



# Annual report and accounts 2015-16

## Green Alliance

### Senior management team

Matthew Spencer  
Director (left September 2016)

Tamsin Cooper  
Strategy director  
(on maternity leave from November 2015)

Leah Davis  
Interim strategy director  
(from November 2015)

Sue Armstrong Brown  
Policy director

Jo Rogers  
Assistant director (from January 2016)

### Policy team

William Andrews Tipper  
Head of sustainable business

Dustin Benton  
Head of energy and resources

Angela Francis  
Senior economist

Jonny Hazell  
Senior policy adviser

Amy Mount  
Senior policy adviser

Paul McNamee  
Head of politics

Costanza Poggi  
Policy adviser

Faye Scott  
Head of research  
(on maternity leave from July 2015)

Danial Sturge  
Policy assistant

Anisha George  
Policy assistant

James Elliott  
Policy assistant

### Development team

Karen Crane  
Head of communications

Josie Evetts  
Office manager and pa to the director

Elena Perez  
Events co-ordinator

Marta Silva  
Finance manager

Amy Leppänen  
Communications assistant

### Trustees

Dame Fiona Reynolds DBE  
Chair

Philip Parker  
Hon Treasurer

Robin Bidwell CBE  
Chair (until March 2016)

Rosemary Boot

Tom Burke CBE  
(until March 2016)

Ben Caldecott

Catherine Howarth

Professor Mariana Mazzucato

Sophia Tickell

Sir Graham Wynne

Alison Austin OBE  
(from September 2015)

### Associates

Paul Arwas

Duncan Brack

Chris Church

Ian Christie

Emily Coats

Chris Hewett

Julie Hill

Hywel Lloyd

Jiggy Lloyd

Rebekah Phillips

Rebecca Willis

Dimitri Zenghelis

Company registered number  
03037633

Charity registered number  
1045395

Registered Office  
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Secretary  
Louise Humphrey, assistant  
director (to 30 October 2015)  
Jo Rogers, assistant director  
(appointed 15 March 2016)

Auditors  
haysmacintyre,  
26 Red Lion Square,  
London, WC1R 4AG

Bankers  
Unity Trust Bank plc,  
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Birmingham, B1 2HB

Solicitors  
Bates Wells and Braithwaite,  
10 Queen Street Place,  
London, EC4R 1BE

The charity and company  
The Green Alliance Trust  
operates under the working  
name Green Alliance.

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## Contents

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### Trustees report

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Chair's introduction	3
1 Our aims and strategy	5
2 Impact highlights 2015-16	7
3 New leadership	9
4 Strong analysis	14
5 Powerful alliances	26
6 Our plans for 2016-17	29
7 Fundraising and finances	32
8 Structure, governance and risk management	35

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### Accounts

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9 Independent auditor's report to the trustees of the Green Alliance Trust	41
10 Accounts for the year end 31 March 2016	44

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Thanks	61
Members	62

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## Dame Fiona Reynolds Chair



Photo: David Levenson

## Progress to be proud of

My early days in the environment movement were characterised by a freewheeling optimism, born of environmental sustainability being a new issue in which people were interested but knew little about. Green Alliance was at the heart of that entrepreneurial age. That the organisation is still at the centre of the big debates about our future, and still making change happen, is testament to its ethos and track record of constructive engagement and non-partisan endeavour.

The context is much tougher now, not least since the Brexit vote in June 2016, and it is no longer possible to make progress by having the best ideas as it sometimes was in the 80s and 90s. Achieving change today requires compelling evidence, a powerful network of relationships across government and strong external alliances.

I hope you will see ample evidence of those capabilities in this year's annual report. I would draw your attention to three examples which have given me heart: the analysis we led which showed the government how it could make the transition to subsidy free renewables, and convinced it to adopt a longer term contracting framework for offshore wind; the rich discussion we stimulated about the future of support for the natural environment, which is moving centre stage as the UK must find a replacement for the EU's Common Agriculture Policy; and the work we convened with national and local NGOs about creating a greener London, which has stimulated important initiatives on clean energy and clean air from London's new mayor. Amid widespread concern about the future, this is progress of which we can be proud.

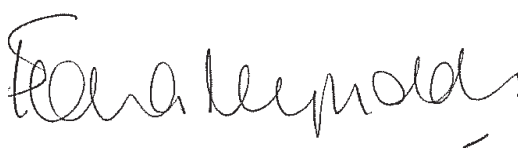
However, there are some subtle things about Green Alliance you won't read in this report, which I get to see as chair of the organisation and which I would like to share. First, the energy and dynamism of our staff, who tell me Green Alliance provides the best work culture they've ever experienced. Second, the extraordinary reach of Green Alliance's ideas and insight, which goes higher and wider than most people would expect: for instance, the readership of our blog includes leaders in politics and civil society. Discretion and modesty mean we cannot report the frequent private discussions we have with senior decision makers in government and other sectors.

“As we enter the stormy  
Brexit seas we are once again  
on the front foot, developing  
a new sector wide coalition”

And, third, the amazing role we play at the heart of a cross sectoral alliance. Without our many partners, listed on page 27, Green Alliance would not exist. Without their trust we would be just another think tank, throwing out ideas, but with a fraction of the impact.

While these attributes are deeply embedded in our DNA, for the past six years we have been brilliantly led by our director, Matthew Spencer. Now he is leaving us for a senior role at Oxfam, and this is my chance to thank him, on behalf of the board of trustees, current and previous, for the tremendous job he has done. He has lifted Green Alliance to new heights, through his insightful and astute leadership, high quality analysis and deft political footwork. We will miss him enormously, but give our warm thanks and very best wishes in his future career. We hope to have a new director in place by early 2017.

As we enter the stormy Brexit seas we are once again on the front foot, developing a new sector wide coalition, to ensure that UK environmental standards are as high or higher than our European neighbours and global competitors. This is a period of great jeopardy for the environmental agenda, but there are also huge opportunities. Nearly four decades on from our birth we are adapting again to make sure our collaborative, pluralist approach meets this biggest of challenges. Thank you for your support.



# 1.

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## Our aims and strategy

Green Alliance is an independent think tank with a powerful network of business and NGO partners. Our work has led to greater political support for environmental solutions in the UK.

We believe that pluralist politics, informed by strong analysis, dialogue and public participation creates better policy, and is a powerful route to a greener future and better lives. Active leadership from politicians, civil society and business can accelerate this process by ensuring that it is fair, has a shared goal and creates a stable investment environment.

The conviction that better lives and a better future can only be achieved by respecting the value and constraints of the natural environment is the defining belief of our staff, trustees and network.

Our strategy for 2015-18, developed before the Brexit vote in June 2016, has one overarching ambition: to create a greener Britain through better policy. This remains our goal, but we are reorienting our plans to make sure we, and the wider environmental movement, are in a strong position to shape the post EU referendum outcomes, working to ensure that we protect and, where possible, enhance our environmental safeguards. Our pre-existing commitments, to improve public participation in policy making, secure new political leadership for the natural environment and nurture a new generation of environmental leaders will be carried out alongside a new collaboration across sectors on environmental leadership in the post referendum period.

Our policy recommendations to UK political leaders will be developed, as always, in partnership with leading businesses to ensure workable solutions. We also lead powerful alliances of the major environment and development NGOs to make joint policy responses to government; this year the focus will be on the critical questions raised by the Brexit vote.

We pursue our aims in three ways:

- **Inspiring new leadership:** delivering effective political leadership for the environment by influencing political processes, advocacy work with government and engaging leading political thinkers and senior politicians in the environment debate.
- **Undertaking strong analysis:** providing research and analysis, providing robust evidence for alternative policy that works for government, business and the environment.
- **Creating powerful alliances:** we are supporting the NGO and business sectors to ensure their voices are heard on issues related to the protection and improvement of the environment.

Our activity is organised under six themes:

**Political Leadership:** offering political intelligence to, and working with, our partners in business, NGOs and all the main political parties, to put environmental priorities at the heart of political decision making.

**Low Carbon Energy:** providing evidence and ideas to support the renewal and rapid decarbonisation of the UK's energy infrastructure.

**Resource Stewardship:** working to increase UK economic resilience by ensuring resources stay productive in the economy for longer, for the benefit of business and the environment.

**Natural Environment:** building new alliances between businesses and NGOs to explore new policy which will ensure that, by 2025, the long term decline in the UK's natural environment is arrested and reversed.

**Sustainable Business:** engaging with a range of leading global companies, offering them the opportunity to share their experience and work in partnership to develop new approaches to environmental policy.

**NGO Engagement:** working closely with the leaders of the major environment and development NGOs, we regularly facilitate joint messages from them to government, ensuring the sector's views on important issues are represented and clearly heard.

