

THE ENVIRONMENTAL ASSOCIATION FOR
UNIVERSITIES AND COLLEGES
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

REGISTERED COMPANY NUMBER : 5183502

REGISTERED CHARITY NUMBER : 1106172



THE ENVIRONMENTAL ASSOCIATION FOR
UNIVERSITIES AND COLLEGES
(A COMPANY LIMITED BY GUARANTEE)

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For the year ended 31st December 2006

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CHARITY INFORMATION

Registered Company Number :	5183502
Charity Number :	1106172
Registered Office :	EAUC National Office Medway Building University of Gloucestershire The Park Cheltenham Gloucestershire GL50 2RH
Banker :	The Co-operative Bank PO Box 250 Delf House Southway Skelmersdale WN8 6WT
Solicitor :	Osborne Clarke 2 Temple Back East Temple Quay Bristol BS1 6EG
Auditor :	Davies Mayers Barnett LLP Chartered Accountants & Registered Auditors Pillar House 113/115 Bath Road Cheltenham Gloucestershire GL53 7LS

**THE ENVIRONMENTAL ASSOCIATION FOR
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TRUSTEES' REPORT

The trustees present their report and the audited financial statements for the year ended 31st December 2006

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees

The trustees who served during the period were as follows -

	<u>Appointed</u>	<u>Resigned</u>
A Van Winsum, Queens University Belfast	19th July 2004	
S-L Miles, Bishop Burton College	19th July 2004	
M Wiles, University of Bristol, UK Convenor	19th July 2004	
J-A Hasbury, University of Derby	4th January 2005	18th April 2007
E May, Swansea Institute of Higher Education, Welsh Convenor	16th February 2005	
M C Morrison, Napier University, Scottish Convenor	20th January 2006	
H Waters, Oxford Brookes University	5th April 2005	18th April 2007
K Pitcher, University of Leeds	5th April 2005	
J G Snook, Plymouth College of Further Education, Company Secretary	5th April 2005	
A Moss, University of Westminster	26th May 2005	
D Dewar, University of East Anglia	26th May 2005	18th April 2007
N Corrigan	18th April 2007	
N Smith	18th April 2007	

Structure, Governance and Management

Governing Instrument

The Environmental Association for Universities and Colleges (EAUC) is a company limited by guarantee, governed by its Memorandum and Articles of Association dated 14th July 2004. The company was incorporated on 19th July 2004 and was registered as a charity on 4th October 2004 with the Charity Commission. On 6th April 2005 all assets and charitable activities of the unincorporated EAUC Association were transferred to the charity.

The members of the company are those Universities and Colleges, referred to as Full Members, subscribing to the EAUC and totalled 195 at 31st December 2006. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per full member of the charity.

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TRUSTEES' REPORT
(continued)

Structure, Governance and Management (continued)

Appointment of Trustees

The full members will at each AGM appoint up to nine individuals to act as trustees providing that those persons work for a university or college. The Executive Committee must ensure that at all times at least two trustees are designated as representatives of higher education institutions and at least two trustees are designated as representatives of further education institutions. Each trustee can hold office until the expiry of the fifth AGM after the AGM at which they were appointed.

The Executive Committee has the power at any time to appoint any person to become a trustee to fill a casual vacancy. The number of persons so appointed must not exceed five and these trustees only hold office until the next AGM following appointment and then shall be considered for re-election.

Individuals are appointed as Branch Convenors, as required, with the consent of the Executive Committee and are branch trustees of the Company while he or she continues to hold office as Branch Convenor. Branch trustees are members of the Executive Committee.

Trustees Training and Induction

Trustees for this period have been informally inducted. For the next period a formal induction and training pack is being developed.

Organisation

The board of trustees, which can have up to nine members and such number of branch trustees as required, administers the charity. The board meets quarterly. The day to day organisation and running of the charity is undertaken by the Executive Director, Iain Patton, who was appointed by the trustees. Clear action planning, reporting and authorisation channels have been set.

Related Parties

From September 2005 a partnership with the University of Gloucestershire was formed which runs until 2011. The partnership involves the University undertaking administration of payroll and providing office accommodation.

