

The Conflict and Environment Observatory

Report and financial statements for the year ended
31 December 2023



www.ceobs.org

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The Conflict and Environment Observatory: Reference and administrative information for the year ended 31 December 2023

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)

Oliver Brown

Dr Teresa Lappe-Osthege

Dr Sarah Njeri

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 (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 2023

The trustees present their report and the unaudited financial statements for the period ended 31 December 2023.

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 2022 substantially increased global attention on the environmental dimensions of armed conflict and military activities. From major events like the occupation of the Zaporizhzhia Nuclear Power Plant, to the cumulative devastation wrought by the intensive use of explosive force in urban and rural areas, there has been a step change in public, media and government interest.

CEOBS was able to fulfil its mandate to support stakeholders in remote environmental data collection. These included the UNEP, UNDP and the Organization for Cooperation and Security in Europe (OSCE). We entered into a substantive implementing partnership agreement with the OSCE on a multi-year project, working in close cooperation with our long-time collaborators Zoi Environment Network. We also continued to work with Zoï on thematic briefings on the conflict for UNEP, and on complementary data collection and analysis for the UNDP. We also worked together on a contribution to Ukraine's Compact for the Environment, which is intended to guide environmental policy in the coming years.

In September CEOBS was jointly awarded the Environmental Peacebuilding Association's Al-Moumin Award for our "ongoing leadership in monitoring, quantifying, and redressing the environmental impacts of war". This unexpected award was welcome recognition for our research team, which had expanded in response to the demands of projects. This not only included work on Ukraine, but also Sudan, where we began a remote assessment on behalf of UNEP. Our increased capacity meant that we were also able to provide rapid analyses following the catastrophic dam collapses in Ukraine and Libya.

Our other work programmes were also busy. In September we co-hosted the world's first conference on military and conflict greenhouse gas emissions at Oxford University. Its diverse attendees included civil society, academia and the military. Interest in the topic is rapidly growing and during the year we were also involved with events at the UNFCCC conference in Bonn and at COP28. Meanwhile interest in environmental mainstreaming in humanitarian mine action - an initiative we began working on in 2018 with our partners

Norwegian People's Aid – is now well established, with a range of initiatives being undertaken across the sector.

In 2022 our funding model shifted from primarily grant-based to one based on project funding and consultancy. This has created a range of new challenges but overall, we saw continued income growth, which allowed us to expand the organisation and by the close of 2023 we had grown to 14 members of staff.

Doug Weir,
Director

Objectives

CEOBS' Charitable 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 2023, 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 2023 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 majority of our monitoring work focused on Ukraine. This included the ongoing population 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 the Organisation for Security and Co-operation in Europe (OSCE) and the United Nations Environment Programme (UNEP) as part of their responses to the armed conflict. We also completed a project for the United Nations

Development Programme (UNDP) to shortlist locations for assessment in Kyiv Oblast. Alongside the database, outputs included briefings, blogs and reports, many of which were developed in collaboration with longstanding partners Zoï Environment Network.

The Ukraine database also informed our media work, and a large number of presentations at events and webinars.

Beyond Ukraine, we continued to provide research on key spatial-temporal trends affecting agriculture as a result of the ongoing conflict in Yemen. We were also engaged by UNEP to examine environmental vulnerabilities in the context of the war in Sudan using similar methods to those developed for Ukraine. In September we reported on the catastrophic flooding of Derna, Libya, resulting from the failure of the Abu Mansour and Al-Bilad dams and the contribution of a decade of conflict and unrest to the likelihood and severity of this disaster. This followed shortly after we were called on to provide emergency monitoring support for UNEP following the destruction of Ukraine's Kakhovka Dam.

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 continued to result in several new partnerships with international organisations and NGOs.
- Were able to react quickly to environmental emergencies to provide the public, the media and international organisations with data.

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

Our work in 2023 continued to explore new methodologies to examine the relationship between armed conflict and the environment.

Most significant was the Ukraine database, and methodology that we developed to remotely analyse environmentally harmful incidents following the 2022 invasion, continued to evolve. The main purposes of the data that we collect are to inform advocacy, assessment and accountability. During 2023 we began to apply the methodology to an assessment of Khartoum State in Sudan in support of UNEP.

The database methodology also informed capacity-building activities on remote environmental assessment. Firstly for Ukrainian students hosted by York University, and then for Ukraine's State Environmental Inspectorate – an activity in support of UNEP.

