

Registered number: 3037633
Charity number: 1045395

THE GREEN ALLIANCE TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2007

THE GREEN ALLIANCE TRUST

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THE GREEN ALLIANCE TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

For the year ended 31 March 2007

Trustees

R Bidwell
T Burke
P Castle
N Haigh
A Hams (resigned 5 December 2006)
A Keddie
D Mackenzie - Chair
D Mattinson
J Mellor (elected 11 September 2007)
D Osborn
P Parker - Hon Treasurer
F Reynolds

Company Registered Number

3037633

Charity Registered Number

1045395

Registered Office

36 Buckingham Palace Road, London, SW1W 0RE

Director (chief executive officer)

G Thompson (to 16 June 2006)
S Hale (from 3 July 2006)

Secretary

L Humphrey

Auditors

haysmacintyre, Fairfax House, 15 Fulwood Place, London, WC1V 6AY

Bankers

Natwest Bank, Cavell House, 2a Charing Cross Road, London, WC2H 0PD
Unity Trust Bank plc, Nine Brindleyplace, Birmingham, B1 2HB (from February 2007)

Solicitors

Bates, Wells and Braithwaite, Cheapside House, 138 Cheapside, London, EC2V 6BB

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT For the year ended 31 March 2007

The trustees, who are the directors of the charity for company law purposes, present their report and the audited financial accounts of The Green Alliance Trust (the charity) for the year ended 31 March 2007. The trustees confirm that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005.

STRUCTURE AND GOVERNANCE

Constitution and organisational structure

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum and Articles of Association on 24 March 1995. Its working name is Green Alliance. Green Alliance has existed since 1979.

Green Alliance is governed by a board of up to twelve trustees, listed on page 1. The board meets four times a year. A sub-group of five trustees oversees finance and management matters and provides recommendations for the board.

An executive director is appointed by the trustees to run the organisation. The director has overall responsibility for representing Green Alliance, communicating its vision and policy, managing staff and budgets and the day-to-day operations of the organisation. The director reports to trustees at each board meeting and in the interim via the chair of trustees.

Trustees develop the strategy and policies to guide staff and to safeguard the interests of the organisation. They oversee financial management and organisational health. Trustees also advise and assist staff with work planning and fundraising.

All staff are based at Green Alliance's office in central London. There were ten full-time equivalent staff in 2006-07.

Recruitment and appointment of trustees

Recruitment is undertaken on the basis of organisational need, established in part through a skills audit which is conducted annually; expertise in the environment sector; and commitment to the Green Alliance mission. Existing members nominate suitable candidates and posts may be advertised externally at the discretion of the board.

Under the articles of association, trustees stand down and can be re-elected annually at the AGM. After a trustee has served for three years, and after each subsequent three-year period, the board of trustees reviews their position.

In December 2006, Tony Hams, a trustee for 11 years, resigned to pursue other interests. We thank him for his valuable contribution and wish him well. Trustees have been engaged in a search to fill this vacancy and the other available position using the skills audit to uncover our strategic needs and talking with our members and stakeholders. We are delighted that Dame Julie Mellor joins our board in September 2007, she brings a wealth of experience from several different previous and current positions and we look forward to working with her.

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT (continued) For the year ended 31 March 2007

Induction and training of trustees

The board has a recruitment and induction procedure. Nominated candidates are provided with a set of background papers to give a picture of the organisation. These papers include our governing document, current strategic plan, latest audited accounts and information on their role and responsibilities. Before a formal appointment is made the candidate will also be invited to spend time in the office with staff, attend a board meeting and speak to current trustees about the role.

On appointment the chair will discuss with the new trustee any training and other needs necessary to fulfil their duties. The new trustee will also receive further documents and information.

The chair leads all trustees in an annual performance appraisal of the board. As part of this process, the training needs of all trustees will be discussed and assessed.

Risk mitigation

The trustees have reviewed the charity's activities and operations in detail and have produced a strategic plan setting out the major opportunities available to the charity and the risks to which it is exposed. A sub-group of trustees closely monitors progress against the objectives of the plan, assesses areas of possible risk and makes recommendations to the board. Detailed aspects of the plan are reviewed on a rolling basis and all trustees carry out a comprehensive review of the plan annually. The trustees are satisfied that systems are in place to mitigate and monitor those risks where appropriate.

One of the biggest risks Green Alliance faces is security of funding. Historically, the majority of the funding received is for several short-term restricted projects. In 2006-07 there was a strategic review of fundraising and working methods to seek alternatives to the current short-term multi-project approach. As a result, 2007-08 will be the first year that Green Alliance works on a thematic basis, with longer-term activities and actively seeking new longer-term funders. It is hoped that this will provide greater stability of funding and improve our ability to meet our objectives. More detail can be found in the 'plans for the future' section of this report.

