopted by governments, the draft principles would significantly increase occupying powers' obligations for environmental and health protection.
- Work on state responsibility for victim assistance for people affected by environmental harm in conflicts, and the implementation of the Treaty on the Prohibition of Nuclear Weapons, is ongoing.

Beneficiaries of our services

The trustees have ensured that CEOBS' work during the period has complied with Section 17 of the Charities Act 2011. The trustees have also referred to the Charity Commission's guidance on the public benefit, particularly when considering the design and focus areas of new projects, and in identifying goals and objectives for existing programmes.

As stated in our Objects, the ultimate beneficiaries of our work are intended to be individuals, communities and ecosystems, which will be better protected from the effects of environmental damage related to armed conflicts and military activities as a result of our activities. All of the work that we do contributes to this overarching goal. The general public also benefits from the awareness raising work that we undertake.

Financial review

During 2017/2018 CEOBS had a total income of £74,535. The primary donor was the Joseph Rowntree Charitable Trust, from which £62,500 was received. The charity also received £6,021 from Lush Cosmetics and had a further income of £6,014. The overall expenditure for 2018 was £63,916, leaving a net income of £10,619. Of this, £6,750 was restricted funds.

During the year CEOBS was successful in securing three years of new funding from the Royal Norwegian Ministry of Foreign Affairs, which will facilitate our expansion.

The trustees are satisfied that the charity will continue to be a going concern for the foreseeable future.

The charity has no subsidiary undertakings or funds.

Reserves policy

CEOBS is a new organisation that has operated for less than two years. As such, no reserves were in place at the end of the reporting period. As an organisation funded by donations which are primarily restricted funds, our ability to build up reserves is limited. Nevertheless, we do conduct some fundraising for money which is not restricted, and commit a portion of this money to our reserves.

Our policy is to build up reserves of three months' running costs over the next six years. As of March 2019, this is projected to equate to approximately £55,000. Reserves are required for the organisation to be financially robust and continue operating in the event of a short-term funding shortfall or an emergency funding requirement. The reserves policy and balance are reviewed annually by the Board of Trustees.

Plans for the future

In 2019, CEOBS expects to expand its staff from one full-time to four full-time and one part-time members of staff. This will comprise three new research and policy posts, and a part-time administrative position. We will also continue to pursue work to expand our donor base to increase the long-term sustainability of the organisation.

We anticipate that our increased staff capacity will allow us to increase the number of conflicts that we can monitor for environmental risks, and allow us to begin engaging on the role of new technologies and big data in remote environmental monitoring. We will continue to monitor and, where appropriate, contribute our data and analysis for ongoing policy processes. Most notably on the ongoing work of the United Nations' International Law Commission on the legal framework protecting the environment in relation to armed conflicts.

Work will also begin on a joint project to develop and mainstream more effective environmental policies in the field of humanitarian mine action. The project will be undertaken with a partner and, in addition to the potential for direct benefits in the communities where they work, also has the potential for its outcomes to help inform new environmental standards across the sector. Further work will also be undertaken on our current research areas on participatory environmental research, and on antimicrobial resistance in war zones.

Structure, governance and management

The organisation is a charitable incorporated organisation, registered on 3 August 2017. The charity was established under a constitution which established the objects and powers of the charity and its governance.

The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity. All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

CEOBS recognises that an effective board of trustees is essential if the charity is to be effective in achieving its objectives. When a need has been identified to recruit trustees, at least one trustee, together with any other people deemed appropriate by the trustees, will manage the process. After an ideal skill/experience profile has been identified, a recruitment plan will be formulated.

Advertising may be done through the media, relevant volunteer centres, through CEOBS' and other networks, and through direct approaches to professional bodies and to other voluntary organisations. As a result of the specialised nature of our work, approaches to individuals known to CEOBS through its activities may also be made.

CEOBS seeks to avoid conflicts of interest and ensure diversity in its board of trustees, as well as in its staff. Consideration will be given to ways in which groups that are under-represented on the board might be reached and encouraged to apply.

