

The Conflict and Environment Observatory

Report and financial statements for the year ended
31 December 2022



www.ceobs.org

Contents

Reference and administrative information for the year ended 31 December 2022	3
Trustees' annual report for the year ended 31 December 2022.....	4
Director's report.....	4
Objectives	5
Activities in 2022, our achievements and performance.....	5
1. Monitoring and collecting data on the environmental and derived humanitarian consequences of armed conflicts and military activities.	5
2. Developing tools and undertaking capacity building activities to enable relevant stakeholders to undertake such monitoring and data collection.	6
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 conflict and military activities.	6
4. Contributing to the sound administration of legislation and commenting on proposed legislation.	7
Beneficiaries of our services	8
Financial review	8
Reserves.....	9
Plans for the future	9
Structure, governance and management	10
Operational decision-making	10
Related parties and relationships with other organisations	11
Remuneration policy for key management personnel	11
Risk management.....	12
Funds held as custodian trustee on behalf of others	12
Environmental and social policy	12
Statement of responsibilities of the trustees.....	13
Independent examiner's report to the trustees of The Conflict and Environment Observatory	14
Financial statements and notes to the accounts.....	15

The Conflict and Environment Observatory: Reference and administrative information for the year ended 31 December 2022

Charity number: 1174115

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

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)

Dr Jessica Hope (resigned 25/04/2022)

Oliver Brown

Dr Teresa Lappe-Osthege

Dr Matthew Bolton (resigned 06/12/2022)

Dr Sarah Njeri (appointed 06/12/2022)

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

Key management personnel: Doug 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 examiner: Patrick Morrello ACA, Third Sector Accountancy Ltd., Holyoake House, Hanover Street, Manchester, M60 0AS.

The Conflict and Environment Observatory: Trustees' annual report for the year ended 31 December 2022

The trustees present their report and the unaudited financial statements for the period ended 31 December 2022. Included within the trustees' report is the directors' report as required by company law.

The reference and administrative information set out on page 3 forms part of this report. The financial statements comply with current statutory requirements, the charity's constitution 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

The full-scale invasion of Ukraine in February 2022 had an enormous impact on everybody working in this sector, and we were no different. From the outset of the armed conflict we began documenting instances of environmental harm, establishing a database that we could use for advocacy, to inform assessment and which we hope may eventually be used for accountability.

Media attention on the environmental dimensions of the invasion was unprecedented, and for many months, relentless. CEOBS fulfilled the role that we had intended for it, gathering data, raising awareness and working with a range of stakeholders. Foremost among these was the UN Environment Programme (UNEP), which brought in CEOBS as external monitoring capacity. In this we worked closely with our long-term collaborators on Ukraine, Zoï Environment Network.

While the response to Ukraine dominated our activities over the year, it was not the only item on our agenda. We launched a remote assessment of the impacts of the war in Tigray on its decades-old greening programme. We ran and contributed to numerous events and workshops on environmental mainstreaming in mine action. Similarly, our activities on military and conflict emissions accelerated, at times in response to the attention the issue was receiving in respect to Ukraine. And throughout 2022, we took part in and organised events to coincide with the UN General Assembly's finalisation of the International Law Commission's principles on the Protection of the Environment in Relation to Armed Conflicts – the PERAC principles. This included a side event with Nordic governments at the UN in New York.

With what became a four-year grant from the Norwegian government coming to an end, we increasingly turned to consultancy work, developing relationships with international organisations. The volume of work on Ukraine in particular necessitated an expansion of our Ukraine team, and we were also able to recruit a campaigner to take forward our activities on military and conflict emissions.

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 2022, our achievements and performance

The charity's main activities and beneficiaries are described below. All its charitable activities focus on efforts to increase understanding and awareness of the environmental dimensions of armed conflicts and military activities, in order to strengthen protection for affected people and ecosystems, and are undertaken to further CEOBS' charitable purposes for the public benefit.

CEOBS was established in August 2017 and publicly launched in April 2018. During 2022 our primary focus areas related to our four core workstreams: monitoring and raising awareness around environmental issues in recent and ongoing conflicts; monitoring and contributing to international legal and policy processes intended to minimise harm; environmental mainstreaming in humanitarian disarmament; and collaborative work with civil society on the environment, peace and security.