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## Impact highlights 2015-2016

### Historic progress on climate

Our highly focused advocacy, working together with our influential business and NGO partners, was instrumental in helping to secure a strong UK position at the 2015 Paris climate negotiations. UK leadership was significant in determining an ambitious global climate deal.

### An end to unabated coal

The political momentum we helped to create, by brokering a UK party leaders' pledge on climate in early 2015 led to the historic announcement in November 2015 that the UK would end unabated coal by 2025.

### A green race to the top for London

Our Greener London project, in collaboration with the UK's leading environmental NGOs, engaged all the leading mayoral candidates in a race to the top on the environment in advance of the May 2016 elections. This project gave a voice to Londoners' green expectations. Sadiq Khan has now adopted some of our suggestions and made tackling air pollution one of his main priorities in office.





“The political momentum we helped to create led to the historic announcement that the UK would end unabated coal by 2025.”

#### Keeping low carbon policy on track

This year our analyses informed government decisions which resulted in a new commitment to 10GW of offshore wind in the 2020s. This led directly to £730 million of new government funding for offshore wind, and a commitment from a major international energy company to invest a further £6 billion in UK offshore projects.

#### Changing the story on renewables

We generated new data about renewable energy development across the country, highlighting the extent of its contribution and value across the different regions of England and Wales. Our ‘clean energy declaration’ for the Northern Powerhouse, signed by 100 business and civil society organisations, demonstrated widespread public support for renewables to Westminster.

#### A brand new approach to protecting natural systems

Our proposal to combine traditional nature conservation and natural capital thinking in a new approach has helped to reinvigorate the UK debate into how to tackle the long term decline of nature in Britain.

#### Demonstrating more jobs with better resource stewardship

Our analysis of the potential benefits to the labour market of a more circular economy identified that it would lead to 35,000 new jobs in Germany, Poland and Italy alone.

#### A progressive new alliance

We launched the Alliance for Circular Economy Solutions, a unique collaboration between European think tanks and business organisations promoting the advantages of a more advanced, resource efficient economy for Europe.

#### A platform for intelligent commentary

With nearly 35,000 visitors in 2015-16, our blog increased its profile as a leading outlet for informed opinion provided by Green Alliance and other key commentators about current environmental policy and politics in the UK.

See pages 9 to 25 for more details about these achievements.



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New leadership

Effective political leadership is essential to making progress towards a green economy. Green Alliance understands the political process, has strong relationships with decision makers and is a respected source of new policy ideas. We also provide an important catalytic role for business and NGOs in influencing the processes of political change.



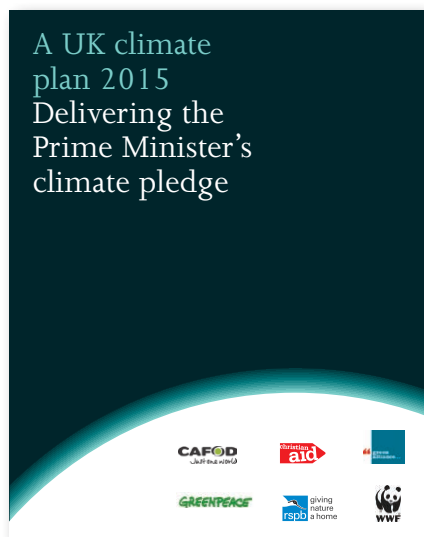
## The prime minister's climate pledge

We brokered a climate pledge, signed by the then prime minister and other party leaders in early 2015, which committed them to three actions: to seek a strong global climate deal at the 2015 climate conference, work across party lines to agree carbon budgets and accelerate the transition to a competitive, energy efficient, low carbon economy, including ending unabated coal. Following the May 2015 general election, pursuing these commitments was the backbone for our advocacy with new government ministers and key officials throughout the year.

We were recognised for our work on securing the leaders' climate pledge in 2015 with an award for 'Best environmental campaign by a non-governmental organisation' at the CIWEM 2016 Green Ribbon Political Awards.

“I say to the House today: let's feel the love! That was the theme of the brilliant and ongoing campaign by The Climate Coalition, supported by hundreds of thousands of people, young and old, including my constituents, who lobbied and lobbied and persuaded the Prime Minister, the then leader of the Opposition and the then leader of the Liberal Democrats to put their signatures to a climate change pledge, brokered by the wonderful and clearly very persuasive Green Alliance”

Huw Irranca Davies MP, speech in parliament, June 2015



“I wish to compliment Green Alliance and the CBI for taking such a leadership role in trying to bring people together across the partisan divide and elevate the significance of the climate crisis.”

Former vice president of the USA, Al Gore

“Beyond Paris was a remarkable event and Green Alliance has found itself again in the lead in pulling together a stellar cast to present and debate a critical turning point”

Diana Schumacher, founding member of Green Alliance

## Countdown to the 2015 Paris climate deal

A clear UK position on climate action was vital to securing a strong global agreement at the December 2015 climate conference in Paris. We published *A UK carbon plan 2015*, devised with CAFOD, Christian Aid, Greenpeace, RSPB and WWF, which set out the timeline of UK government actions needed to ensure a successful deal.

To show that UK businesses and civil society were united in wanting the government to support a target to keep global warming below 2°C, we hosted an event *Beyond Paris*, at a key moment before the conference, with the CBI and supported by National Grid. The former US vice president Al Gore spoke and directly challenged the prime minister to raise the UK's game on the low carbon transition. The director general of the CBI was also unequivocal about the need from business for stronger UK leadership on climate change.



Al Gore's challenge was reported nationally and internationally, and served to raise awareness and expectation of the UK's position in the global climate negotiations.

Our work helped to secure concrete actions by government. DECC Secretary of State Amber Rudd's 'energy reset' speech in November 2015 announced that the government would close all unabated coal plants by 2025, a key commitment of the prime minister's climate pledge brokered by Green Alliance and the first such promise by a major world economy. Powerful diplomacy by the prime minister also contributed to securing an agreement in Paris widely considered to be an ambitious plan and a historical turning point for global climate action.



“I’m determined to be the greenest Mayor London has ever had.”

[Mayor of London Sadiq Khan on the Green Alliance blog](#)

## Raising ambition for a greener London

Ahead of the London mayoral election in May 2016 and working closely with the Campaign for Better Transport, the Campaign to Protect Rural England, Friends of the Earth, Greenpeace, the National Trust, RSPB, The Wildlife Trusts and WWF, we set out our 20 big ideas on air pollution, the natural environment, energy, waste and walking and cycling. We discussed them with the mayoral candidates Zac Goldsmith, Sadiq Khan, Caroline Pidgeon and Sian Berry. And our hustings event in March, chaired by radio and TV journalist James O’Brien, gave 300 Londoners their chance to quiz the candidates on the environmental issues they care about.

In the run up to the election #GreenerLondon was one of the most used hashtags on Twitter as people tweeted their aspirations for a greener capital.

All the candidates showcased their green proposals on our blog and, overall, they responded positively to our challenges, all making new commitments on solar power, cleaner transport and appointing a green infrastructure commissioner. After his election as mayor, one of Sadiq Khan’s first major announcements was a promise to make air pollution a priority.







“I really enjoyed the greener London hustings. It was one of the most well organised events of its kind I’ve seen in years.” [Pilita Clark, environment correspondent, Financial Times](#)

“Environment groups throw down the green gauntlet to London mayoral candidates.”  
[The Guardian, 29 February 2016](#)

“Next mayor urged to cut fumes”  
[London Evening Standard, 29 February 2016](#)



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Strong analysis

## Low carbon energy

The renewal and rapid decarbonisation of UK's energy infrastructure is the biggest investment challenge of the age. Green Alliance's work with leading business and NGOs is focused on the policy frameworks necessary for investment and innovation.

“Chancellor urged to invest public money in renewable energy”  
The Guardian, 14 March 2016, on Green Alliance's report *Beyond subsidy*

## Keeping renewables on track

Industry had been withholding investment as there was no clear government plan for renewables beyond 2020.

With our energy consortium partners, Siemens, National Grid, Statoil and E.ON, we have concentrated on providing an evidence base for a new policy framework.

In our report *Beyond subsidy* we made a compelling case for a least cost pathway to support renewables. Our economic modelling demonstrated that the projected low carbon capacity shortfall could be solved by backing a much wider range of technologies. We also made the case for continued government support for offshore wind, as a maturing, competitive technology which is straightforward to deliver and scale up.

In November 2015, the then secretary of state for energy and climate change, Amber Rudd, announced a new commitment to 10GW of offshore wind for the 2020s. She also adopted the ‘commit and review’ approach, proposed by Green Alliance, to improve investor certainty by guaranteeing a minimum market size for offshore wind during the 2020s, as long as the industry delivers significant cost reductions.