Related party transactions

The Green Alliance Trust and the dormant company The Green Alliance are connected by the fact that all the directors of The Green Alliance are also trustees of The Green Alliance Trust. There were no transactions with The Green Alliance during the year.

Two trustees work for organisations that have paid fees to Green Alliance or supplied services to Green Alliance during the year:

- Fiona Reynolds is Director General of the National Trust, which has paid Green Alliance project fees of £12,200.
- Deborah Mattinson is joint CEO of Opinion Leader Research (OLR), which received a payment for £24,980 for consultancy fees for one of our projects, after OLR was successful in a bidding process against other companies. The decision was made by Green Alliance staff without the involvement of Deborah Mattinson.

OBJECTIVES AND ACTIVITIES

Green Alliance's objects are to conserve, protect and restore the world's natural resources, animal and plant life, and to educate the public about these aims, including the promotion of research and to promote sustainable development for the benefit of the public.

Our mission is to promote sustainable development by ensuring that the environment is at the heart of decision-making.

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT (continued) For the year ended 31 March 2007

OBJECTIVES AND ACTIVITIES (continued)

Our work for 2006-07 centred on three main aims:

- 1) Influencing decision-makers: to make the environment a central political issue;
- 2) Smart policy: to integrate the environment effectively into public policy and decision-making, focusing on the role of business; and
- 3) Fresh thinking: to stimulate new ideas and advance the environmental agenda into new areas.

Until the end of 2006-07 our annual work programme set out specific objectives under the three main aims. From the beginning of 2007-08, our work is now set out in themes. Our current priorities and projects can be viewed on www.green-alliance.org.uk.

Overall we aimed to be ambitious and challenge and re-orientate the thinking and assumptions of those with whom we engage. Our programme was to build on existing expertise in areas such as energy and waste, and move into new areas such as nutrients policy where we see a need and a policy gap.

Strategies and activities

We carry out much of our work on a project basis, conducted through research and meetings, involving a unique network of contacts across sectors many of whom are members of Green Alliance. We regularly provide space for debating new issues and presenting the opinions of all sides. The results of our work are disseminated through publications, the media and our website.

We hold a pivotal position within the environment sector which reflects our reputation and extensive network. In addition to our project work we act as convenor, conduit and enabler for the environment sector and decision-makers wishing to engage with it.

Use of volunteers

Through an active volunteer and intern programme, we receive regular additional assistance on projects and administration. The maximum number assisting during the year at any time was six, contributing equivalent hours to two extra full-time staff members. We recruit volunteers and interns who specifically want experience that will advance their career in the environment or NGO sector. Effective induction and management ensures a good level of development and support. Interns and volunteers provide an important and valued contribution to the organisation.

ACHIEVEMENTS AND PERFORMANCE

Internal reviews

We aimed to deepen our links with our individual and corporate members and supporters. Accordingly, our communication with our members and stakeholders was reviewed and revamped during the year, including a logo refresh, new design outlays, the introduction of an 'enews' bulletin and changes to our website. All these developments have enabled us to provide brighter, clearer and more immediate communications and expand our network of regular contacts.

During 2006-07 we reviewed our appraisal system and how we support and enable individual and organisational development. All staff will be assisted in developing a Personal Development Plan, and encouraged to use a variety of learning experiences to fulfil them. We hope that this will make the organisation more effective in carrying out our objectives.

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT (continued) For the year ended 31 March 2007

ACHIEVEMENTS AND PERFORMANCE (continued)

Influencing decision-makers

We saw 2006-07 as a vital period of opportunity, with the Conservatives considering their future approaches and the continuing expectation of a new Labour prime minister. We aimed to make the most of this both as Green Alliance and through joint advocacy, particularly working with the opposition parties. Government department focus was on Treasury and the FCO.

We led our environmental NGO sister organisations in a political project that exploited the political battleground. We produced the Green Standard, a series of key indicators of the parties' performance on the environment. Launched in February 2007, it will be used to judge words and actions over the next year. We intend that this will galvanise all parties to raise their game.

Our pamphlet on Conservatism and the environment will be launched in May 2007. It explores the ideological challenge that the environment poses to modern Conservative thinking with contributions from Conservative politicians such as David Cameron and George Osborne as well as independent commentators Tom Burke and Charles Secrett.

Beyond Stern: the environmental challenge for the comprehensive spending review was published on the eve of Gordon Brown's last pre-budget report as chancellor. It set out ways that he could advance the environmental agenda through tax and spend policy. The report was followed by advocacy with the Treasury, focusing in particular on waste and transport policy.