From November 2005 a partnership with the Higher Education Environmental Performance Improvement (HEEPI) Project was formed to fund 50% of the post, including costs of the Events and Communications Officer. The current agreement runs until 13th April 2007 and both EAUC and HEEPI are looking forward to working together on a future agreement. HEEPI is a project funded under the Leadership, Governance and Management initiative of the Higher Education Funding Council for England. The project is based at, and led by, the University of Bradford.

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TRUSTEES' REPORT
(continued)

Risk Management

Further to the Business Plan Risk Assessment, the trustees are developing a risk management strategy which will comprise -

- a review of the risks the charity may face,
- the establishment of systems and procedures to mitigate those risks identified in the plan, and
- the implementation of procedures designed to mitigate any potential impact on the charity should those risks materialise

Regular trustees meetings consider the charity's activities and risks faced. A key element in the management of financial risk is the setting of a reserves policy and its regular review by trustees which will take place in the next accounting period.

Objectives and Activities

The objects of the charity are as follows -

- to 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, particularly by and in relation to Universities and Colleges,
- to advance the education of the public and in particular those attending or working in Universities and Colleges, in all aspects of sustainable development, and the preservation, conservation and protection of the environment,
- to promote research into all aspects of sustainable development, and the preservation, conservation and protection of the environment particularly in relation to Universities and Colleges, provided that the useful results of such research are disseminated to the public

The strategies employed to achieve the charity's objectives are to -

- provide training events and conferences,
- provide advice and support in integrating environmental and sustainability good practice through discussion networks, monthly and termly newsletters and guidance materials,
- promote strategic partnerships within the sector,
- provide bursaries to full members,
- promote research and dissemination of good practice through projects

Achievements and Performance

2006 has seen the EAUC build on its first successful year following it becoming a company limited by guarantee with charitable status. The key development has been to make the Association a financially viable organisation. This has taken the ambitious business plan forward, developing reserves and addressing key activities to a point where much of the business plan has been achieved and has led the Executive Committee to undertake a strategic review of its future activities. At the heart of this review is the aim of improving member services, widening best practice and acting as a catalyst for improved sustainable development within the higher and further education sector.

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TRUSTEES' REPORT
(continued)

Achievements and Performance (continued)

Over the last year the following services/projects have been started or delivered -

- **Annual Conference** - A hugely successful 10th Annual Conference at the University of Nottingham, with keynote speakers including, Mayer Hillman and HEFCE Acting CEO Steve Egan
- **Transport Database** - The Transport Database continues to provide a useful bank of information on transport and transport planning within the sector. This database is growing and having established the benefit of such a resource, a phase two version with improved functionality is being investigated
- **Sustainable Procurement Project** - The DEFRA funded Sustainable Procurement Project is coming to the end of its second year of its 3 year life, delivering targeted workshops to help support partners' needs. These workshops include amongst others, training on developing sustainable procurement policies/strategies, engaging with suppliers and train the trainer. The project also provides support information, one to one advice and networking opportunities. Future activity will involve bespoke help for partners
- **LSC Sustainable Procurement Training** - Stemming from the Sustainable Procurement Project we developed a Sustainable Procurement Training Package for the Learning and Skills Council. The one day programme is available to LSC regional staff and has been received very positively
- **HE Benchmarking Project** - The Business in the Environment Index project was completed in December 2006. Leeds Metropolitan University project manages this HEFCE funded programme, which aims to test out the appropriateness of the Business in the Community Environment and Corporate Responsibility indexes for the HE sector. 25 institutions took part in the two different indexes, with supporting workshops. The indexes have given a clear indication of how helpful these tools can be in helping institutions improve their sustainability. The EAUC will be disseminating the report in April 2007
- **Linking Learning with Campus Carbon Management** - In the summer we ran a joint event with the Carbon Trust. The event brought together institutions which were making the link between campus carbon management and student learning. 12 agenda setting institutions attended plus HEFCE and Forum for the Future. A set of case studies will be prepared to capture and share the day's best practice
- **Waste Guide** - The web based Waste Guide was launched at the 10th Annual Conference in April. The guide offers a wealth of information on legislation and how this translates to the everyday management of waste
- **Biodiversity Guide** - The Biodiversity Guide was also launched at the conference in 2006, this provides a comprehensive approach to developing and implementing biodiversity actions, offering a range of case studies as support. Successful training events were held at the University of Glasgow and the University of Hertfordshire to further support the sector. The report has been received very positively by biodiversity organisations including the Secretariat of the Convention of Biological Diversity which reviewed the Guide and hope to use it to stimulate similar work in Canadian universities and in developing countries
- **Insight Guides** - The first EAUC Insight Guide on implementing the Hazardous Waste Directive was released in May and supporting seminars have been run attracting almost 100 delegates. Further Insight Guides are being planned on subjects that could include the WEEE Directive and Energy Performance in Buildings Directive
- **Events** - In conjunction with HEEPI, a number of seminars have been run across the UK, including ones on staff and student behaviour, recycling, BREEAM, EMS, High Performance Buildings as well as an IEMA accredited foundation course in environmental auditing