In early 2016, ahead of the budget, we co-ordinated a letter from Conservative MPs to the chancellor of the exchequer supporting renewables. We also organised a ‘clean energy declaration’, signed by over 100 business and civil society organisations from the north of England, asking for more renewable energy for the Northern Powerhouse.

We were delighted when, in the 2016 budget, new government support for renewables development after 2020 was promised, including an extra £730 million for emerging technologies, primarily for offshore wind.



“The thinking done by Green Alliance is helping companies like Siemens to work out what it means to be a 21st century business in a decarbonising world. One of their useful roles is to convene businesses from different sectors who would not normally interact and then inject some research and clarity of thought that helps us to see and respond to some complex issues. The team’s insight into the worlds of sustainability, politics and business and how they can be aligned for the good of the planet is a resource no single business could develop.”

Matthew Knight, director of strategy and government affairs, Siemens

## The potential impact of department cuts

Our analysis of the potential impact of departmental spending cuts on the former Department for Energy and Climate Change (DECC), showed that, if the government carried out its manifesto plans, the department’s budget could be cut in half by 2017-18 and spending on programmes and staff could fall by 90 per cent by 2018-19. If this happened the government would be unable to keep its decarbonisation plans on track. Our argument was influential in protecting DECC’s spending relative to other departmental cuts made in the 2015 autumn statement. Savings were made in DECC’s areas of spending unrelated to decarbonising the economy.



Our Keep it Clean light installation in Manchester city centre

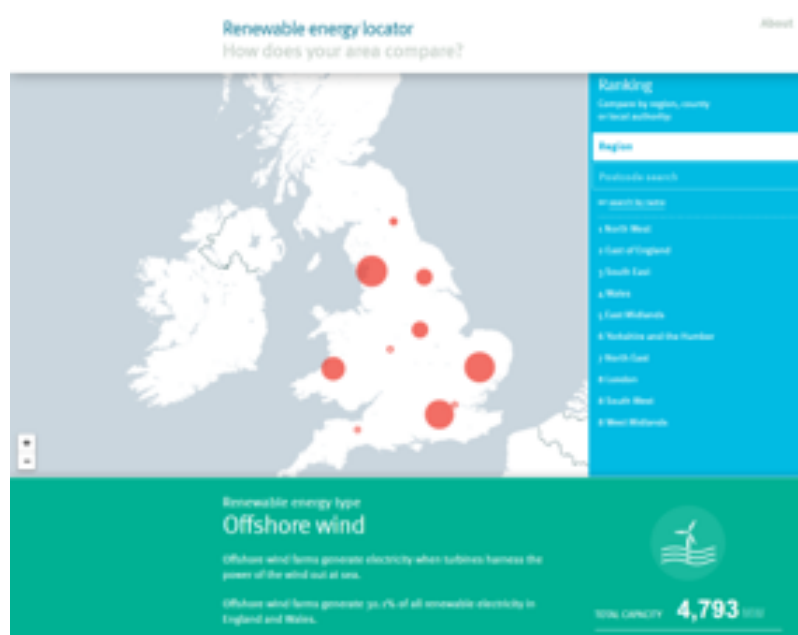
“United call for George Osborne to ensure Northern Powerhouse propelled by green energy”,  
Headline from *The Northern Echo*, 11 March 2016, on Green Alliance’s ‘clean energy declaration’

## A new view of renewables

For a major new project in 2015, we worked with a range of renewable energy investors, businesses and environment groups to build broader public understanding and support for clean energy.

Using data commissioned from RegenSW, we created a league table and interactive website to publicise the amount of renewable energy being generated across England and Wales. Comparisons of regions, towns and cities and local authorities showed which places performed best on renewables.

With The Climate Coalition, we used the data to generate a large number of positive renewable energy stories across regional and national media in early 2016. And, in collaboration with 10:10, we used an interactive light installation in Manchester city centre to highlight the ‘clean energy declaration’, in which 100 organisations called for the Northern Powerhouse to be powered by renewables.



The Renewable Energy Locator had over 22,000 views in its first three months.

“This report restates the case for low carbon infrastructure, and illustrates how it can deliver real value for money – with economic, environmental and social benefits.”

Sara Thiam, director, Institution of Civil Engineers, on our report *Scotland's way ahead*

## Low carbon infrastructure in Scotland



In our report, *Scotland's way ahead*, produced for Scotland's Low Carbon Infrastructure Task Force, we showed how much Scotland stands to benefit from increased investment in low carbon infrastructure, in terms of climate change, economic progress and social welfare. Covered by the Scottish media and the BBC, it was the basis of an expert roundtable discussion, with the Institution of Civil Engineers and the National Infrastructure Commissioner, Sir John Armitt.

## Getting more from less in the energy market

If the government included demand side as well as supply side opportunities in its plans for the energy market, it would avoid the need to build expensive new power stations and save consumers and businesses £2.4 billion by 2025. This was the finding of our 2015 report *Getting more from less*.

The Treasury has used the report's findings to inform its own plans and we were pleased when the government subsequently approved the second phase of its electricity demand reduction pilot scheme in June 2015.



“Natural capital accounting could well be a way of engaging more farmers and landowners in the long term maintenance of environmental assets, particularly where the value can be identified, so I welcome the joint approach proposed by this report.”

David Fursdon, farmer and chair of the 2013 Future of Farming Review

## How offshore wind has helped Grimsby's renewal

With all the talk of frameworks, contracts and gigawatts, it can be easy to forget that renewable energy is a thriving, expanding industry in the UK, providing jobs and other benefits to local communities. During the year we reported on the contribution offshore wind is making to the economic renewal of Grimsby and drew lessons for how the industry could be developed to help other coastal towns suffering economic decline.



“We urge the government to take note of this report and support the UK and Grimsby's position as a global leader in renewables. Jobs – both direct and indirect – must be protected and the UK's engineering heritage preserved.”

Chris Holden, manager of AIS Training and former chairman of Grimsby Renewables Partnership

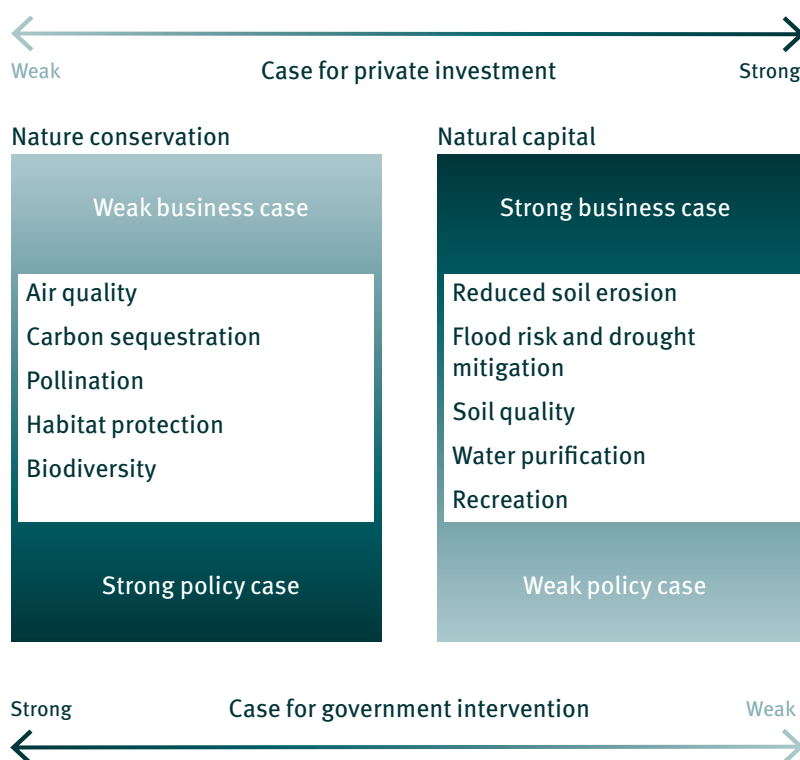
**Natural environment**  
Arresting the long term decline of the natural environment is a complex challenge, so we are building powerful alliances and seeking new political leadership to ensure that, by 2025, Britain's natural environment is in better health.

## A new approach to protecting the natural environment

Our research in 2015 explored the extent to which traditional conservation methods could work with the new concept of natural capital to protect nature in the UK. The two approaches have often been pitched against each other, but we were able to demonstrate that no inherent conflict exists and that there would be a great benefit in a new, combined approach.

The debate around our report, *Natural partners*, provoked significant interest from both the conservation community and businesses and, in partnership with Nestlé, we are now aiming to establish a food sector taskforce to take these ideas forward.

Where the case is strongest for each approach



“Green Alliance’s report explains why it is crucial to harness both ecological and economic perspectives if we are to reverse the accelerating loss of nature.”