People interested in becoming trustees will be sent appropriate documentation and invited to apply. A shortlist will be made and candidates will be interviewed by the trustee recruitment sub-committee. They will be asked to declare conflicts of interest, provide details of two referees and declare in writing that they are eligible to be a charity trustee as per section 72 (1) of The Charities Act 1993. They may be invited to attend one board meeting.

The sub-committee will make a recommendation which will be voted on at the next board meeting, in accordance with the procedure for appointing co-opted trustees detailed in CEOBS' Constitution.

Operational decision-making

CEOBS' trustees are responsible for the governance of the organisation. This includes, but is not restricted to, deciding on policy and strategy, appointing and overseeing staff, monitoring performance and finances and providing guidance and knowledge. Day-to-day management of CEOBS is provided by its Research and Policy Director, working with our staff.

Related parties and relationships with other organisations

CEOBS works with other organisations as necessary to further its aims; these are typically collaborations for research or advocacy purposes. CEOBS does not have any affiliates or subsidiaries.

During the period, CEOBS worked with the following:

Joint publications: PAX (Netherlands), Zoï Environment Network (Switzerland) and Al Haq (Palestine).

Research: University of Manchester – Humanitarian and Conflict Response Institute (HCRI), King's College London, Goldsmiths University of London and Harvard Law School.

Fundraising (grants): Norwegian People's Aid (Norway).

Fundraising (direct): Greater Manchester Campaign for Nuclear Disarmament (UK) – co-management of a left luggage, lost property and phone charging service at the Green Man festival.

Office share: Between August 2018 and January 2019 CEOBS shared an office with Greater Manchester Campaign for Nuclear Disarmament (UK).

Other: CEOBS' focus areas of data collection and awareness-raising are informed by the outcomes of the Toxic Remnants of War Project (TRW Project). The TRWP Project was a research project established by the International Coalition to Ban Uranium Weapons (ICBUW) and IKV Pax Christi in 2011 to identify gaps in the protection of civilians from the environmental consequences of conflict and military activities.

The TRW Project was managed by CEOBS' Research and Policy Director Doug Weir, who was also the Coordinator of ICBUW. Doug Weir stood down from both positions in December 2017 to take up his new role with CEOBS, and the TRW Project was formally closed in April 2018, prior to the public launch of CEOBS.

Remuneration policy for key management personnel

The trustees consider the board of trustees and the Research and Policy Director as comprising the key management personnel of the charity in charge of directing and controlling the charity, and running and operating the charity on a day to day basis. All trustees are volunteers and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 10 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Research and Policy Director and, in accordance with the charity's constitution, withdraw from decisions where a conflict of interest arises.

The Board of Trustees has responsibility for setting the pay and remuneration of the charity's key management personnel. Remuneration is set as per budgets presented in grant applications and is subject to donor approval.

The trustees aim to provide employees, including key management personnel, with yearly inflationary pay rises where feasible and subject to the constraints of funding. Beyond this, salary increases are based on employment status (full time or part time), changes in responsibilities and experience, and the length of project funding. It is

the charity's aim to employ effective staff and the trustees recognise that the rates of pay offered should be appropriate.

The charity does not offer bonuses nor benefits in kind, other than the statutory pension scheme (currently NEST). Staff annual reviews, including performance and pay reviews, are carried out in December.

During 2019 the trustees will review the remuneration policy with reference to the Living Wage, gender pay ratios, maximum pay ratios and methods of pay bench-marking.

Risk management

It is the trustees' responsibility to identify, assess and manage risks.

Prior to the establishment of the charity in 2017, trustees assessed the major potential risks. When major projects are developed the trustees conduct a project-based risk assessment process.

The biggest risk to the charity is that of lack of funds and work has been undertaken throughout the period to secure funds and diversify our funding sources. Controls are in place to reduce risks associated with financial, administrative and operational procedures.