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TRUSTEES' REPORT
(continued)

Achievements and Performance (continued)

- **Regional Groups** - Scotland, Wales and the English EAUC Regional groups have met, with the aim of more collaborative working, most notably in the North East, Midlands and South East regions EAUC Wales continues to meet on a regular basis to discuss and share ideas on topics such as waste, environmental management systems and curriculum The group is also investigating potential projects and joint initiatives with funding bodies such as the Welsh Assembly
- **Green Gown Awards** - EAUC is one of the partners supporting the Green Gown Awards which are organised by HEEPI Iain Patton, Executive Director, was on the judging panel of the 2006-07 Awards The Awards are presented at the EAUC Annual Conference
- **Campus Sustainability Programme** - EAUC Scotland has continued to drive forward its key project, the Campus Sustainability Programme (CaSpr), funded by the Scottish Executive Due to additional funding from the Scottish Funding Council we have been possible to allow all further and higher institutions in Scotland to be part of the project to deliver workshops, toolkits, networking and research on sustainability Workshops have been held on waste management and sustainable construction, with further events on energy, travel, biodiversity and procurement planned One of the key achievements of the year has been the baseline study of partner's sustainability, of which detailed results can be found on the EAUC website
- **EcoCampus** - The EcoCampus project, funded by HEFCE, managed by Nottingham Trent University and partnered by the EAUC started in the summer (2006) and has recruited a number of partners to go through the process EcoCampus is an environmental management system specifically developed for the sector A number of workshops have been held to help partners start the process, which has included carrying out baseline reviews and developing environmental policies Software has been developed to help support these actions
- **Environmental Management System Sector Survey** - In partnership with EcoCampus with the support of Campus Consortium for Environmental Excellence, our partner organisation in the USA, we carried out an important survey on the sectors attitude to environmental management systems This received an excellent response rate and will help the Association better support members
- **Discussion Networks** - The Discussion Networks have expanded and there are now mail-bases for Transport, Sustainable Procurement and the CaSpr Projects and Education for Sustainability as well as the familiar general membership network
- **Sound Impacts Awards** - The EAUC is proud to join the Ecologist magazine as a partner to the new Sound Impact Awards Managed and run by the National Union of Students trading arm, the awards are "Designed to encourage, reward and celebrate best environmental practice, the Sound Impact Awards are a unique accreditation scheme bespoke designed for Students' Unions The scheme will seek to encourage, nurture, reward and celebrate the good ethical and environmental practice carried out by our member Students' Unions "
- **Sector Training Needs Survey** – In a partnership with the HEEPI Project, the EAUC is planning to conduct a significant survey of sector staff development needs early in 2007 The EAUC plans to use the survey data to drive an ambitious sector-led programme of affordable staff development training for members and the wider sector
- **Trans-Atlantic Sustainable Procurement Video Conference** – The EAUC ran a successful transatlantic videoconference bringing two member universities, Southampton and Gloucestershire together with three USA universities, Boston, Rutgers and North Eastern The conference was jointly hosted by our sister organisation in the States, Campus Consortium for Environmental Excellence (C2E2) The purpose of the event was to compare and contrast sustainable or "green" procurement initiatives at universities in the two countries and is a spin-off of the ongoing EAUC Environmental Action Fund sustainable procurement project

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TRUSTEES' REPORT
(continued)

Achievements and Performance (continued)