**Paul Morling, principal economist at RSPB**





## The UK's response to the Great Acceleration

The huge increase in the environmental impact of human activity since the 1950s has been called the Great Acceleration, and tackling it is going to be more complex and difficult than dealing with climate change. In June 2015, our journal *Inside Track* set out the challenge and explored what the public, political and business responses should be in the UK, featuring the views of the director general of the National Trust, the CEO of Nestle UK, and professor of energy policy at the University of Oxford, Dieter Helm.

“Without a strong public mandate, it is hard to see the UK taking the bold and urgent action needed to address the speed and scale of environmentally damaging human activity.”

**Dame Helen Ghosh, director general,  
National Trust**

“Economic growth cannot simply carry on without regard to preserving and enhancing the aggregate natural capital stock”

**Professor Dieter Helm, University  
of Oxford**

## Resource stewardship

Rising demand for resources is unsustainable and causing resource insecurity. We are promoting the development of a circular economy in the UK, in which the resources we use are sustainably sourced and kept productive rather than wasted, reducing problems of waste disposal and over extraction.

### Circular Economy Task Force

Green Alliance leads the Circular Economy Task Force, a group of eight major businesses and organisations interested in promoting greater resource efficiency (see members on page 28). Our work with the task force this year has encouraged the government to support the EU's new circular economy action plan, a package of policies intended to improve resource productivity across Europe.

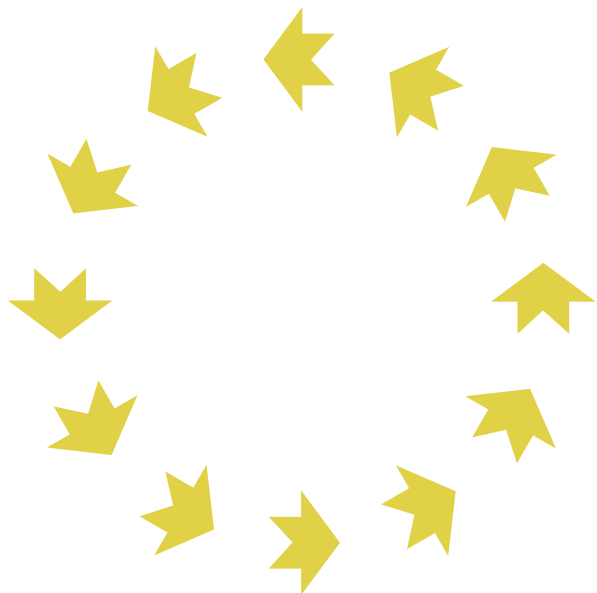
There is a need to improve the consistency of waste collection systems across the UK, to improve the quality of recycled materials used as business inputs. Our advocacy stimulated a review published in September 2016 by the Department for Environment, Food and Rural Affairs (Defra) into how this can be achieved.

The task force is also participating in a pioneering international voluntary initiative called the 'North Sea Roundabout'. The British, French and Flemish governments have joined together to look at how a harmonised regulatory approach to waste legislation could help boost a European market for recycled materials.



“I have found my involvement with Green Alliance extremely valuable, as they have a strong practical knowledge around the opportunities and challenges of the circular economy and the task force is a great opportunity to collaborate with other businesses and sectors”

Caroline Laurie, head of sustainability,  
Kingfisher plc



“This report is the latest reminder that there’s a compelling business case for an ambitious circular economy policy in Europe.”

Nick Molho, executive director, Aldersgate Group, one of our ACES partners, on our report *Unemployment and the circular economy in Europe*

## A new European alliance

During 2015, we founded the Alliance for Circular Economy Solutions (ACES), a British, Belgian, Dutch and German collaboration between businesses and think tanks conducting economic and social analysis, to promote ambitious circular economy policy in Europe. The ACES partners have joined forces to secure a European circular economy policy package that can generate new jobs and revenues whilst driving product innovation, a market for secondary raw materials and opportunities for new business models. As ACES launched in December 2015, we published *Unemployment and the circular economy in Europe*, showing the jobs benefits of a more resource efficient economy in Italy, Poland and Germany. (see who the ACES partners are on page 27).

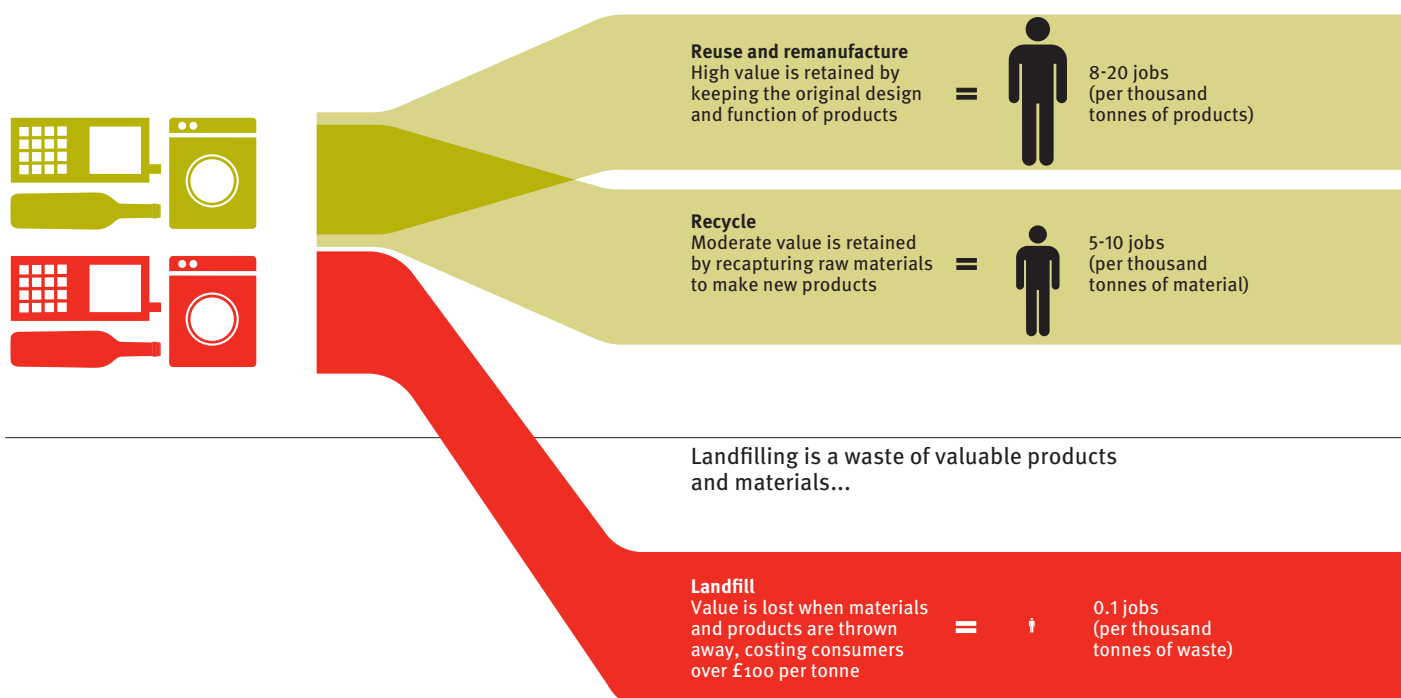
## Novel materials and the circular economy

We worked closely with Innovate UK, the Engineering and Physical Sciences Research Council (EPSRC) and the High Value Manufacturing Catapult in 2015 on a project studying how new materials, like carbon fibre and bioplastics, can be easily recycled, reused and remanufactured, to avoid environmental issues in the future.

After gathering ideas from product developers, manufacturers, academics and policy makers we will be putting forward our policy recommendations later in 2016. They will take account of the concerns of all those involved in bringing new materials to market. This project has already encouraged the EPSRC to make the circular economy a central focus of its manufacturing strategy.







## Social benefits of a circular economy

Our infographic *The social benefits of a circular economy* showed that better design standards and a bigger market for reused and recycled materials across Europe would provide more jobs as well as giving people longer lasting products.

“Green Alliance blog has become required reading”

Hugh Raven, chair of the Marine Conservation Society and trustee of the John Ellerman Foundation

## Green Alliance’s blog: a must read

Our blog is now one of the top green blogs in the UK. We were proud to be a finalist in the 2016 UK Blog Awards. Providing a unique platform for opinion and insight on UK environmental policy and politics, it features our own views as well as those of other experts and commentators.

In 2015-16 we covered a wide range of current affairs, including responses to the Paris climate deal, arguments for and against fracking, analysis of the Budget and reporting on US environment policy, as well as views and insight on developments in UK energy, resources and natural environment policy.

### Our blog in numbers 2015-16

76

blogs posted

41

external contributors

34,700

visitors

58,000

views

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5.

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Powerful  
alliances

## Alliance for Circular Economy Solutions (ACES)

ACES is a powerful new advocate in Europe for ambitious resource policy founded by Green Alliance in 2015. Led by a group of influential Belgian, Dutch, British and German think tanks and business networks, its goal is to secure policies to improve resource efficiency and competitiveness. (For more information about the work of ACES see page 23).