In December, and as part of a consortium of European and Ukrainian higher education institutions and NGOs we launched the Erasmus+ funded GROMADA project, which will identify opportunities for using citizen science methodologies to support conflict affected communities in Ukraine.

Results

- The Ukraine database methodology is being used to rank hazardous sites for future assessment by UNEP, UNDP and other stakeholders.
- Deployed our remote assessment methodology to analyse the environmental impacts of conflict in Khartoum State.
- Designed and delivered capacity building sessions for Ukrainian stakeholders.

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 2023 CEOBS staff undertook a range of outreach and educational activities for a diverse range of audiences. These included:

- Presentations, workshops and seminars for students at King's College London, Sumy University (Ukraine) and York University.
- Preparing a report on EU Military Green Policies for the Greens/EFA group in the European Parliament.
- Providing technical advice, interviews and citations for journalists and media organisations, resulting in 78 external publications, citations or quotations including but not limited to articles in: [La Croix International](#), [Phys.org](#), [Washington Post](#), [Al Jazeera](#), [Indian Times](#), [Le Monde](#), [CNBC](#), [Politico](#), [SKY News](#), [New Scientist](#), [The Guardian](#), [The World](#), [The Conversation](#) and the [Manila Standard](#).
- We co-convened the world's first conference on military and conflict greenhouse gas emissions in Oxford.
- We contributed to numerous expert events, including but not limited to those organised by: the OSCE, American Red Cross, UNECE, UNEP, NATO and the Zoological Society of London.
- 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 were jointly [awarded](#) the Environmental Peacebuilding Association's Al-Moumin Award for thought leadership in the field of environmental peacebuilding.
- We continued to support the media interest linked to Ukraine, providing interviews and content to 48 outlets.
- During 2023 our website, www.ceobs.org, was visited by around 89,000 users. 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 2023, CEOBS monitored and contributed to a number of ongoing international processes. These processes included the UN Framework Convention on Climate Change (UNFCCC), 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.

- In support of the continued 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.
- Also in support of the Paris Agreement, we organised and contributed to events at the Bonn climate talks and at COP28, and were called on to give verbal evidence at the UK Parliament's Defence Select Committee inquiry into defence and climate change.
- We continued to argue in favour of the environment during negotiations towards a political declaration on the use of explosive weapons in populated areas (EWIPA) and ensured that the environment was mentioned in the final agreement.
- 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 partners to highlight the need for the UN Open Ended Working Group on chemicals, pollution and waste to include the toxic remnants of war in its mandate.
- We contributed to work by the ICRC reviewing how ecologically important areas could be better protected during armed conflicts.
- We contributed to the launch of a new global coalition calling for increased protection for water in armed conflicts.

Results

- We have contributed to rapidly expanding interest in military and conflict greenhouse gas emissions and are increasingly being called on to engage with military stakeholders.
- We continue to be a leading voice on environmental mainstreaming in the humanitarian mine action sector and have seen substantial progress since initiating this work with partners NPA in 2018.

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 2023 CEOBS considerably diversified its funding base, with a growing proportion of income being from consultancy work appropriate to its charitable objects on behalf of a variety of donors. Total income was £527,588 (2022: £229,406). This was comprised of a combination of grants, donations and consultancy fees, including from the following major partners:

- Our first Implementing Partner Agreement (IPA) with the OSCE concluded and was succeeded by a second agreement. Payments from OSCE during 2023 amounted to £130,371 – approximately 1/4 of all income. This funding will continue into 2024 with the remaining payments against the 2nd IPA.
- The Joseph Rowntree Charitable Trust provided £72,000 of core funding.
- The funding commenced in 2022 from the Minor Foundation for Major Challenges continued with our Military Emissions Gap project (£67,182).
- We received £76,073 (including accrued income of £28,385) from UNEP for our work documenting the conflicts in Ukraine and Sudan.
- Towards the end of 2023 we secured an agreement with the Erasmus+ Programme for our work mapping opportunities for community engagement and citizen science in relation to the conflict in Ukraine, with the first payment of £18,412 being made in December.
- The Norwegian Ministry of Foreign Affairs continued to be a significant funder via our partners Norwegian People's Aid, from which we received £13,044 in consultancy fees.
- The European Institute of Peace commissioned CEOBS to prepare a paper concerning the assessment of environmental damage due to the war in Ukraine, this work being to the value of £8,348.