In 2019 a formal risk management procedure will be completed. The board of trustees will have oversight of this process, potentially through the participation of a designated board member. The process will include a risk scanning exercise which will cover both internal and external risks. The identified risks will be assessed at board level and steps required to mitigate risks will be discussed. Actions to mitigate risks will be taken at appropriate levels of the organisation. A Risk Register will be devised and this will be reviewed when deemed necessary by the trustees and not less than once a year.

Funds held as custodian trustee on behalf of others

No funds were held by the Charity as a custodian trustee on behalf of others.

Statement of responsibilities of the trustees

The trustees (who are also directors of The Conflict and Environment Observatory for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity will continue in operation


The trustees are responsible for keeping proper accounting records that 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 Charities Act 2011. 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

29/05/2019

The trustees' annual report has been approved by the trustees onand signed on their behalf by:



.....
Laurence Menhinick (Trustee)

Report to the trustees of The Conflict and Environment Observatory

I report on the accounts of the charity for the period ended 31 December 2018 set out on pages 12 to 20.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

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

Basis of independent examiner's statement

My examination was carried out in accordance with 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 accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the 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 accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

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 130 of the Charities Act; and
 - ☐ to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Third Sector Accountancy Limited

Patrick Morrello ACA
Third Sector Accountancy Limited
Holyoake House
Hanover Street
Manchester
M60 0AS

29/05/2019

The Conflict and Environment Observatory
Statement of Financial Activities
(including Income and Expenditure account)
for the 17 months ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £
Income from:				
Donations and legacies	3	255	68,521	68,776
Charitable activities:	4	5,759	-	5,759
Total income		6,014	68,521	74,535
Expenditure on:				
Raising funds	5	1,350	2,308	3,658
Charitable activities:	6	795	59,463	60,258
Total expenditure		2,145	61,771	63,916
Net income/(expenditure) for the year	8	3,869	6,750	10,619
Transfer between funds		-	-	-
Net movement in funds for the year		3,869	6,750	10,619
Reconciliation of funds				
Total funds brought forward		-	-	-
Total funds carried forward		3,869	6,750	10,619

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

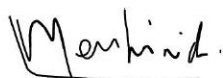
The Conflict and Environment Observatory
Charity number 1174115

Balance sheet as at 31 December 2018

	Note	2018	
		£	£
Current assets			
Debtors	12	8,665	
Cash at bank and in hand	13	3,448	
Total current assets		12,113	
Liabilities			
Creditors: amounts falling due in less than one year	14	(1,494)	
Net current assets			10,619
Total assets less current liabilities			10,619
Net assets			10,619
The funds of the charity:			
Restricted income funds	15	6,750	
Unrestricted income funds	16	3,869	
Total charity funds		10,619	

The notes on pages 14 to 20 form part of these accounts.

Approved by the trustees on 29/05/2019 and signed on their behalf by:



Laurence Menhinick (Trustee)

The Conflict and Environment Observatory

Notes to the accounts for the period ended 31 December 2018

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is a small charity.

The Conflict and Environment Observatory meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

d Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

e Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of fund raising events and their associated support costs.
- Expenditure on charitable activities includes the costs of website design undertaken to further the purposes of the charity and their associated support

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

f Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 9.

g Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

h Cash at bank and in hand

Cash at bank and cash in hand consists of the balance held in the current account as at year end.

i Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The Conflict and Environment Observatory

Notes to the accounts for the period ended 31 December 2018 (continued)

j Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2 Legal status of the charity

The charity is a charitable incorporated organisation and has no share capital. In the event of the charity being wound up, the the members of the CIO have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities. The registered office address is disclosed on page 1.

3 Income from donations and grants

	Unrestricted £	Restricted £	Total 2018 £
Donations and grants	255	68,521	68,776
Total	255	68,521	68,776

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2018 £
Fund raising event	4,952	-	4,952
Other income	807	-	807
Total	5,759	-	5,759

5 Cost of raising funds

	2018 £
Staff costs	2,308
Event costs	783
Governance costs (see note 7)	354
Support costs (see note 7)	213
	3,658

All expenditure on cost of raising funds is unrestricted except staff costs.