Our partners in ACES are:



## Our NGO partners



## Our business partners

### Low Carbon Energy consortium



**nationalgrid**

**SIEMENS**



### Circular Economy Task Force



**Kingfisher**



### Business Circle members

For 25 years, progressive companies have come together through our Business Circle to share insights, debate policy and engage with stakeholders on business critical sustainability issues.

**ALSTOM**



**DONG  
energy**



**Heathrow**



**SIEMENS**



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Our plans for  
2016-17

2016-17 will be the second year of Green Alliance's three year strategy focused on creating a greener Britain through better policy. The significant changes that will result from the outcome of the EU referendum in June 2016 will drive our work for the coming period. We will lead the Greener UK Unit, a cross sectoral coalition whose aim will be to ensure that the UK maintains strong environmental policy and standards, and we will outline how industrial policy can drive a smart, very low carbon, resource efficient economy.

## New leadership

### UK environment policy: as strong or stronger

In response to the EU referendum result, we are leading a broad coalition of organisations pressing for stronger UK environmental policy and standards, through new laws and robust public institutions. The Greener UK unit will be based at Green Alliance.

### Taking a lead on cities

The creation of city region mayors in 2017 will herald a new era of devolution in England. This brings the potential for ambitious new environmental and political leadership, better connected to civil society and local voices. Green Alliance will aim to work to increase green ambitions in the newly devolved regions of the UK and galvanise local support for robust UK environmental policy.

## Strong analysis

### Influencing European resource policy

We are continuing our work on European resource policy, in collaboration with sustainable business networks and academics in the Netherlands, Germany and the UK, through the Alliance for Circular Economy Solutions. We are researching the value of new approaches to ecodesign in the EU's circular economy policy package, and innovative strategies to address the impact of marine plastics.

### Support for low carbon energy

Work supported by our energy consortium is continuing to provide evidence and analysis to feed into major decision points in UK energy and climate policy. We aim to influence government spending commitments to low carbon funding for the period 2020 to 2025, ensuring that both the amount and how the funding is organised is compatible with the UK's decarbonisation plans. We are contributing to the government's thinking on the forthcoming carbon plan; and proposing a new approach for the UK's expensive, convoluted and ineffectual capacity market, to ensure energy supply can meet future demand.

## Powerful alliances

### **Partnerships for better land management**

The need to reform agricultural policy following the EU referendum offers new opportunities and space for debate. In partnership with the National Trust and progressive landowners we are making the case for better land management policy through new markets and funding approaches. We are expanding our project with Nestlé to work with a wider group of companies to establish the role for business in future nature policy.

### **A business voice on resources**

In the coming months and years we expect the voice of business to be crucial in establishing new UK policy to drive greater resource efficiency, particularly if import costs rise. Our Circular Economy Task Force will continue to provide the perspective of leading companies on the building of a post-Brexit UK resources policy and drive greater leadership on resource issues locally.

### **Clean energy collaboration**

We are continuing to work with our partners on a positive policy framework for renewable energy in the UK in the 2020s, and to rebalance the public debate around renewables. For example, we are creating a conversation tool to help local supporters of The Climate Coalition talk to their MPs during their autumn lobby. Our new energy investment plan will offer fresh arguments for better renewables policy, to discuss at roundtables with MPs.





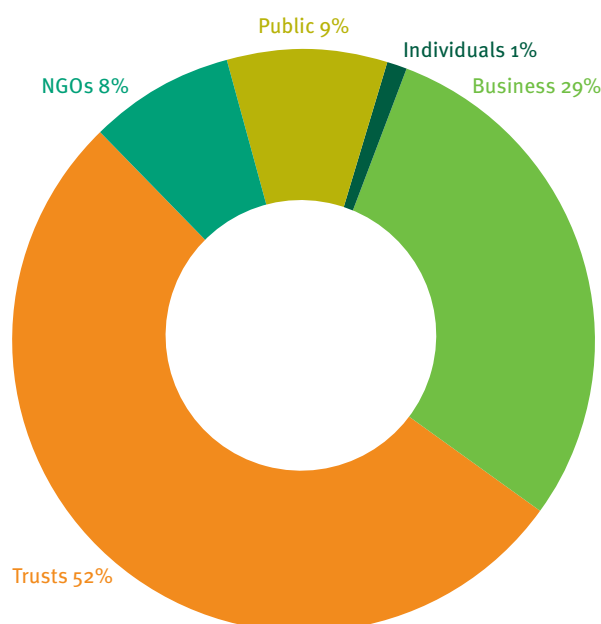
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7.

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Finance and  
fundraising  
review

## Income



## Financial review

2015-16 was Green Alliance's most successful year of fundraising to date, achieving almost 40 per cent growth on 2014-15 income. Planned efforts to expand to increase impact and diversify funding sources were successful.

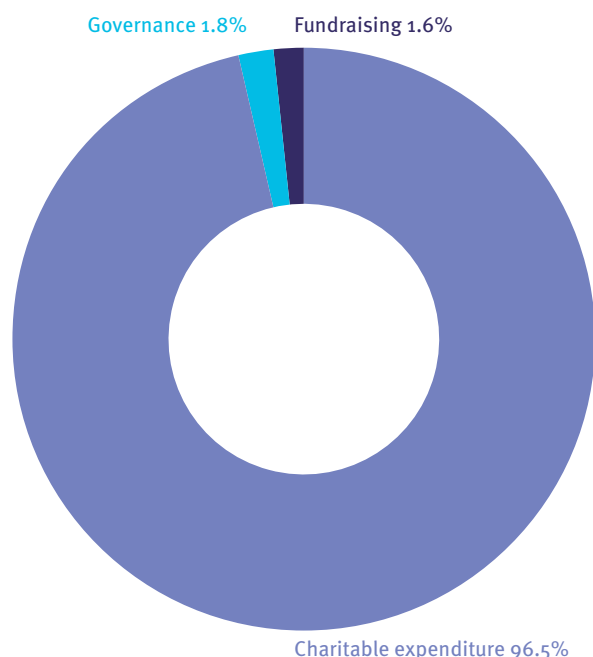
We won our first major grant from a European funder, the MAVA Foundation, doubling trust income to £777,133. We also achieved higher income from both business (up by ten per cent, to £431,967) and public sector sources (up by 6.5 per cent, to £138,548) despite a challenging funding environment. Support from individual members, whilst a small percentage of total income, grew, by 20 per cent.

Unrestricted income increased in 2015-16 by over £286,000 enabling much needed flexibility and investment in infrastructure and capacity to ensure that Green Alliance remains well equipped for development and to face future challenges. This included making plans for a move to a new office in the summer of 2016.

Our Resource Stewardship and Low Carbon Energy themes attracted higher levels of funding than the previous year. We launched two new alliances: a new strand of work, based in Brussels, focused on strengthening circular economy policy in Europe and an ambitious project reframing the UK debate around clean energy. More details of these projects and other work can be found in the activity report from pages 5-25.

Our overall expenditure increased by almost eight per cent in 2015-16 to £1,274,276, and our expenditure on charitable activities increased by 9.5 per cent.

## Expenditure



## Reserves

The trustees' general policy is to retain reserves of between three and four months operating costs: approximately £420,000, to ensure continuity in the event of unexpected or difficult circumstances.

At the end of March 2016 (note 12 in the notes to the financial statement) the total funds were £946,924, comprising:

Total unrestricted reserves:	£567,461
Total restricted funds:	£379,463
Total designated funds	£9,544

At the end of 2015-16, Green Alliance's general reserve fund was equivalent to just under five months of operating costs. Although higher than the general policy, this included an exceptional figure which the trustees budgeted for an office move taking place in the financial year 2016-17.

Following the relocation, the general reserve fund will reduce to approximately four months of operational costs. In the light of the considerable economic and political instability arising from the decision to leave the EU, the trustees believe this to be an appropriate level of reserve for the financial year 2016-17.

## Investments

At the present time, the trustees' policy is to maintain all cash balances on deposit earning a market rate of interest, the deposits are to be placed with at least two separate banks. Green Alliance held no other shares or investments in the financial year.

## Post balance sheet events

At 31 March 2016 Green Alliance was in the mid stages of the legal negotiations to take over the lease of new premises in Victoria, London. Prior to authorisation of the accounts the lease was signed and refurbishment works were undertaken.

## Going concern

Considering the current level of reserves, despite uncertainty around future funding and the renewal of major contracts in 2016-17, the trustees are satisfied that the charity is a going concern, and that these accounts should be prepared on that basis.



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8.