In addition to grant and consultancy income, the charity raised £11,417 in fundraising and donations (2022: £9,782).

The overall expenditure for 2023 was £416,141 (2022: £258,858). The net income for the year was £111,447 (2022: net expenditure £29,452).

The total unrestricted income for the year was £235,550 (2022: £105,747) and the total unrestricted expenditure was £132,664 (2022: £90,293). The total restricted income was £292,038 (2022: £123,659) and the total restricted expenditure was £283,477 (2022: £168,565). This includes a total of £151,502 accrued income due from various sources for work already done in 2023: restricted grants to the value of £95,292, and £56,210 in consultancy income. 90% of this income had been received by the end of May 2024.

At the end of the year the total funds of the charity were £169,423 (2022: £57,976), comprising of £18,571 restricted funds (2022: £3,014) and £150,852 unrestricted funds (2022: 54,962).

Towards the end of 2023, CEOBS successfully negotiated the renewal of its core funding arrangement with the Joseph Rowntree Charitable Trust, with the first instalment anticipated in January 2024.

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 2023 we continued the reserves policy established in 2022 to aim to build reserves towards a minimum of 3 months' typical expenditure. This is in line with our interim target established in 2020. However, due to a steady increase in average monthly running costs resulting from the growth in the staff team, the target reserve level has also increased, standing at £121,199 at the close of 2023. Our free reserves level at the year end was £150,852. Excluding the accrued unrestricted income this figure would be £94,642.

Our new target is to build our reserves to the level of six months' expenditure by the end of 2027. This increased reserves level will assist CEOBS to withstand periods of unremitted accrued income such as that experienced at the end of 2023.

Plans for the future

In 2024, the response to Ukraine will continue to dominate our conflict monitoring activities. 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. CEOBS has an important role to play in highlighting the environmental dimensions of the war in Sudan, and will contribute to efforts to integrate peace and security considerations into the Convention on Biological Diversity.

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 ensures 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 Director, working with the Operations Co-ordinator and our staff team generally.

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: Queen Mary University, Durham University, Oxford University, Newcastle University, Scientists for Global Responsibility (Military Emissions Gap); Edinburgh and Leeds universities on their ongoing SENSE PhD placement; Zoi Environment Network (Switzerland), European Institute of Peace (Belgium) on Ukraine.

Projects: Norwegian People's Aid (Norway); Mnemonic (Germany).

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 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 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 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 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), and limited healthcare provision through HealthShield.

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 during 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. We also support local food initiatives by volunteering with a nearby community farm.

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 23 / 08 / 2024

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 2023 set out on pages 18-32.

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. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of ICAEW.

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.

Other matters

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 Act
- have 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: 23 / 08 / 2024

The Conflict and Environment Observatory
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 December 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2022 £</i>
Income from:							
Donations and legacies	3	72,196	-	72,196	60,704	-	60,704
Charitable activities	4	151,937	292,038	443,975	35,261	123,659	158,920
Other trading activities	5	11,417	-	11,417	9,782	-	9,782
Total income		235,550	292,038	527,588	105,747	123,659	229,406
Expenditure on:							
Raising funds	6	11,168	-	11,168	3,059	-	3,059
Charitable activities	8	121,496	283,477	404,973	87,234	168,565	255,799
Total expenditure		132,664	283,477	416,141	90,293	168,565	258,858
Net income/(expenditure) for the year	9	102,886	8,561	111,447	15,454	(44,906)	(29,452)
Transfer between funds		(6,996)	6,996	-	592	(592)	-
Net movement in funds for the year		95,890	15,557	111,447	16,046	(45,498)	(29,452)
Reconciliation of funds							
Total funds brought forward		54,962	3,014	57,976	38,916	48,512	87,428
Total funds carried forward		150,852	18,571	169,423	54,962	3,014	57,976

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 No.1174115

Balance sheet as at 31 December 2023

	Note	2023	2022
		£	£
Fixed assets			
Tangible assets	14	346	494
Total fixed assets		346	494
Current assets			
Debtors	15	151,502	9,277
Cash at bank and in hand	-	47,677	58,306
Total current assets		199,179	67,583
Liabilities			
Creditors: amounts falling due in less than one year	16	(30,102)	(10,101)
Net current assets		169,077	57,482
Total assets less current liabilities		169,423	57,976
Net assets		169,423	57,976
The funds of the charity:			
Restricted income funds	17	18,571	3,014
Unrestricted income funds	18	150,852	54,962
Total charity funds		169,423	57,976

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 20 to 32 form part of these accounts.