The Green Globe Network (GGN) carried out a range of events in 2006-07, providing a useful mechanism for the Foreign and Commonwealth Office (FCO) and other government departments and civil society groups to engage on policy issues in the UK and, on the forthcoming review of the EU budget, with the European Commission. Green Alliance has hosted and co-ordinated GGN since its inception over ten years ago. The environment for thinking and dialogue on international environmental policy has changed greatly over that period. We have decided not to continue the network in future years, but to seek new ways of engaging in the UK debate on international environmental policy.

Smart policy

Notable highlights of our waste work include successful joint advocacy on the landfill tax escalator and a seminal publication, Zero Waste, on why we need ambitious and joined up waste and resources policy and what such policy looks like.

Our energy work this year aimed to cover some of the areas in more detail that the government failed to address adequately in the 2006 Energy Review. Our response to the review as a whole was published in a *new vision for energy* in July 2006.

Our work on emissions trading has divided into three broad camps. First, work on the European Union Emissions Trading Scheme (EU ETS) and inputting into the review of the scheme, secondly advocacy and a seminar supporting the proposed Energy Performance Commitment and thirdly a collaboration with the Royal Society of Arts (RSA) on 'a carbon traded world', looking at how all the various carbon trading mechanisms (down to personal carbon allowances) might work together.

We aimed to raise the political profile of heat, which produces 47 per cent of the carbon dioxide emissions and uses over half of the total energy in the UK. With an alliance of over 50 organisations we launched a manifesto for sustainable heat and a strategy document at the end of March. With a strident advocacy programme, we have succeeded in getting mention of a sustainable heat strategy in the Energy White Paper and are working with the Office of Climate Change on further support for the sector.

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT (continued) For the year ended 31 March 2007

ACHIEVEMENTS AND PERFORMANCE (continued)

Smart policy (continued)

Our work on transport focused on influencing the 2007 budget and the Comprehensive Spending Review (CSR). We held a number of meetings with the Treasury, Department for the Environment, Food and Rural Affairs (Defra), the Department for Transport, business and the opposition parties, a small roundtable dinner with Douglas Alexander, and published a major report on the CSR. Green Alliance's lobbying has contributed to the increases in Vehicle Excise Duty and Air Passenger Duty announced during this years pre-budget and budget reports.

In 2006-7 Green Alliance embarked on a new area, local government and climate change. Action by local authorities is critical to the achievement of the government's climate change objectives. The work has included research on the activities of 40 pioneering councils and resulting policy options. This was submitted to the Department for Communities and Local Government (DCLG) ahead of the Local Government White Paper.

Fresh thinking

Green Alliance worked with around 30 civil society organisations through workshops in late 2006 to prioritise actions that individuals could take to help the environment. These discussions analysed whether existing policy aids or hinders individuals taking these actions. Our report summarising the conclusions is now a central part of the government's environmental behaviour strategy and has been used heavily in Defra's scoping strategy for behaviour change.

We had hoped to build our expertise in economics and work on the case for greater government intervention in the energy market but were unable to find enough funders for these activities. We are disappointed as these are important but neglected areas.

We organised a successful series of small discussions, our soapbox events, sponsored by Centrica. We used these events to generate real debate around some difficult issues, sparked by some very interesting and diverse speakers. We hope to continue this kind of event under our politics theme in 2007-08.

Funding sources

In 2006-07 Green Alliance's work programme was supported by a major grant from the Esmée Fairbairn Foundation. General donations were received from the Westminster Foundation and the Cecil Pilkington Charitable Trust. Thanks to Groundwork and Biffa for sponsoring our spring reception 2006, Centrica for our soapbox series from September 2006 – May 2007, ASDA & E.On for our annual debate 2006 and The Co-operative & Groundwork for the speech by Gordon Brown in March 2007.

Approximately 15 per cent of income came from membership, subscriptions and publication sales.