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Structure,  
governance  
and risk  
management

The Green Alliance Trust was founded in 1979. It was registered as a charitable company limited by guarantee in England and Wales in 1995. The charity and company The Green Alliance Trust operates under the working name Green Alliance.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

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### Board of trustees

Green Alliance is governed by a board of trustees. Its day to day running is delegated to the executive director and senior management team. The charity is staffed by paid employees.

The finance and management sub-committee meets quarterly to monitor financial performance, risk and other management issues. The appointments committee is responsible for the recommendation of new board members and meets as required.

Recruitment of trustees is directed by organisational need. Green Alliance appoints trustees on the basis of the skills and experience they can bring to the custodianship and management of the charity and its activities. All prospective trustees are recruited from a range of external sources including by public advertisement. Recommendations from the appointments committee are voted on at either an AGM or at a board meeting in accordance with our Memorandum and Articles of Association. Each prospective trustee is invited to a board meeting prior to their appointment to ensure mutual suitability. Once confirmed, they are appointed or co-opted to the board. New trustees are provided with an induction to the organisation and the role, and additional training is made available as required.

Trustees stand down and can be re-elected at each Annual General Meeting. After a trustee has served for one year their position is reviewed, following that it is reviewed at three year intervals. Unless there are exceptional circumstances, no trustee serves longer than eleven years.

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### Risk management

Green Alliance operates in an uncertain funding environment, in common with other charities, and a significant amount of our work is reactive and responsive to changing political activity. The trustees have a risk management framework to ensure risks are effectively identified and minimised. The most significant risks to Green Alliance identified in 2015-16 related to:

- Funding challenges and managing budgets.

- An uncertain political landscape, in light of the UK's vote to leave the European Union and how this might influence the organisation's ability to effect change.
- The ending of the lease of current premises and securing affordable central London office space.

We have responded proactively to all these risks, securing significant new funds from new sources, giving Green Alliance its highest income level to date (2015-16) and acquiring the lease for new London premises, secured until 2021.

At the year end, the referendum on the UK's membership of the EU had not taken place; we prepared two strategies to ensure Green Alliance was ready to respond, to either a 'yes' or a 'no' vote. Green Alliance has since taken a lead role in convening organisations in the environmental sector to ensure a strategic approach to political advocacy with the government as it prepares to leave the EU.

Following the financial year end, Green Alliance's director, Matthew Spencer, gave notice that he would be stepping down from the role after six years. The board appointed the interim strategy director Leah Davis as acting director for the period that the post is vacant, along with providing additional support to the organisation. At the time of writing Green Alliance was midway through a recruitment process and a successor is expected to be appointed by the end of September 2016 and to take up the post in January 2017.

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### Related party transactions

The Green Alliance Trust and the dormant company The Green Alliance are connected in 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. Details of other related party transactions are set out in note 15 to the accounts on page 59.

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### Staff and volunteers

As set out in our annual plans, Green Alliance continued to build on the capacity and expertise of the staff team to achieve greater success for environmental leadership and policy. Most notably, we increased our project staff headcount from 16 to 21 in 2015 due to our new graduate scheme. This scheme replaced our volunteer internship programme and has been successful in increasing capacity by providing consistent support roles, and offering paid opportunities for young people to develop skills and gain valuable experience. The scheme reflects our strategic aim to nurture the next generation of environmental leaders and our commitment to improve equality of opportunity.

The pay of the senior management team and all staff is reviewed annually by the trustees and is normally increased in accordance with cost of living where practicable in relation to the charity's financial position. In view of the nature of the charity, pay is benchmarked against pay levels in other charities in similar fields.

Between April and September 2015, before the launch of the graduate scheme, Green Alliance received voluntary assistance from eight volunteer interns, across policy themes and providing communications and office support. The volunteers provided time equivalent to four full time staff.

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### Environmental impact

Green Alliance seeks wherever possible to reduce the negative impact of its activities on the environment, for example through the following initiatives:

**Publications:** Small print runs are processed digitally. For large print jobs a waterless offset litho process is used with vegetable inks. We use a high environmental standard, ISO14001 accredited printer. All printing is on uncoated paper manufactured with 100 per cent post-consumer waste. To reduce waste and the need for printing, all publications are made available to read online and some are only published online.

**Sourcing services and supplies:** The location and practices of major suppliers and services are assessed before they are engaged. When purchasing for the office, second hand items are considered along with criteria such as low energy consumption, manufacturing methods, materials, packaging and emissions whenever possible. Green Alliance has a sustainable events policy and a list of preferred caterers is maintained, meeting ethical standards.

**Recycling and reuse:** Items no longer needed are passed on to charity shops and other reuse distributors; if this is not possible, materials are recycled where feasible. All electrical equipment is dealt with according to, or exceeding, WEEE directive obligations, and almost all glass, metal, plastic and paper waste, as well as batteries, CDs and toner cartridges are recycled.

**Transport:** Staff are supported in choosing greener methods of transport. Green Alliance pays mileage to cyclists, promotes the Cycle to Work scheme and London Cycling Campaign membership, and offers rail season ticket loans. When other transport is required, for example to carry equipment and heavy packages, hybrid technology taxis, cycle or electric vehicle couriers are used.

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## Public benefit

The charity is guided by founding aims which state that it will:

- conserve, protect and restore the natural resources and animal plant life of the world;
- advance the education of the public in respect of conservation, protection and restoration of such natural resources and animal and plant life including the promotion of research;
- promote sustainable development for the benefit of the public by:
  - the preservation, conservation and protection of the environment and the prudent use of natural resources; and
  - the promotion of sustainable means of achieving economic growth and social progress.

The trustees confirm they have complied with the Charities Act 2011 to have due regard to public benefit guidance, published by the Charity Commission in determining Green Alliance's activities.

The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing and shaping the charity's aims and objectives for the year and planning future activities. Green Alliance is careful to ensure its work is inclusive, accessible and responsive to the needs of its beneficiaries.

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## Trustees' responsibilities

The board of trustees, who act as directors of the company for the purposes of the Companies Act, and trustees for charity law purposes, submit their annual report and the financial statements of The Green Alliance Trust for the year ended 31 March 2016. The board of trustees confirms that the annual report and financial statements of the charity comply with current statutory requirements, the requirements of the company's governing document and the provisions of the statement of recommended practice Accounting and Reporting by Charities (SORP 2015).

Company law requires the trustees to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 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 charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of the financial position of the charitable company and enable them to ensure that the financial statements comply with the Charities Act 2006. They are also responsible for safeguarding the assets for the charitable company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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### Auditors

The auditors, haysmacintyre, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006. The report of the trustees have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within part 15 of the Companies Act 2006. In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the trustees



Dame Fiona Reynolds DBE  
Chair of the board of trustees

28 September 2016

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9.

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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 2016, which comprise of the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

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### Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

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### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016 and of the charitable company's net movement in funds, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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### Matters on which we are required to report by exception

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption in preparing the Trustees' Annual Report and Strategic Report.



Murtaza Jessa (senior statutory auditor)  
for and on behalf of haysmacintyre  
Statutory Auditor  
26 Red Lion Square  
London WC1R 4AG

28 September 2016

haysmacintyre are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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10.

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Accounts for  
the year ended  
31 March 2016

## The Green Alliance Trust

### Statement of financial activities for the year ended 31 March 2016 (incorporating the income and expenditure account)

	Notes	2016 Restricted Funds £	2016 Unrestricted Funds £	2016 Total Funds £	2015 Total Funds £
<b>Income from:</b>					
Donations and legacies	3		113,804	113,804	129,412
Charitable Activities					
Political leadership		229,819	10,354	240,173	322,946
Resource stewardship		458,457	111,774	570,231	254,628
Low carbon energy		163,428	139,590	303,018	232,504
Natural Environment		178,900	48,988	227,888	
Sustainable economy					140,534
Investments			2,449	2,449	2,329
<b>Total income</b>		<b>1,030,604</b>	<b>426,959</b>	<b>1,457,563</b>	<b>1,082,353</b>
<b>Expenditure on:</b>					
Raising Funds:					
Fundraising	4		20,986	20,986	13,709
Charitable Activities	4				
Political leadership		235,449	23,860	259,309	383,336
Resource stewardship		305,421	146,262	451,683	344,486
Low carbon energy		219,930	150,521	370,451	269,183
Natural Environment		114,397	57,450	171,847	
Sustainable economy					147,012
<b>Total resources expended</b>		<b>875,197</b>	<b>399,079</b>	<b>1,274,276</b>	<b>1,157,726</b>
Net income/(expenditure)		155,407	27,880	183,287	(75,373)
Reconciliation of funds					
Total funds brought forward		224,056	539,581	763,637	839,010
<b>Total funds carried forward</b>	<b>12</b>	<b>379,463</b>	<b>567,461</b>	<b>946,924</b>	<b>763,637</b>

All activities relate to continuing operations and the Statement of Financial Activities includes all gains and losses recognised in the year. The comparative Statement of Financial Activities is on note 20.