Approved by the trustees on 23 / 08 / 2024 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 accounts (financial statements) have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by 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 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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 Cash at bank and in hand

Cash at bank and cash in hand includes cash only.

k 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.

l 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.

m Pensions

Employees of the charity are entitled to join a defined contribution 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. It has limited liability. The registered office address is disclosed on page 1.

The Conflict and Environment Observatory

Notes to the accounts for the year ended 31 December 2023 (continued)

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Donations	196	-	196	704		704
Grants	72,000	-	72,000	60,000	-	60,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	72,196	-	72,196	60,704	-	60,704
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Grants	-	292,038	292,038	-	123,659	123,659
Commissioned work	151,937	-	151,937	35,261	-	35,261
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	151,937	292,038	443,975	35,261	123,659	158,920
	<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 2023 (continued)

5 Income from other activities

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Fundraising event	11,417	-	11,417	9,782	-	9,782
	<u>11,417</u>	<u>-</u>	<u>11,417</u>	<u>9,782</u>	<u>-</u>	<u>9,782</u>
	<u><u>11,417</u></u>	<u><u>-</u></u>	<u><u>11,417</u></u>	<u><u>9,782</u></u>	<u><u>-</u></u>	<u><u>9,782</u></u>

6 Cost of raising funds

	Unrestricted £	Restricted £	Total 2023 £	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2022</i> £
Staff costs	9,598	-	9,598	2,063	-	2,063
Event costs	419	-	419	542	-	542
Administration	119	-	119	161	-	161
Premises costs	282	-	282	-	-	-
Depreciation	2	-	2	-	-	-
Governance costs (see note 7)	142	-	142	70	-	70
Support costs (see note 7)	606	-	606	223	-	223
	<u>11,168</u>	<u>-</u>	<u>11,168</u>	<u>3,059</u>	<u>-</u>	<u>3,059</u>
	<u><u>11,168</u></u>	<u><u>-</u></u>	<u><u>11,168</u></u>	<u><u>3,059</u></u>	<u><u>-</u></u>	<u><u>3,059</u></u>

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Notes to the accounts for the year ended 31 December 2023 (continued)

7 Analysis of governance and support costs

	Support £	Governance £	Total 2023 £	Support £	Governance £	Total 2022 £
Staff costs	10,886	4,424	15,310	13,219	4,084	17,303
Premises costs	1,646	281	1,927	1,379	336	1,715
General administration	698	119	817	290	70	360
Bank charges	245	-	245	43	-	43
Accountancy fees	5,168	480	5,648	1,020	1,380	2,400
Insurance	1,271	-	1,271	829	-	829
Online services and design	-	-	-	220	-	220
Legal and professional	1,766	-	1,766	1,559	-	1,559
Staff events	891	-	891	232	-	232
Depreciation	14	2	16	92	23	115
	<u>22,585</u>	<u>5,306</u>	<u>27,891</u>	<u>18,883</u>	<u>5,893</u>	<u>24,776</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	10,419	2.68%	606	142
Charitable activities	377,830	97.32%	21,978	5,164
Total	<u>388,249</u>		<u>22,584</u>	<u>5,306</u>

Notes to the accounts for the year ended 31 December 2023 (continued)

8 Analysis of expenditure on charitable activities

	2023 £	2022 £
Staff costs	301,983	185,789
Other staff costs	16,564	1,493
Premises cost	14,922	12,164
General office and administration costs	6,327	2,825
General membership fee	42	-
Travel, accommodation and subsistence	6,880	4,948
Conferences and events	347	3,370
Subscriptions	1,073	253
Consultancy	10,250	14,840
Project costs	19,224	4,819
Web design	89	-
Depreciation	130	815
Governance costs (see note 7)	5,164	5,823
Support costs (see note 7)	21,978	18,660
	<hr/>	<hr/>
	404,973	255,799
	<hr/>	<hr/>
Restricted expenditure	283,477	168,565
Unrestricted expenditure	121,496	87,234
	<hr/>	<hr/>
	404,973	255,799
	<hr/>	<hr/>

9 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2023 £	2022 £
Depreciation	148	938
Grant audit fees	-	1,200
Accountancy fees	1,680	1,020
Independent examiner's fee	480	180
	<hr/>	<hr/>