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

The vast majority of our monitoring work focused on Ukraine. This included the development of a database and methodologies for the remote analysis of environmentally harmful incidents, built on Open-Source Intelligence (OSINT) and remotely sensed data. The work was primarily financed by UNEP as part of its response to the armed conflict. Alongside the database, outputs included briefings on [nuclear sites](#), [water](#), [industry](#) and

[fossil fuel facilities](#). These were a collaboration between CEOBS and Zoï Environment Network.

The Ukraine database also informed our media work, and a large number of presentations at events and webinars. In the early stages of the invasion we blogged on impacts within the first [24 hours](#) and [10 days](#), and ran posts on key issues such as [accountability](#) and [recovery](#). We also provided technical assistance to the government of Ukraine.

Beyond Ukraine, we published [research](#) on Tigray, which examined the relationship between war, forest loss and environmental recovery. We also worked with Airwars on an [assessment](#) of the environmental consequences of the bombing of Gaza in 2021.

Results

- Data from our monitoring of Ukraine was used by a wide range of stakeholders, and for public engagement via the media and online.
- Attention on Ukraine's environment has been unprecedented and we have played an important role in that.
- Our work on Ukraine resulted in several new partnerships with international organisations and NGOs.

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

Our work in 2022 continued to explore new methodologies to examine the relationship between armed conflict and the environment.

Most significant was the Ukraine database, and methodological process that we developed to undertake remote analyses of environmentally harmful incidents. For Tigray, we used a diverse range of data and analyses to remotely assess vegetation changes linked to the civil war. This included integrating groundtruth data to train a machine learning approach.

Results

- The Ukraine database methodology is being used to rank hazardous sites for future assessment by UNEP.
- The Tigray methodology was published on our website and will be made available as a journal article in 2023.

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 conflict and military activities.

During 2022 CEOBS staff undertook a range of outreach and educational activities for a diverse range of audiences. These included:

- Presentations and seminars for students at University of Applied Arts, Vienna; Harvard Law School; the University of Hull; the University of Manchester; the Royal

Agricultural University; King's College London and The Hebrew University of Jerusalem.

- Providing technical advice, interviews and citations for journalists and media organisations, resulting in 103 notable publications, including but not limited to: *TIME*; *New Scientist*; *DW*; *WIRED*; *Politico*; *BBC World Service*; *The Guardian*; *The New York Times*; *ABC News*; *Wall Street Journal*; *The Observer*; *CNBC*; *FORBES*; *Al Jazeera*; *BBC Radio 4*; *Der Spiegel*.
- We convened or co-convened virtual and hybrid events on: the PERAC Principles; Tigray; mine action and the environment; Ukraine; and the military emissions gap.
- We contributed to numerous expert events, including but not limited to those organised by: EUROMIL (military emissions); Halifax International Security Conference (PERAC); the OSCE (Ukraine, and PERAC); Humanitarian Networks and Partnerships Week (Ukraine); UN Global Pulse; Stockholm +50 (PERAC); Geneva Centre for Human Rights (PERAC); European Green Academy (Ukraine); Hamburg University (Ukraine); Environment People Law (Ukraine); Allianz (conflict and the environment); ICRC (mine action); ICEL (PERAC); DIIS (PERAC); ICEL-U3CM (PERAC); and SIPRI (Ukraine).
- We continued to populate our website with conflict and thematic resources. We also responded to numerous requests for information from the media, students, researchers and the public, and for technical assistance on environmental issues from NGOs and states.

Results

- We managed a massive increase in media interest linked to Ukraine, at times providing 12 interviews per week.
- During 2022 our website, www.ceobs.org, was visited by 108,844 users who viewed 214,669 pages.
- This was nearly double the number of users and page views in 2021. The site informs public understanding of the environmental and derived humanitarian dimensions of armed conflicts and military activities, and acts as a resource for researchers, governments and the media.
- CEOBS' social media audiences continued to grow, in particular on Twitter and LinkedIn.

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

In 2022, CEOBS monitored and documented a number of ongoing international legal processes, and provided technical support to those involved in them. These processes included the UN International Law Commission, the UN Framework Convention on Climate Change, the Mine Ban Treaty and the Convention on Cluster Munitions, the process towards a political declaration on the use of explosive weapons in populated areas, and the UN Open Ended Working Group on chemicals, pollution and waste.