Funding for specific projects was received in 2006-07 from the following organisations: the Ashden Trust, Greenpeace and JMG Foundation for 'advocacy on alternatives to nuclear energy'; RWE and RSPB for 'energy markets'; National Trust, WWF, Woodland Trust, CPRE and RSPB for 'greening the DCLG'; Defra's Environmental Action Fund, Johnson Matthey, Biffa, Interface Europe, Marks and Spencer, Sainsburys, IPPR, INCPEN and Boots for 'closing the loop'; Greenpeace, National Trust, RSPB, Wildlife Trusts, Woodland Trust, WWF, CPRE, and Friends of the Earth for our NGO strategy work; English Nature and the Association of River Trusts for 'nutrients'; the Foreign and Commonwealth Office, Defra and DFID for supporting the 'Green Globe Network', the Carbon Trust for 'EU Emissions Trading Scheme', the Department for Communities and Local Government, the Environment Agency and Groundwork for 'local government and climate change'; English Nature, EEDA and ESA for 'Comprehensive Spending Review'; Defra for 'behaviour change'; JMG Foundation for 'transport'; Royal and Sun Alliance and the Environment Agency for 'intelligent homes'; National Trust, Energy Crops Company, Eonergy, Renewable Energy Systems, RSPB, Combined Heat and Power Association and Sembcorp Utilities for 'sustainable heat'; and Environment Agency for 'lessons from our green past'.

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT (continued) For the year ended 31 March 2007

FINANCIAL REVIEW

The charity's income was £693,336 in the year ended 31 March 2007, compared to £731,021 in 2005-06. The total expenditure was £707,851 for the twelve months to 31 March 2007 compared to £645,293 in 2005-06. The net result was therefore a deficit of £14,515 of which £31,495 was an increase in general funds and £46,010 was a decrease in restricted funds.

The fund balance carried forward at 31 March 2007 was £239,079 consisting of £146,285 of general funds and £92,794 of restricted funds for ongoing projects. The full Statement of Financial Activities is set out on page 12 of these accounts.

The Green Alliance Trust holds no significant assets apart from office equipment.

Details of the restricted funds are given in pages 21 to 22. The trustees are confident that adequate resources are available to enable completion of these projects.

Reserves policy

In accordance with guidelines issued by the Charity Commissioners, the trustees have adopted a policy regarding reserves, to ensure that there are adequate funds for the charity to meet all current and known future liabilities, to provide support in the event of unexpected circumstance and continuity despite the short term project nature of much of Green Alliance's income.

It is the trustees' policy to build a general fund equivalent to between three and four months of anticipated expenditure, excluding direct costs relating to restricted funding and the amount represented by fixed assets, and to reach this level by year end 2008.

At 31 March 2007, the general funds stood at £137,082 (excluding fixed assets of £9,203). This represents 2.6 months of anticipated expenditure as outlined above.

Investment policy and performance

The Memorandum and Articles of Association provides that the company invests monies not immediately required for its own purposes in or upon such investments, securities or property as may be thought fit. At the present time the trustees' policy is to maintain such monies on deposits earning a market rate of interest.

PLANS FOR THE FUTURE

To mitigate risks from short term funding and to make our work more coherent and effective, this year we have developed a strategy based on thematic working and longer-term funding. We have established four main themes: climate change, resources, politics and behaviour change. Each of these themes will run over at least twelve months, some already have plans that run into 24 months. We also hope to work on a fifth theme engaging those across civil society.

Climate change

Through a two-year programme of advocacy, debate, policy analysis and research we aim to influence the emerging discussions on the shape of UK climate policy beyond 2010. We will bring together a coalition of key players from business and environmental groups to identify the way forward. We will publish our vision, a *blueprint for future climate policy*, in mid-2008, and use it to set the priorities for the next government.

We aim to continue working on international environmental policy, and specifically on climate change. Subject to confirmation of funding, we will be focusing on the forthcoming EU budget review, continuing to facilitate dialogue between government and civil society on short-term issues, and on working with E3G to assess the prospects for global agreement by 2009, and the strategies that could be used to maximise these prospects.

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT (continued) For the year ended 31 March 2007

PLANS FOR THE FUTURE (continued)

Climate change (continued)

The next six months will be a crucial time in the implementation of the local government white paper. We will hold a summit in April 2007 on the policy framework needed to deliver a step change in local government action in tackling climate change. In June we will produce a report highlighting changes needed to integrate climate change effectively in the new performance framework for local authorities.

Waste and natural resources

In 2007-2008 under our resources theme we aim to focus on the further dissemination of our analysis and recommendations in the context of the Waste Strategy Review and to build on our work to date in securing a closed loop in the areas of packaging and construction waste.

Delayed in 2006-2007 by the internal strategy refresh within Defra, our report *The nutrient cycle: closing the loop* was launched on 5 June 2007. We propose a new framework, showing how policies based on resource efficiency and sustainable consumption and production can be applied to the farming and food sectors, to promote a more sustainable economy.

Politics

The Green Standard is proving a useful platform for dialogue with all three parties. In the run up to and following the first assessment of the parties in September we will continue our joint advocacy and member mobilisation around the tests. Over the coming year we will also work on the development of a collective political strategy for the next general election and coordinate the NGO response to government initiatives on influencing public behaviour.