10 Staff costs

Staff costs during the year were as follows:

	2023 £	2022 £
Wages and salaries	293,911	185,296
Social security costs	23,819	14,168
Pension costs	9,161	5,691
	<hr/>	<hr/>
	326,891	205,155
	<hr/> <hr/>	<hr/> <hr/>
Allocated as follows:		
Cost of raising funds	9,598	2,063
Charitable activities	301,983	185,789
Support costs	10,886	13,219
Governance costs	4,424	4,084
	<hr/>	<hr/>
	326,891	205,155
	<hr/> <hr/>	<hr/> <hr/>

No employee has employee benefits in excess of £60,000 (2022: Nil).

The average number of staff employed during the period was 9.5 (2022: 5.8).

The average full time equivalent number of staff employed during the period was 8.9 (2022: 5.8).

The key management personnel of the charity comprise the trustees and the Director. The total employee benefits of the key management personnel of the charity were £47,029 (2022: £45,849).

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 (2022: 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 (2022: nil) with the exception of the transaction below for the year 2022.

In 2022 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 for 2022 was £6,743 for consultancy fees.

12 Government grants

The government grants recognised in the accounts were as follows:

	2023 £	2022 £
Norwegian Ministry of Foreign Affairs	-	42,301
	<hr/>	<hr/>
	-	42,301
	<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 2023	3,951
	<hr/>
At 31 December 2023	3,951
	<hr/> <hr/>
Depreciation	
At 1 January 2023	3,457
Charge for the year	148
	<hr/>
At 31 December 2023	3,605
	<hr/> <hr/>
Net book value	
At 31 December 2023	346
	<hr/> <hr/>
<i>At 31 December 2022</i>	<i>494</i>
	<hr/> <hr/>

Notes to the accounts for the year ended 31 December 2023 (continued)

15 Debtors

	2023 £	2022 £
Prepayments and accrued income	151,502	9,277
	<u>151,502</u>	<u>9,277</u>

16 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	2,754	-
Other creditors and accruals	18,042	5,483
Taxation and social security costs	9,306	4,618
	<u>30,102</u>	<u>10,101</u>

17 Analysis of movements in restricted funds

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers £	Balance at 31 December 2023 £
British Ecological Society	545	-	-	-	545
Nahrein Network	166	-	-	-	166
The Minor Foundation for Major Challenges	2,303	67,182	(68,340)	-	1,145
United Nations Environment	-	76,073	(82,605)	6,532	-
OSCE	-	130,371	(130,835)	464	-
Gromada (Erasmus)	-	18,412	(1,697)	-	16,715
Total	<u>3,014</u>	<u>292,038</u>	<u>(283,477)</u>	<u>6,996</u>	<u>18,571</u>

Note re transfers

The funds transfers between restricted and unrestricted funds was due to costs on UNEP and OSCE projects not covered by the project grants.

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Notes to the accounts for the year ended 31 December 2023 (continued)

Comparative period

	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)	-	-
Nahrain Network	166	-	-	-	166
United Nations	-	17,850	(17,850)	-	-
The Minor Foundation for Major Challenges	-	63,508	(60,613)	(592)	2,303
Total	48,512	123,659	(168,565)	(592)	3,014

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	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"
OSCE - Organization for Security and Co- operation in Europe	grant for research project: "security and cooperation in Europe"
Gromada (Erasmus)	contribution from Erasmus funded project to develop cooperation between European universities to support public and legal capacity for environmental recovery in Ukraine

Notes to the accounts for the year ended 31 December 2023 (continued)

18 Analysis of movement in unrestricted funds

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers £	As at 31 December 2023 £
General fund	54,962	163,550	(60,664)	(6,996)	150,852
Joseph Rowntree Charitable Trust	-	72,000	(72,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	54,962	235,550	(132,664)	(6,996)	150,852
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Comparative period					
	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 Trust	-	60,000	(60,000)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	38,916	105,747	(90,293)	592	54,962
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 Fund to 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 2023 £
Tangible fixed assets	346	-	-	346
Net current assets/(liabilities)	150,506	-	18,571	169,077
	<hr/>	<hr/>	<hr/>	<hr/>
Total	150,852	-	18,571	169,423
	<hr/>	<hr/>	<hr/>	<hr/>

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Notes to the accounts for the year ended 31 December 2023 (continued)

Comparative period

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