## The Green Alliance Trust

### Balance sheet at 31 March 2016

(company number: 03037633)

		2016		2015	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	8		7,757		11,098
Current assets					
Debtors and prepayments	9	309,484		232,106	
Cash		866,645		688,979	
		1,176,129		921,085	
Creditors:					
amounts falling due within one year	10	(236,962)		(168,546)	
Net current assets			939,167		752,539
Total assets less current liabilities	11		946,924		763,637
Charity funds					
Restricted funds	12		379,463		224,056
Unrestricted: funds	12		567,461		539,581
			946,924		763,637

The full financial statements were approved and authorised for issue by the trustees on the 28 September 2016 and signed on their behalf by



Fiona Reynolds, Chair



Philip Parker, Hon. Treasurer

The notes on pages 48-60 form part of these financial statements.



## The Green Alliance Trust

### Statement of Cash Flows

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Net cash provided / (used in) operating activities	177,842	(168,250)
Cash flows from investing activities		
Interest income	2,449	2,329
Purchase of equipment	(2,625)	(8,335)
Net cash provided by (used in) investing activities	(176)	(6,006)
Changes in cash and cash equivalents in the period	177,666	(174,526)
Cash and cash equivalents at the beginning of the reporting period	688,979	863,235
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>866,645</b>	<b>688,979</b>
<b>Reconciliation of net (expenditure) / income to net cash flow from operating activities</b>		
Net income / (expenditure)	183,287	(75,373)
Add back depreciation charge	5,966	7,206
Interest income	(2,449)	(2,329)
(Increase)/decrease in debtors	(77,378)	(37,691)
Increase / (decrease) in creditors	68,416	(60,063)
<b>Net cash used in operating activities</b>	<b>177,842</b>	<b>(168,250)</b>
Analysis of cash and cash equivalents		
Cash in hand	866,645	688,979

## The Green Alliance Trust

### Notes to the financial statements

#### 1. Accounting policies

##### **Basis of preparation of financial statements**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

##### **Legal status**

The charity is a company limited by guarantee registered in England and Wales. 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.

##### **Reconciliation with previous Generally Accepted Accounting Practice**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were considered to be required. The last period presented under the previous reporting framework was the year ended 31 March 2015. No restatement of the opening fund balances at the date of transition has been required in making the transition to FRS 102. The transition date was 1 April 2014.

##### **Preparation of the accounts on a going concern basis**

Considering the current level of reserves, despite uncertainty around future funding landscape and the renewal of major contracts in 2016/17, the Trustees are satisfied that the charity is a going concern, and that these accounts should be prepared on that basis.

##### **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.

Donations and gifts and are included in full in the Statement of Financial Activities when there is entitlement, probability of receipt and the amount of income receivable can be measured reliably

Grants are recognised in full in the Statement of Financial Activities in the year in when the Charity has entitlement to the income, any performance conditions attached to the grants have been met, the amount of income receivable can be measured reliably and there is probability of receipt.

## **1. Accounting policies continued...**

Income received in advance of the provisions of a specified service/activity is deferred until the criteria for income recognition is met.

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.

Investment income is recognised on a receivable basis once the amounts can be measured reliably.

### **Resources expended**

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 of direct costs relating to fundraising income and their associated support costs.

Expenditure on charitable activities includes the costs of all activities undertaken to further the purposes of the charity relating to the strategic vision and their associated support costs.

### **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. Support costs are allocated based on a percentage of direct costs in each activity.

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.

The charity is registered for VAT. In common with many other charities, The Green Alliance Trust's expenses are inflated by the cost of irrecoverable VAT.

### **Employee benefits**

#### **Short term benefits**

Short term benefits including holiday pay are recognised as an expense in the period in which the service is received.

#### **Employee termination benefits**

Termination benefits are accounted for on an accrual basis and in line with FRS 102.

## **1. Accounting policies continued...**

### **Pension scheme**

The Green Alliance Trust operates a defined contribution pension scheme for the benefit of its employees. The pension scheme of the company is funded by contributions partly from the employees and partly from the company. The assets of the scheme are held independently from those of The Green Alliance Trust in an independently administered fund. The pensions costs charged in the financial statements represent the contributions payable during the year.

### **Operating leases**

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the life of the lease.

### **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. 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 funds that are to be used in accordance with specific restrictions imposed by donors that have been raised by the charity for particular purposes.

### **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 basis:

Furniture & fixtures: 33.33 per cent straight line

Computer equipment: 25 per cent straight line

### **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

### **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.

### **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## **1. Accounting policies continued...**

### **Creditors and provisions**

Creditors and provisions are recognised where the charity and group 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

### **Statement of cash flows**

The charitable company's cash flow statement reflects the presentation requirements of FRS 102

## **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates. The Trustees consider the following items to be areas subject to estimation and judgement.

### **Depreciation:**

The useful economic lives of tangible fixed assets are based on management's judgement and experience. When management identifies that actual useful economic lives differ materially from the estimates used to calculate depreciation, that charge is adjusted retrospectively. As tangible fixed assets are not significant variances between actual and estimated useful economic lives will not have a material impact on the operating results. Historically no changes have been required.

### 3. Donations and legacies

	2016 £	2015 £
Donations (Trusts and Individuals)	57,830	50,694
Membership subscriptions	53,471	67,403
Other income	2,503	11,315
<b>Total</b>	<b>113,804</b>	<b>129,412</b>

### 4. Expenditure

	Direct Costs £	Direct Staff Costs £	Support Costs £	Total 2016 £	Total 2015 £
Raising Funds:					
Fundraising		18,191	2,795	20,986	13,709
Charitable Activities					
Political leadership	91,453	146,309	21,547	259,309	383,336
Resource stewardship	167,931	241,225	42,528	451,684	344,486
Low carbon energy	139,574	199,425	31,452	370,451	269,183
Natural Environment	35,007	120,336	16,503	171,846	
Sustainable economy					147,012
<b>Total</b>	<b>433,965</b>	<b>725,486</b>	<b>114,825</b>	<b>1,274,276</b>	<b>1,157,726</b>

## 5. Allocation of support costs to activities

	Raising funds £	Political Leaders £	Resource Leadership £	Low carbon £	Natural environment £	Total 2016 £	Total 2015 £
Premises	1,683	12,972	25,602	18,935	9,935	69,127	71,381
Office costs	199	1,533	3,025	2,237	1,174	8,168	7,548
Communication	342	2,636	5,206	3,849	2,020	14,053	8,808
Governance - staff	340	2,622	5,174	3,827	2,008	13,971	16,360
Governance - other	231	1,784	3,521	2,604	1,366	9,506	9,315
<b>Total</b>	<b>2,795</b>	<b>21,547</b>	<b>42,528</b>	<b>31,452</b>	<b>16,503</b>	<b>114,825</b>	<b>113,412</b>

Support costs are allocated based on a percentage of direct costs in each activity.

## 6. Net income/(expenditure)

	2016 £	2015 £
This is stated after charging the following:		
Depreciation of tangible fixed assets owned by the charity	5,966	7,206
Auditors remuneration as auditors	8,550	7,290
other services	1,240	1,450
Operating lease costs (property)	45,324	49,113

During the year no trustee received remuneration or benefits in kind (2015 – nil).

During the year three trustees received reimbursement of expenses for travel and subsistence £365 (2015: Two trustees received reimbursement of expenses for travel and subsistence £291.) No amounts were paid directly to third parties).



## 7. Staff costs and numbers

	2016 £	2015 £
Wages & salaries	627,311	651,967
Social security costs	63,305	67,934
Pension costs	48,841	44,885
<b>Total</b>	<b>739,457</b>	<b>764,786</b>

The average head count of staff during the year was as follows:	2016 No.	2015 No.
Project staff	21	16
Governance	1	1
Fundraising	1	1
<b>Total</b>	<b>23</b>	<b>18</b>

Staff earning remuneration above £60,000 - £70,000	1
Staff earning remuneration above £70,000 - £80,000	1
Staff earning remuneration above £80,000 - £90,000	1

Employer pension contributions totalling £8,624 (2015: £12,200) were paid into a defined contribution scheme for higher earners (£60,000+). The pension scheme is open to all staff.

Key management personnel comprise the trustees and executive director and the senior management team. The total employment benefits including employer pension contributions of the key management personnel were £273,626 (2015: £203,165). These amounts include amount paid to staff members under seconded contracts totalling £93,000 (2015: £29,425).