Green living

Under our behaviour change theme we will focus on one of the priority areas identified through our work for Defra in 2006: the food we eat. We will explore the implications of this increasing focus on the environmental impact of food and develop a series of recommendations for industry and government outlining how they should respond.

Our homes also have a significant environmental impact. Reducing this impact will require householders to take actions to improve the efficiency of their homes through the installation of efficient fixtures, fittings and appliances and through the more efficient use of them and their homes in general. This other strand of our behaviour change theme will explore this issue in more detail and look at what measures are needed to drive mass action in this area.

Through our Intelligent homes project we have made already made links with a number of people working in the field and found that 'intelligent features' have significant potential to reduce energy use in homes. The project report is nearing a final draft and explores the obstacles to intelligent features becoming more widespread and the policy avenues that would help to promote them.

Green thinking (beyond government)

There are a tremendous array of civil society groups now seeking to persuade their members and the wider public to act in relation to climate change, but no forum to share these experiences and learn lessons from one another. We believe that there may well be a space for Green Alliance to play a role as a catalyst for exchanging experiences, and for new research and thinking. We would like to fill that gap and are seeking ways of funding this ambitious project.

THE GREEN ALLIANCE TRUST

TRUSTEES' REPORT (continued) For the year ended 31 March 2007

RELATIONSHIP WITH OTHERS

Working with a diverse range of organisations and individuals is essential for Green Alliance to achieve its objectives. Collaborations include joint research projects, events and publications.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law require the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to;

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

So far as each of the Trustees are aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, haysmacintyre are willing to be reappointed in accordance with Section 385 of the Companies Act 1985.

APPROVAL

This report was approved by the trustees on 11 September 2007 and signed on its behalf,

D Mackenzie
Chair of Trustees

THE GREEN ALLIANCE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREEN ALLIANCE TRUST

We have audited the financial statements of The Green Alliance Trust for the year ended 31 March 2007 which comprise the Statement of Financial Activities (incorporating, the Income and Expenditure account), the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

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

Respective responsibilities of trustees and auditors

The responsibilities of the Trustees (who are also the directors of The Green Alliance Trust for the purposes of Company Law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

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

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

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

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THE GREEN ALLIANCE TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE GREEN ALLIANCE TRUST

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller charities, of the state of the charitable company's affairs as at 31 March 2007 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the trustees' report is consistent with the financial statements.

haysmacintyre

Chartered Accountants & Registered Auditors
Fairfax House
15 Fulwood Place
London
WC1V 6AY

Date: 11 September 2007

THE GREEN ALLIANCE TRUST

STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2007

	Note	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	Total Funds 2006 £
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	253,740	253,740	183,004
Bank interest receivable		-	6,481	6,481	5,281
<i>Incoming resources from charitable activities</i> - Research, events and publications					
	3	432,058	1,057	433,115	542,736
TOTAL INCOMING RESOURCES		<u>432,058</u>	<u>261,278</u>	<u>693,336</u>	<u>731,021</u>
RESOURCES EXPENDED					
<i>Costs of generating funds:</i>					
Fund raising costs	4	-	43,044	43,044	42,358
<i>Charitable expenditure:</i>					
Research, events and publications costs	5	492,177	159,297	651,474	590,409
<i>Governance costs</i>	6	-	13,333	13,333	12,526
TOTAL RESOURCES EXPENDED		<u>492,177</u>	<u>215,674</u>	<u>707,851</u>	<u>645,293</u>
NET (EXPENDITURE)/INCOME BEFORE TRANSFERS		(60,119)	45,604	(14,515)	85,728
Transfers between Funds	13	14,109	(14,109)	-	-
NET (EXPENDITURE)/INCOME AFTER TRANSFERS		(46,010)	31,495	(14,515)	85,728
TOTAL FUNDS AT 1 APRIL 2006		<u>138,804</u>	<u>114,790</u>	<u>253,594</u>	<u>167,866</u>
TOTAL FUNDS AT 31 MARCH 2007		<u>92,794</u>	<u>146,285</u>	<u>239,079</u>	<u>253,594</u>

All activities relate to continuing operations

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

The notes on pages 14 to 24 form part of these financial statements.