- We spoke at and organised [events](#), engaged in media work and undertook other activities to draw attention to the UN General Assembly's adoption of the PERAC Principles and the need for their implementation.
- In support of the implementation of the Paris Agreement we produced a number of publications on military emissions, in collaboration with academic partners and with

Scientists for Global responsibility. This included a [commentary](#) in *Nature*, activities at COP27, [reports](#) and blogs, a [podcast series](#) with the Royal United Services Institute and giving evidence at the UK Parliament's Defence Committee.

- We [argued](#) in favour of the environment during negotiations towards a political declaration on the use of explosive weapons in populated areas (EWIPA).
- We worked with mine action partners to promote environmental standards in the implementation of the [Convention on Cluster Munitions](#) and the Mine Ban Treaty.
- We worked with Harvard Law School to help [define](#) the standards for environmental remediation in the context of the UN Treaty on the Prohibition of Nuclear Weapons.
- We [advocated](#) for the inclusion of conflict pollution in the mandate of a new UN science policy panel on chemicals, waste and pollution.

Results

- We enjoyed good media coverage of the PERAC principles and a very well-attended interactive dialogue at the UN in New York.
- Our work on military and conflict emissions exceeded our expectations, receiving extensive media coverage and leading to partnerships and events.
- Environmental language was included in the EWIPA declaration.
- Engagement with the environment in mine action continued to grow.

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 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, for example outreach and fundraising events, as well as the open-access reports and updates we provide on our website.

Financial review

During 2022 CEOBS had a total income of £229,406 (2021: 242,446). New funding from the Minor Foundation for Major Challenges was received for the Military Emissions Gap project (£63,508). A significant donor was the Norwegian Ministry of Foreign Affairs, via our partners Norwegian People's Aid, from which we received £42,301 (2021: £172,856). This was the fourth and final year of a funding agreement. We received £17,850 from the UN Environment Programme for our work on Ukraine. Further income of £60,000 was received from the Joseph Rowntree Charitable Trust (2021: £40,695). The charity raised £9,782 in fundraising activities (2021: £4,067).

The overall expenditure for 2022 was £258,858 (2021: £208,001). This resulted in a deficit of £29,452, made up of a deficit on restricted funds of £45,498 and a surplus on unrestricted funds of £16,046. The deficit on restricted funds represents the spending in 2022 of restricted grant money received in 2021.

The total unrestricted income for the year was £105,747 (2021: £64,355) and the total unrestricted expenditure was £90,293 (2021: £52,064). The total restricted income was £123,659 (2021: £178,091) and the total restricted expenditure was £168,565 (2021: £155,937).

At the end of the year the total funds of the charity were £57,976 (2021: £87,428) consisting of £3,014 (2021: £48,512) restricted funds and £54,962 (2021: £38,916) of unrestricted funds.

Towards the end of 2022 CEOBS was successful in securing new project funding from the Organization for Security and Co-operation in Europe (OSCE) for work documenting environmental harm as a result of the invasion of Ukraine.

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

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.

In 2022 we increased our unrestricted reserves level to £54,962 on the 31st December (2021: £38,916).

Wherever possible all unrestricted funds are put towards reserves to build these up as quickly as possible. CEOBS also seeks to raise additional funds for reserves within project proposals. Our target is to add one month of running costs to our reserves every year until an ideal situation of six months of reserves is achieved. Our interim target, set in 2019 for 2020 onwards, was three months' running costs in three years. With average monthly running costs at 2022 levels, this is approximately £64,715. We have therefore fallen short of this target by £9,753. However, during 2022 our average monthly running costs were just over £4,000 more than in 2021. We will continue our target of adding one month of running costs to our reserves level each year until our target of six months is reached by the end of 2025.

Plans for the future

In 2023, the response to Ukraine will continue to dominate our conflict monitoring activities, allowing closer ties with a range of international organisations and requiring more capacity. Ukraine is also influencing our other workstreams: meaning PERAC implementation will focus on accountability; providing opportunities for collaboration

on the ground with mine action operators in Ukraine; and creating new partnerships for international events on military and conflict emissions.

Structure, governance and management

The organisation is a charitable incorporated organisation (CIO), registered on 3 August 2017. The charity was established under a constitution which states 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. They have no beneficial interest in the charity. All trustees give their time voluntarily and receive no benefits from their role as trustees of the charity. Any expenses reclaimed from the charity are set out in note 11 to the accounts.