The Conflict and Environment Observatory

Notes to the accounts for the period ended 31 December 2018 (continued)

6 Analysis of expenditure on charitable activities

	Total 2018 £
Staff costs	39,318
Telephone	450
Printing postage and stationery	168
Web design and online services	8,520
Travel and subsistence	2,910
Governance costs (see note 7)	5,549
Support costs (see note 7)	3,343
	<hr/>
	60,258
	<hr/>
	2018 £
Restricted expenditure	59,463
Unrestricted expenditure	795
	<hr/>
	60,258
	<hr/>

7 Analysis of governance and support costs

	Basis of apportionment	Support £	Governance £	Total 2018 £
Office costs	Proportion	2,617	-	2,617
Trustee expenses	of direct/	-	63	63
Bank charges	indirect	26	-	26
Insurance	costs of	344	-	344
Accountancy services	charitable	-	840	840
Payroll costs and software	activities	569	-	569
Legal and professional		-	5,000	5,000
		<hr/>	<hr/>	<hr/>
		3,556	5,903	9,459
		<hr/>	<hr/>	<hr/>

8 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2018 £
Depreciation	-
Independent examiner's fee	840
	<hr/>

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Notes to the accounts for the period ended 31 December 2018 (continued)

9 Staff costs

Staff costs during the year were as follows:

	2018 £
Wages and salaries	39,998
Social security costs	268
Pension costs	1,360
	<hr/>
	41,626
	<hr/>
Allocated as follows:	
Cost of raising funds	2,308
Charitable activities	39,318
	<hr/>
	41,626
	<hr/>

No employees has employee benefits in excess of £60,000.

The average number of staff employed during the period was 1.

The key management personnel of the charity comprise the trustees and the manager. The total employee benefits of the key management personnel of the charity were £39,998.

10 Trustee remuneration and expenses, and related party transactions

One member of the management committee received travel and subsistence expenses during the year of £63.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year with the exception of the transaction described below.

The charity paid £5000 to the International Campaign to Ban Uranium Weapons (ICBUW), an unincorporated association, for work undertaken by Doug Weir for establishing the charity. Doug Weir became an employee of the charity in January 2018, and was previously the paid director of ICBW. The charity also paid ICBW £300 for a small telephone system.

11 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The Conflict and Environment Observatory

Notes to the accounts for the period ended 31 December 2018 (continued)

12 Debtors

	2018 £
Prepayments and accrued income	8,665
	<hr/>
	8,665
	<hr/> <hr/>

13 Cash at bank and in hand

	2018 £
Current account	3,448
	<hr/>
	3,448
	<hr/> <hr/>

14 Creditors: amounts falling due within one year

	2018 £
Other creditors and accruals	1,494
	<hr/>
	1,494
	<hr/> <hr/>

15 Analysis of movements in restricted funds

	Balance at 3 August 2017 £	Income £	Expenditure £	Transfers £	Balance at 31 December £
Direct charitable activities					
Joseph Rowntree Charitable Trust	-	62,500	(55,750)	-	6,750
LUSH Fund	-	6,021	(6,021)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	68,521	(61,771)	-	6,750
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Name of restricted fund

Description, nature and purposes of the fund

Joseph Rowntree Charitable Trust	grant for charitable activities to further the objects of CEOBS
LUSH Fund	grant for website design

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Notes to the accounts for the period ended 31 December 2018 (continued)

16 Analysis of movement in unrestricted funds

Current reporting period	Balance at 3 August 2017 £	Income £	Expenditure £	Transfers £	As at 31 December 2018 £
General fund	-	6,014	(2,145)	-	3,869
	-	6,014	(2,145)	-	3,869

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	The free reserves after allowing for all designated funds

17 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Net current assets/(liabilities)	3,869	-	6,750	10,619
Total	3,869	-	6,750	10,619

18 Post balance sheet events

The charity entered into a lease arrangement for office space in January 2019.