THE GREEN ALLIANCE TRUST

BALANCE SHEET As at 31 March 2007

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	10		9,203		10,319
CURRENT ASSETS					
Debtors	11	157,813		151,518	
Cash at bank		191,222		232,955	
			<hr/>	<hr/>	
		349,035		384,473	
CREDITORS: amounts falling due within one year	12	(119,159)		(141,198)	
			<hr/>	<hr/>	
			229,876		243,275
NET ASSETS	14		239,079		253,594
CHARITY FUNDS					
Restricted Funds	13		92,794		138,804
Unrestricted - General Funds	13		146,285		114,790
			<hr/>	<hr/>	
			239,079		253,594

The financial statements were approved and authorised for issue by the Trustees on 11 September 2007 and signed on their behalf, by:

D Mackenzie - Chair

P Parker - Hon Treasurer

The notes on pages 14 to 24 form part of these financial statements.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

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

Donations are accounted for as received by the charity. Income from grants is accounted for on a receivable basis, and is included in the Statement of Financial Activities once the charity has established legal title to the income and amounts due can be quantified with reasonable accuracy. Income from grants will only be deferred to future accounting periods where the donor has imposed restrictions on the expenditure which amount to a precondition requiring the grant to be used against expenditure in future periods.

Subscriptions are accounted for on an accruals basis. Subscriptions relating to a later period are, therefore carried forward to that period and treated as deferred income in the balance sheet.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Overheads have been allocated on the basis of staff costs.

Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Governance costs are those costs incurred in connection with enabling the charity to comply with external regulation, constitution and statutory requirements and in providing support to the trustees in the discharge of their statutory duties.

1.6 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small charitable company.

1.7 Tangible fixed assets and depreciation

All assets costing more than £400 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and Fixtures	-	33.33%	straight line
Computer Equipment	-	25%	straight line

1.8 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA as incurred.

1.9 Pensions

All permanent staff employed by the Company are eligible for membership of the defined contribution pension scheme. The pension scheme of the company is funded by contributions partly from the employees and partly from the company. Such contributions are held in administered funds completely independently of the company's finances. The contributions made by the company are accounted for on an accruals basis.

1.10 VAT

The charity is registered for VAT. In common with many other charities, The Green Alliance Trust's expenses are inflated by VAT, which cannot be recovered.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

2. VOLUNTARY INCOME

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
General charitable grants:		
- Esmée Fairbairn Charitable Trust	60,000	60,000
- Westminster Foundation	1,691	6,454
General donations	30,539	6,601
Membership subscriptions	102,478	95,701
Sponsorships	57,500	11,100
Other income	1,532	3,148
	<hr/>	<hr/>
Total	<u>253,740</u>	<i><u>183,004</u></i>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

- Research, events and publications

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Grants for projects	179,216	183,691
Project funding & fees	253,490	349,575
Publications and newsletter	409	9,470
	<hr/>	<hr/>
Total	<u>433,115</u>	<i><u>542,736</u></i>

4. FUND RAISING COSTS

	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Staff costs	35,636	34,413
Support costs	7,408	7,945
	<hr/>	<hr/>
Total	<u>43,044</u>	<i><u>42,358</u></i>

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

5. CHARITABLE EXPENDITURE

RESEARCH, EVENTS AND PUBLICATIONS

	2007 £	2006 £
Direct costs of activity	262,778	250,177
Staff costs	330,106	282,691
Support costs	58,590	57,541
	651,474	590,409
Total	651,474	590,409

6. GOVERNANCE COSTS

	Total Funds 2007 £	Total Funds 2006 £
Staff costs	6,479	6,257
Other direct costs	5,507	4,824
Support costs	1,347	1,445
	13,333	12,526
Total	13,333	12,526

7. ALLOCATION OF SUPPORT COSTS TO ACTIVITIES

	Fundraising costs £	Charitable costs £	Governance costs £	Total 2007 £	Total 2006 £
Communication	720	5,699	131	6,550	7,104
Printing, Postage & stationery	104	821	19	944	3,102
Premises costs	6,402	50,630	1,164	58,196	55,796
Other direct costs	182	1,440	33	1,655	929
	7,408	58,590	1,347	67,345	66,931
Total	7,408	58,590	1,347	67,345	66,931

Support costs are costs of central management. These costs are apportioned to activities on a per capita basis.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

8. NET (EXPENDITURE)/INCOME

This is stated after charging the following:

	2007 £	2006 £
Depreciation of tangible fixed assets: - owned by the charity	5,754	5,699
Auditors' remuneration - as auditors	3,360	2,520
- other services	1,940	1,480
Irrecoverable VAT	4,776	7,186
Loss on disposal of fixed assets	-	4,116
	<u> </u>	<u> </u>

During the year, no Trustees received any remuneration (2005 - £NIL).

During the year, no Trustees received any benefits in kind (2005 - £NIL).

During the year, 2 Trustees received £118 reimbursement of travelling expenses (2006 - £181).