CEOBS recognises that an effective board of trustees is essential if the charity is to achieve its objectives. There must be at least three trustees, who serve for a renewable term of two years or until they resign. Trustees may form sub-committees or working groups, with or without staff members, on an ad-hoc basis.

The board of trustees has responsibility for and oversight of the recruitment of new trustees, and they are supported by staff in this. The organisation uses skills audits to identify knowledge and expertise of existing trustees. These may also be used to identify gaps and desired characteristics of new trustees. Advertising may be done through appropriate channels. As a result of the specialised nature of the organisation's 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 is given to ways in which groups that are under-represented on the board might be reached and encouraged to apply.

New trustees are appointed by a decision at a properly convened meeting of the existing trustees. They receive an induction pack that includes copies of the latest Trustees Annual Report and Accounts, the charity's Constitution, copies of Board minutes and finance reports, a role description and the Charity Commission guidance 'The Essential Trustee' (CC3). They are required to confirm they have read the last of these in a minuted meeting, and to submit a Trustee Eligibility Declaration, as provided by the Charity Commission, and a declaration of interests form.

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:

Research: Lancaster University, Durham University, Scientists for Global Responsibility (Military Emissions Gap project); Edinburgh and Leeds universities (SENSE PhD placement); University of Ghent, Belgium (Tigray study); Zoi Environment Network, Switzerland (Ukraine monitoring).

Projects: Norwegian People's Aid, Norway; Airwars.

Fundraising (grants): Norwegian People's Aid, Norway; Greater Manchester and District CND.

Other:

For further information concerning related parties and related party transactions please see note 11 of the accounts.

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. The board has responsibility for directing and controlling the charity, and they delegate the responsibility for running and operating the charity on a day to day basis to the Research and Policy Director. 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 11 to the accounts.

CEOBS has a Conflict of Interest Policy and Register. 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. A transaction relating to a decision that was taken in 2021 occurred during the year; please refer to note 11 in the accounts.

The Board of Trustees has responsibility for approving the salaries and remuneration of all staff, including key management personnel. Remuneration is set within the boundaries of budgets presented in grant applications and aligns with pay grades for comparable sectoral roles and skill sets.

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 changes in responsibilities and experience. 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 or benefits in kind, other than the statutory pension scheme (currently NEST).

In 2021 the trustees reviewed the remuneration policy with reference to the Living Wage, gender pay ratios, maximum pay ratios and pay bench-marking.

Risk management

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

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 2020 a risk mapping exercise was completed by the board of trustees. The resulting Risk Register is reviewed when deemed necessary by the trustees. Risks are continuously assessed by the staff and trustees and reviewed at both the project and governance level, and risk management is ongoing. Actions to mitigate risks are taken at appropriate levels of the organisation.

Funds held as custodian trustee on behalf of others

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

Environmental and social policy

CEOBS' environmental and social policies consider the impact of our office and of our travel footprint.

To reduce the environmental impact and increase the social benefits of our office we are:

- Using local suppliers, such as for printing.
- Reducing single use plastics, for example milk deliveries and, where possible, plastic-free stationery.
- Utilising Fair Trade and ethically sourced products.
- To the greatest extent possible using recycled IT equipment.

Our travel policy seeks to:

- Minimise flights where other options are available, within the constraints of staff time and financial resources.
- Encourage staff to avoid flights by accepting additional travel hours as working hours and absorbing additional travel and accommodation costs.
- Encourage staff to consider and address the higher environmental footprint of periods away travelling, such as increased use of single-use plastics.

We have decided not to utilise a carbon offsetting scheme to address emissions from travel. Instead our policy is to volunteer staff time throughout the year to local

environmental projects. The Calder Valley, in which we are based, is prone to flooding and we prioritise projects focused on natural flood risk reduction, such as tree planting.

Statement of responsibilities of the trustees

The trustees 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.

The trustees' annual report has been approved by the trustees on 29 / 09 / 2023

and signed on their behalf by: 

David Cullen (Trustee)

Independent examiner's report to the trustees of The Conflict and Environment Observatory

I report on the accounts of the charity for the period ended 31 December 2022 set out on pages 15 to 29.