## 8. Tangible fixed assets

	Furniture & Fittings £	Computers & IT Equipment £	Total £
<b>Cost</b>			
At 1 April 2015	5,635	36,087	41,722
Additions		2,625	2,625
At 31 March 2016	5,635	38,712	44,347
<b>Depreciation</b>			
At 1 April 2015	5,318	25,306	30,624
Charge for the year	158	5,808	5,966
At 31 March 2016	5,476	31,114	36,590
<b>Net book value</b>			
At 31 March 2016	159	7,598	7,757
At 31 March 2015	317	10,781	11,098

## 9. Debtors: due within one year

	Total funds	
	2016 £	2015 £
Trade debtors	199,009	187,646
Prepayments and accrued income	105,894	42,248
Other debtors	4,581	2,212
<b>Total</b>	<b>309,484</b>	<b>232,106</b>

# **10. Creditors: amounts falling due in one year**

	Total funds	
	2016	2015
	£	£
Trade creditors	48,080	25,366
Taxation and social security	16,458	18,537
VAT	19,493	31,018
Accruals	58,334	21,771
Deferred income (see note below)	69,362	49,585
Advance subscriptions	14,583	16,250
Other creditors	10,652	6,019
<b>Total</b>	<b>236,962</b>	<b>168,546</b>

Deferred income relates to income received in the year specifically for the following year. In 2016, £49,585 was released to the Statement of Financial Activities from 2014-15, and £69,362 was received in the year but for projects starting in following period.

# **11. Analysis of net assets between funds**

	Restricted Funds	Unrestricted Funds	Total Funds	Total Funds
	2016	2016	2016	2015
	£	£	£	£
Tangible Fixed Assets		7,757	7,757	11,098
Current Assets	379,463	796,666	1,176,129	921,085
Creditors due within one year		(236,962)	(236,962)	(168,546)
<b>Total</b>	<b>379,463</b>	<b>567,461</b>	<b>946,924</b>	<b>763,637</b>

## 12. Statement of funds

	Brought Forward £	Incoming Resource £	Outgoing Resources £	Transfers In/(out) £	Carried Forward £
Restricted funds					
Political Leadership	130,545	229,819	(235,449)		124,915
Resource Stewardship	37,005	458,457	(305,421)		190,041
Natural environment		178,900	(114,397)		64,503
Low Carbon Energy	56,506	163,428	(219,930)		4
	224,056	1,030,604	(875,197)		379,463
Unrestricted funds					
Designated Funds - Refurbishment & equipment	9,544				9,544
	9,544				9,544
General funds	530,037	426,959	(399,079)		557,917
	539,581	426,959	(399,079)		567,461
<b>Total</b>	<b>763,637</b>	<b>1,457,563</b>	<b>(1,274,276)</b>		<b>946,924</b>

Income, which is received for specific projects, is accounted for as restricted funds. Where the fund is overspent a transfer is made from general funds to cover the deficit. In 2015-16 Green Alliance's restricted funds were divided between themes if work with the following aims:

**Political Leadership:** offering political intelligence to, and working with, our partners in business, NGOs and all the main political parties, to put environmental priorities at the heart of political decision making.

**Low Carbon Energy:** providing evidence and ideas to support the renewal and rapid decarbonisation of the UK's energy infrastructure.

**Resource Stewardship:** working to increase UK economic resilience by ensuring resources stay productive in the economy for longer, for the benefit of business and the environment.

## 12. Statement of funds continued...

Natural Environment: building new alliances between businesses and NGOs to explore new policy which will ensure that, by 2025, the long term decline in the UK's natural environment is arrested and reversed.

The balances on restricted funds as at 31 March 2016 arise from income received for specific projects on which some expenditure is still to be incurred.

Green Alliance's designated fund has the following aim:  
Refurbishment and equipment £9,544 brought forward  
The anticipated expenditure was delayed to 2016-17.

## 13. Summary of funds

	Brought Forward £	Incoming Resource £	Outgoing Resources £	Transfers In/(out) £	Carried Forward £
Restricted funds:	224,056	1,030,604	(875,197)		379,463
Unrestricted funds	539,581	426,959	(399,079)		567,461
	763,637	1,457,563	(1,274,276)		946,924

## 14. Operating lease commitments

**At 31 March 2016 the charity had the following future lease payments under non-cancellable operating leases**

	2016 £	2015 £
Expiry:		
Under 1 year	39,952	54,412
Between 1 and 2 years		39,952
	39,952	94,364
Future lease payments are currently at £64,640 per year		

### **15. Related party transactions**

The Green Alliance Trust, the charitable company and the company The Green Alliance are connected by the fact that the directors of The Green Alliance are also trustees of The Green Alliance Trust.

The Green Alliance Trust received no income in 2016 from The Green Alliance, which was dormant throughout the year.

Sir Graham Wynne is vice-president of RSPB, which provided funding in 2015-16 for the NGO Political project (£10,666) (2015:£20,000) and for the Political Leadership: White Paper Dinner project (£12,000) (2015:£12,000). He is also board member of the IEEP, which provided funding in 2014-15 for project work in Political Leadership: White Paper Dinner Project (£1,000).

The Green Alliance Trust also paid RSPB for the services of seconded staff totalling £62,000 (2015:£29,425).

Alison Austin is a non-executive director of WRAP, which provided funding for the Circular Economy Taskforce (£5,000) in 2015-16.

### **16. 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.

### **17. Taxation**

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

### **18. Pension Commitments**

The pension cost represents contributions made by the charity to the defined contribution scheme. The contribution made in the year was £48,481 (2015: £46,885). £10,652 (2015: £6,019) of contributions were outstanding at year end.

### **19. Commitments**

At 31 March 2016 there are no commitments (2015: £Nil).

## 20. Comparative Statement of Financial Activities

	2015 Restricted Funds £	2015 Unrestricted Funds £	2015 Total Funds £
<b>Income from:</b>			
Donations and legacies		129,412	129,412
Charitable Activities			
Political leadership	313,796	9,150	322,946
Resource stewardship	254,628		254,628
Low carbon energy	232,504		232,504
Sustainable economy	140,534		140,534
Investments		2,329	2,329
Total income	941,462	140,891	1,082,353
<b>Expenditure on:</b>			
Raising Funds:			
Fundraising		13,709	13,709
Charitable Activities			
Political leadership	355,345	27,991	383,336
Resource stewardship	319,333	25,153	344,486
Low carbon energy	249,528	19,655	269,183
Natural Environment			
Sustainable economy	136,278	10,734	147,012
<b>Total resources expended</b>	<b>1,060,484</b>	<b>97,242</b>	<b>1,157,726</b>
Net (expenditure)/income before transfers	(119,022)	238	(75,373)
Transfers between funds	1,543	(1,545)	
Net (expenditure)/income after transfers	(117,479)	42,106	(75,373)
Total funds brought forward	341,535	497,475	839,010
<b>Total funds carried forward</b>	<b>224,056</b>	<b>539,581</b>	<b>763,637</b>



## Thanks

We are grateful to every organisation and individual who contributed to our work in 2015-16

Funding was received from the following organisations in 2015-16:

£1,000 to £5,000	£5,001 to £20,000	£20,001 to £40,000	£40,001 to £60,000	
Alstom BP International Campaign for Better Transport Campaign for Rural England Dong FCL Global Friends of the Earth Heathrow Airport IEEP RES Resource Association Scottish Power Shell WRAP	CAFOD Calouste Gulbenkian Foundation UK Cardiff University Christian Aid Esmee Fairbairn King's College London O2 The Rothschild Foundation The Wildlife Trusts WWF WWF Scotland Zero Waste Scotland	Boots E.ON E3G ESPRC Greenpeace HVM Catapult John Ellerman Trust Joseph Rowntree Charitable Trust KestrelMan Trust Kingfisher Kyocera National Grid	NERC RSPB Schroder Foundation Siemens Statoil The Ashden Trust The Samworth Foundation Unilever Viridor Westminster Foundation	Innovate UK
£60,001 to £100,000	£100,000 to £150,000	£150,000 to £200,000	£200,000 plus	No individual gave more than £1,000
Nestlé	National Trust	European Climate Foundation	MAVA Foundation	

### Internship programme

We are very grateful to the following individuals who gave their time and skills to Green Alliance under our internship programme during 2015:

Nic Craig  
Matt Burling  
Kate Anson  
Rachael Blundell  
Steven Rae  
Danielle Kopecky  
India Redrup  
Tatiana Biktimirova

This programme was superseded by our graduate scheme in September 2015 (for more information about this scheme see page 37).

## Members

Our individual members include those active in our network, eminent professionals in the fields of environment, business and government, or those distinguished in their careers in other spheres who wish to support our work.

Annual membership: £40

Donor members regularly contribute above this amount.

Life membership: £500

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### Members (at September 2016)

Jamie Abbott  
John Adams  
Syed Ahmed  
John Alker  
Dr Amal-Lee Amin  
Tim Ash Vie  
Anne Ashe  
John Ashton  
Robert Atkinson  
Alison Austin OBE  
Dr Mark Avery  
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David Hutchinson  
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Stanley Johnson  
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