9. STAFF COSTS AND NUMBERS

Staff costs were as follows:

	2007 £	2006 £
Wages and salaries	324,456	281,946
Social security costs	34,442	29,637
Pension costs	13,323	11,779
	<u> </u>	<u> </u>
	<u>372,221</u>	<u>323,362</u>

The average number of full-time equivalent employees during the year was as follows:

	2007 No.	2006 No.
Project staff	8	7
Governance	1	1
Fundraising	1	1
	<u> </u>	<u> </u>
	<u>10</u>	<u>9</u>

No employee received remuneration amounting to more than £60,000 in either year.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

10. TANGIBLE FIXED ASSETS

	Furniture and fittings £	Total £
Cost		
At 1 April 2006	27,963	27,963
Additions	4,639	4,639
Disposals	-	-
	<hr/>	<hr/>
At 31 March 2007	<u>32,602</u>	<u>32,602</u>
Depreciation		
At 1 April 2006	17,645	17,645
Charge for the year	5,754	5,754
On disposals	-	-
	<hr/>	<hr/>
At 31 March 2007	<u>23,399</u>	<u>23,399</u>
Net book value		
At 31 March 2007	<u>9,203</u>	<u>9,203</u>
<i>At 31 March 2006</i>	<u>10,319</u>	<u>10,319</u>

11. DEBTORS

	2007 £	2006 £
Due within one year		
Other debtors	103,964	131,679
Prepayments and accrued income	53,849	19,839
	<hr/>	<hr/>
	<u>157,813</u>	<u>151,518</u>

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

12. CREDITORS: Amounts falling due within one year	2007	2006
	£	£
Trade creditors	19,378	15,014
Taxation and social security	10,904	10,676
VAT	20,210	38,130
Other creditors	39,582	33,750
Accruals	10,490	25,033
Deferred income (see note below)	18,595	18,595
	<u>119,159</u>	<u>141,198</u>

An amount of £18,595 was received from Westminster Foundation in March 2006 in respect of rent for 2006/07 and which was therefore treated as deferred income in 2006 accounts. In March 2007, an amount of £18,595 was received from Westminster Foundation in respect of rent for 2007/08 and which is therefore treated as deferred income in 2007 accounts.

13. STATEMENT OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
UNRESTRICTED FUNDS					
General Funds	<u>114,790</u>	<u>261,278</u>	<u>215,674</u>	<u>(14,109)</u>	<u>146,285</u>
General funds					

Funds available are sufficient to permit the company to continue in operation in the short term given the continued support of the funders. Should this support not continue in the longer term, further financial support would need to be sought to replace it.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

RESTRICTED FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
Sustainable energy seminar (carbon gap)	29,552	-	28,583	-	969
Green globe network	-	86,206	86,206	-	-
Comprehensive Spending	15,781	20,511	36,292	-	-
Fiscal Incentives	2,142	-	2,142	-	-
ODPM/DCLG	5,972	1,000	8,735	1,763	-
NGO Strategy	25,000	59,000	80,688	6,944	10,256
Green Past	-	8,750	952	-	7,798
Nuclear Advocacy	1,480	22,250	26,362	2,632	-
Beyond Green	6,250	-	6,250	-	-
EU ETS	31,002	10,000	18,444	-	22,558
Loop 2006/07	-	78,653	78,653	-	-
Local Governments	-	30,750	23,417	2,000	9,333
Transport	-	19,345	15,254	-	4,091
Sustainable Heat	-	25,500	24,019	-	1,481
Intelligent Homes	-	22,478	12,985	-	9,493
Decentralised Energy	2,072	-	2,842	770	-
Nutrients	19,553	5,500	13,238	-	11,815
Energy Markets	-	15,000	-	-	15,000
Behaviours	-	27,115	27,115	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted funds	<u>138,804</u>	<u>432,058</u>	<u>492,177</u>	<u>14,109</u>	<u>92,794</u>

Income, which are received for specific projects, are accounted for as restricted funds. Where the fund is overspent a transfer is made from unrestricted funds to cover the deficit. The balances on restricted funds as at 31 March 2006 arise from income received for specific projects on which some expenditure is still to be incurred in the coming financial year. Each of the projects is described in more detail:

Influencing decision-makers

Green Globe Network (April 2006- March 2007): a network of independent experts advising government on achieving international objectives for sustainable development.

Fiscal incentives for sustainable homes, a green living initiative (July 2005 – May 2006): exploration of what fiscal incentives could be used to influence household resource consumption, including energy, water and waste.