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.



Patrick Morrello ACA

Third Sector Accountancy Limited, Holyoake House,
Hanover Street, Manchester, M60 0AS

Date: 29 / 09 / 2023
Date:

The Conflict and Environment Observatory
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 December 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2021 £</i>
Income from:							
Donations and legacies	3	60,704	-	60,704	40,772	5,235	46,007
Charitable activities	4	35,261	123,659	158,920	19,516	172,856	192,372
Other trading activities	5	9,782	-	9,782	4,067	-	4,067
Total income		105,747	123,659	229,406	64,355	178,091	242,446
Expenditure on:							
Raising funds	6	3,059	-	3,059	3,867	-	3,867
Charitable activities	8	87,234	168,565	255,799	48,197	155,937	204,134
Total expenditure		90,293	168,565	258,858	52,064	155,937	208,001
Net income/(expenditure) for the year	9	15,454	(44,906)	(29,452)	12,291	22,154	34,445
Transfer between funds		592	(592)	-	-	-	-
Net movement in funds for the year		16,046	(45,498)	(29,452)	12,291	22,154	34,445
Reconciliation of funds							
Total funds brought forward		38,916	48,512	87,428	26,625	26,358	52,983
Total funds carried forward		54,962	3,014	57,976	38,916	48,512	87,428

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
Company number

Balance sheet as at 31 December 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	14	494	840
Total fixed assets		494	840
Current assets			
Debtors	15	9,277	6,721
Cash at bank and in hand	-	58,306	83,549
Total current assets		67,583	90,270
Liabilities			
Creditors: amounts falling due in less than one year	16	(10,101)	(3,682)
Net current assets		57,482	86,588
Total assets less current liabilities		57,976	87,428
Net assets		57,976	87,428
The funds of the charity:			
Restricted income funds	17	3,014	48,512
Unrestricted income funds	18	54,962	38,916
Total charity funds		57,976	87,428

For the year in question, the charity was entitled to exemption from an audit under section 144 of the Charities Act 2011. The Charity Commission has not ordered an audit to be carried out under Section 146 of Charities Act 2011.

The notes on pages 17 to 29 form part of these accounts.

Approved by the trustees on 29 / 09 / 2023 and signed on their behalf by:



David Cullen (Trustee)

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 in October 2019 - (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £ sterling.

b Judgments and estimates

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

c Preparation of the accounts on a going concern basis

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

d 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.

e Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

f 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.

g 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 fundraising events, marketing and website costs, and their associated support costs.
- Expenditure on charitable activities includes the costs of personnel and conducting research projects undertaken to further the purposes of the charity and their associated support costs.

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

h Tangible fixed assets

The trustees have decided to set the capitalisation threshold for fixed assets at £500. Items costing £500 or more are capitalised at cost. They are depreciated over their estimated useful economic lives on a straight line basis as follows:

Office and computer equipment	25%
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i 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.

j 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.

k 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.

I Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 10. There were no outstanding contributions at the year end.

2 Legal status of the charity

The charity is a charitable incorporated organisation registered with the Charity Commission and has no share capital. The registered office address is disclosed on page 1.

The Conflict and Environment Observatory

Notes to the accounts for the year ended 31 December 2022 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Donations	704	-	704	77	5,235	5,312
Grants	60,000	-	60,000	40,695	-	40,695
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	60,704	-	60,704	40,772	5,235	46,007
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Grants	-	123,659	123,659	-	172,856	172,856
Charitable trading	35,261	-	35,261	19,516	-	19,516
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	35,261	123,659	158,920	19,516	172,856	192,372
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The Conflict and Environment Observatory

Notes to the accounts for the year ended 31 December 2022 (continued)

5 Income from other activities

	Unrestricted £	Restricted £	Total 2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2021</i> £
Fundraising event	9,782	-	9,782	4,067	-	4,067
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	9,782	-	9,782	4,067	-	4,067
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

6 Cost of raising funds

	Unrestricted £	Restricted £	2022 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2021</i> £
Staff costs	2,063	-	2,063	2,794	-	2,794
Event costs	542	-	542	488	-	488
Administration	161	-	161	226	-	226
Governance costs (see note 7)	70	-	70	120	-	120
Support costs (see note 7)	223	-	223	239	-	239
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,059	-	3,059	3,867	-	3,867
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Conflict and Environment Observatory

Notes to the accounts for the year ended 31 December 2022 (continued)

7 Analysis of governance and support costs

	Support £	Governance £	Total 2022 £	Support £	Governance £	Total 2021 £
Staff costs	13,219	4,084	17,303	8,957	4,460	13,417
Premises costs	1,379	336	1,715	1,080	439	1,519
General administration	290	70	360	162	66	228
Bank charges	43	-	43	19	-	19
Accountancy fees	1,020	1,380	2,400	1,020	1,380	2,400
Insurance	829	-	829	474	-	474
Online services and design	220	-	220	270	-	270
Legal and professional	1,559	-	1,559	402	-	402
Staff events	232	-	232	93	-	93
Depreciation	92	23	115	61	25	86
	<u>18,883</u>	<u>5,893</u>	<u>24,776</u>	<u>12,538</u>	<u>6,370</u>	<u>18,908</u>

These costs are apportioned to fundraising and charitable activities in proportion to their respective share of the total direct costs.

Apportionment of support and governance costs to fundraising and charitable activities

	Direct costs £	% of total direct costs	Share of support costs £	Share of governance costs £
Fundraising	2,766	1.18%	223	70
Charitable activities	231,316	98.82%	18,660	5,823
Total	<u>234,082</u>		<u>18,883</u>	<u>5,893</u>

Notes to the accounts for the year ended 31 December 2022 (continued)

8 Analysis of expenditure on charitable activities

	2022 £	2021 £
Staff costs	185,789	154,117
Other staff costs	1,493	1,856
Premises cost	12,164	13,220
General office and administration costs	2,825	2,144
Travel, accommodation and subsistence	4,948	462
Conferences and events	3,370	288
Marketing	-	22
Subscriptions	253	840
Consultancy	14,840	4,732
Project costs	4,819	6,165
Web design	-	995
Depreciation	815	744
Governance costs (see note 7)	5,823	6,250
Support costs (see note 7)	18,660	12,299
	<hr/>	<hr/>
	255,799	204,134
	<hr/>	<hr/>
Restricted expenditure	168,565	155,937
Unrestricted expenditure	87,234	48,197
	<hr/>	<hr/>
	255,799	204,134
	<hr/>	<hr/>

9 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2022 £	2021 £
Depreciation	938	840
Grant audit fees	1,200	1,200
Accountancy fees	1,020	1,020
Independent examiner's fee	180	180
	<hr/>	<hr/>

10 Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	185,296	154,070
Social security costs	14,168	11,317
Pension costs	5,691	4,941
	<hr/>	<hr/>
	205,155	170,328
	<hr/> <hr/>	<hr/> <hr/>
Allocated as follows:		
Cost of raising funds	2,063	2,794
Charitable activities	185,789	154,117
Support costs	13,219	8,957
Governance costs	4,084	4,460
	<hr/>	<hr/>
	205,155	170,328
	<hr/> <hr/>	<hr/> <hr/>

No employees has employee benefits in excess of £60,000 (2021: Nil).

The average number of staff employed during the period was 5.8 (2021: 4.9).

The average full time equivalent number of staff employed during the period was 5.8 (2021: 4.3).

The key management personnel of the charity comprise the trustees and the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £45,849 (2021: £45,652).

11 Trustee remuneration and expenses, and related party transactions

Neither the trustees nor any persons connected with them received any remuneration or reimbursed expenses during the year (2021: Nil).

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 (2021: nil) with the exception of the transaction below.

The charity entered into a joint project with two other parties one of which is Alp Analytica, a France based consultancy. Oliver Brown, a trustee of the charity, is the founder and a director of Alp Analytica. This company was chosen from a number of organisations based on its specialism and following relevant procedures. Oliver Brown was not involved in the selection and decision processes. The total transaction value in the year was £6,743 (2021: £3,571) for consultancy fees.

12 Government grants

The government grants recognised in the accounts were as follows:

	2022 £	2021 £
Norwegian Ministry of Foreign Affairs	42,301	172,856
	<hr/>	<hr/>
	42,301	172,856
	<hr/> <hr/>	<hr/> <hr/>

There were no unfulfilled conditions and contingencies attaching to the grants.

13 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.