Greening the ODPM/DCLG (May 2005 – August 2006): a co-ordinated process of engagement with the Department for Communities and Local Government (DCLG) formerly the Office of the Deputy Prime Minister (ODPM), to inject an environmental dimension into the strategic thinking of the department.

Comprehensive spending review (January 2006 – January 2007): a research project to develop proposals for both expenditure and taxation and advocacy to promote these proposals.

NGO strategy work (on-going): a partnership project with leading environmental NGOs, examining current co-ordination and ways of working.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

Smart policy

Bridging the carbon gap (July 2005 – May 2007): an examination of supply and demand side energy options, and in particular how renewables, micro-generation and energy efficiency can play an increasing role in our energy mix.

Phase II of the EU emissions trading scheme (July 2005 – June 2007): building on our 2004 report, Business action on climate change: where next for emissions trading, a project advocating a tougher Phase II national allocation plan that is structured in a way that really supports low carbon technologies.

Advocacy on alternatives to nuclear energy (April 2006- April 2007): a series of structured meetings with key experts and decision-makers to discuss nuclear energy and its alternatives.

Closing the loop (on-going): series of studies and consultations to identify how to make it the norm for products to be designed to reduce or better still eliminate environmental impacts, from design to disposal.

Transport (July 2006 – May 2007): working with key stakeholders in the transport sector to develop a package of fiscal and 'soft' measures to influence consumer transport behaviour.

Local Government and Climate Change (September 2006 – July 2007): a project to significantly improve action by local government on climate change by identifying policy solutions and helping generate political momentum for change within local and national government.

Energy markets: we were unable to fundraise fully for this project and therefore it did not go ahead. The funders who had agreed to fund kindly agreed to transfer their funds to other projects starting in 2007-08.

Behaviour change (August 2006 – March 2007): an engagement process for Defra, working with around 30 civil society organisations to prioritise actions that individuals could take to help the environment in their homes, purchasing and travel.

Intelligent homes (December 2006 – September 2007): a project which analyses smart features with environmental benefits that are currently available and identifies key areas in which they could make a real impact.

Fresh thinking

Decentralised energy (October 2005 – June 2006): exploration of a much more active role for individuals and communities, one in which the energy system is no longer remote and centralised, but embedded in people's lives and homes.

Nutrient cycle (February 2006 – June 2007): production of a pamphlet that brings together the key issues involved in this growing problem and proposes a framework for action.

Lessons from our green past (March 2007-July 2007): a project exploring why the environment gained high profile and benefited from progressive measures in the past and how to reproduce that effect in future.

Sustainable heat (November 2006 – August 2007): brining together a coalition of organisations concerned about heat, setting out why heat is important and presenting a policy strategy to encourage energy efficiency and the use of sustainable heat technologies.

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/(out) £	Carried Forward £
General Funds	114,790	261,278	215,674	(14,109)	146,285
Restricted Funds	138,804	432,058	492,177	14,109	92,794
Total of Funds	<u>253,594</u>	<u>693,336</u>	<u>707,851</u>	<u>-</u>	<u>239,079</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2007 £	Unrestricted Funds 2007 £	Total Funds 2007 £	<i>Total Funds 2006 £</i>
Tangible fixed assets	-	9,203	9,203	10,319
Current assets	92,794	256,241	349,035	384,473
Creditors due within one year	-	(119,159)	(119,159)	(141,198)
Total	<u>92,794</u>	<u>146,285</u>	<u>239,079</u>	<u>253,594</u>

15. OPERATING LEASE COMMITMENTS

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2007 £	2006 £	2007 £	2006 £
Expiry date:				
Between 1 and 2 years	<u>44,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Between 2 and 5 years	<u>-</u>	<u>44,000</u>	<u>-</u>	<u>-</u>

THE GREEN ALLIANCE TRUST

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2007

16. RELATED PARTY TRANSACTIONS

The Green Alliance Trust and The Green Alliance are connected by the fact that all the directors in The Green Alliance are also trustees of The Green Alliance Trust.

The Green Alliance Trust received no income in 2007 and 2006 from The Green Alliance. The Green Alliance was dormant throughout the year under review.

Two trustees work for organisations that have paid fees to Green Alliance or supplied services to Green Alliance during the year:

- Fiona Reynolds is Director General of the National Trust, which has paid Green Alliance project fees of £12,200.
- Deborah Mattinson is joint CEO of Opinion Leader Research (OLR), which received a payment for £24,980 for consultancy fees for one of our projects, after OLR was successful in a bidding process against other companies. The decision was made by Green Alliance staff without the involvement of Deborah Mattinson.

17. SHARE CAPITAL

The Green Alliance Trust is a company limited by guarantee and has no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of the charity being wound up.

18. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.