14 Fixed assets: tangible assets

	Computer equipment £
Cost	
At 1 January 2022	3,359
Additions	592
	<hr/>
At 31 December 2022	3,951
	<hr/> <hr/>
Depreciation	
At 1 January 2022	2,519
Charge for the year	938
	<hr/>
At 31 December 2022	3,457
	<hr/> <hr/>
Net book value	
At 31 December 2022	494
	<hr/> <hr/>
At 31 December 2021	840
	<hr/> <hr/>

Notes to the accounts for the year ended 31 December 2022 (continued)

15 Debtors

	2022 £	2021 £
Other debtors	-	48
Prepayments and accrued income	9,277	6,673
	<u>9,277</u>	<u>6,721</u>

16 Creditors: amounts falling due within one year

	2022 £	2021 £
Other creditors and accruals	5,483	3,682
Taxation and social security costs	4,618	-
	<u>10,101</u>	<u>3,682</u>

17 Analysis of movements in restricted funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2022 £
British Ecological Society	1,243	-	(698)	-	545
Norwegian Ministry of Foreign Affairs	47,103	42,301	(89,404)	-	-
Nahrein Network	166	-	-	-	166
United Nations Environment Programme	-	17,850	(17,850)	-	-
The Minor Foundation for Major Challenges	-	63,508	(60,613)	(592)	2,303
	<u>48,512</u>	<u>123,659</u>	<u>(168,565)</u>	<u>(592)</u>	<u>3,014</u>

The funds transfers between restricted and unrestricted funds was due to the charity purchasing computer equipment to the value of £592 for the Military Emissions Gap project.

The Conflict and Environment Observatory

Notes to the accounts for the year ended 31 December 2022 (continued)

Comparative period

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2021 £
British Ecological Society	1,590	-	(347)	-	1,243
Norwegian Ministry of Foreign Affairs	24,444	172,856	(150,197)	-	47,103
Nahrain Network	324	-	(158)	-	166
Lush	-	5,235	(5,235)	-	-
Total	26,358	178,091	(155,937)	-	48,512

Name of restricted fund

Description, nature and purposes of the fund

British Ecological Society	to develop science, technology, engineering and mathematics (STEM) educational resources on conflict and the environment
Nahrain Network	to contribute remote sensing data to academic research on the eco-tourism potential of the Iraqi marshlands
Norwegian Ministry of Foreign Affairs	grant for various specific projects related to the impact of war on environment and humanity
United Nations Environment Programme	grant for research project: "Environmental impact assessment in Ukraine"
The Minor Foundation for Major Challenges	grant for research project: "Communicating and plugging the military emissions gap"

Notes to the accounts for the year ended 31 December 2022 (continued)

18 Analysis of movement in unrestricted funds

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	As at 31 December 2022 £
General fund	38,916	45,747	(30,293)	592	54,962
Joseph Rowntree Charitable Fund	-	60,000	(60,000)	-	-
	<u>38,916</u>	<u>105,747</u>	<u>(90,293)</u>	<u>592</u>	<u>54,962</u>
Comparative period					
	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	As at 31 December 2021 £
General fund	26,625	23,660	(11,369)	-	38,916
Joseph Rowntree Charitable Fund	-	40,695	(40,695)	-	-
	<u>26,625</u>	<u>64,355</u>	<u>(52,064)</u>	<u>-</u>	<u>38,916</u>

Name of
unrestricted fund

Description, nature and purposes of the fund

General fund

The free reserves after allowing for all designated funds

Designated fund:
Joseph Rowntree
Charitable Fundto be used as the charity sees fit to further its objects, for charitable purposes
only and within the bounds of charity law, not to be used for reserves

19 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total 2022 £
Tangible fixed assets	494	-	-	494
Net current assets/(liabilities)	54,468	-	3,014	57,482
	<u>54,962</u>	<u>-</u>	<u>3,014</u>	<u>57,976</u>
Total	<u>54,962</u>	<u>-</u>	<u>3,014</u>	<u>57,976</u>

Notes to the accounts for the year ended 31 December 2022 (continued)

Comparative period

	<i>General fund £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total 2021 £</i>
<i>Tangible fixed assets</i>	840	-	-	840
<i>Net current assets/(liabilities)</i>	38,076	-	48,512	86,588
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total</i>	38,916	-	48,512	87,428
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>