The Association would like to thank the following for all their hard work in delivering services for the EAUC, Peter Hayward (Transport Database), Jimmy Brannigan and Iain Patton (Sustainable Procurement project), Peter Redfern and Jo Hasbury (EcoCampus), Charlie Morrison, Pat Hoy, David Somervell, John Forster and Inga Burton (EAUC Scotland - CaSP), Alison Moss (Sound Impact Awards and Annual Conference 2006), Harriet Waters (Annual Conference 2006), Keith Pitcher (HE Carbon Management Programme), Martin Wiles (HEFCE Sustainable Strategic Review), Ann Galbraith, Mary Webb, Bob Gilmore and Helen Manns (Waste Guide), Michelle Dixon, John Forster, Gillian Cook and Mary Webb (Biodiversity Guide) and particular thanks must go to all the members who have taken part in seminars and projects across the year, your involvement has been crucial in making these events successful

The University of Gloucestershire has given invaluable support to the EAUC again this year, not only in terms of providing office space but also rooms to hold meetings and general advice. For this help the Executive Committee would like to thank them.

HEEPI (Higher Education Environmental Performance Improvement) project has also given the EAUC invaluable support, assisting with the development and implementation of a range of events and seminars, as well as helping to part-fund the Events and Communications Officer post. Again the EAUC executive would like to thank HEEPI for this support.

The EAUC UK Office, which was set up in the autumn of 2005 at the University of Gloucestershire (based at Cheltenham), has had a busy first year. The three posts, Iain Patton as the Executive Director, Fiona Goodwin as the Events and Communications Officer and Katy Richardson as the Administration Officer, have been addressing a number of key functions for the association which have included -

- The successful setting-up of systems and procedures to improve the day to day operation and service provision for the association. This includes areas such as management of membership, financial procedures and statutory obligations
- To help increase membership (both Full and Associate)
- To identify and progress sponsorship opportunities
- To identify and implement potential new services and projects, securing funding where necessary
- To help develop seminars and conferences for members
- Provide members with a point of contact for information about the association, as well as wider sustainable development issues
- To develop and implement a marketing strategy that will strengthen the association both financially and in terms of reputation
- Redesign of the quarterly and monthly newsletters

Progress to date has seen the following -

- Increased Full Members up from 175 to 195, 12% growth
- Increased Associate Members from 3 to 26 with 8 applications pending
- Overall membership (including strategic partners) at the end of this period was at 250 up from 205, a 22% growth
- A five year agreement with the University of Gloucestershire securing a location for the UK office
- A project approval system has been developed to ensure that all projects the EAUC undertakes, or is asked to partner, meets the objectives of the EAUC and its members
- Reviewed and improved marketing information, including newsletters, flyers for events and the conference

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TRUSTEES' REPORT
(continued)

Achievements and Performance (continued)

- Significant work has begun to develop a new website incorporating a Member Management System which is to be launched in the spring
- Represented the association at a range of important national events leading to the association having a much higher profile including the AOC Estates Conference, Fairtrade Universities & Colleges Conference, BACHE Conference, N-Power FE Procurement Conference and an ESTA Members Event
- A communication strategy has been written and is being implemented
- Developing potential funding bids for new projects, including HEFCE LGM for a range of insight guides, a bid to the LSC for funding for sustainable development advice for the sector and further funding from the SFC for the final year of CaSPR (07-08)

Other areas of activity include, continued partnership working with organisations such as HEEPI and the American based Campus Consortium for Environmental Excellence. Also the EAUC has had representation at a number of working groups and support organisations including the Learning and Skills Council Sustainable Development working groups, purchasing consortia, HEFCE Sustainable Development Advisory Group, HE Estates Forum and the HE Carbon Management steering group.

Finally, the Executive Committee which has remained the same over the last two years has a number of members who are standing down, Dawn Dewar, Harriet Waters and Jo Hasbury. Martin Wiles (EAUC UK convenor) would like to thank Dawn, Harriet and Jo for all their help over the last two years as well as all the other Executive members for their hard work while he has been Convenor. Martin Wiles is standing down at the AGM in 2007, but will remain involved with the Executive Committee, placing the Convenor role in the safe hands of Sheri-Leigh Miles. The EAUC goes from strength to strength each year.

Financial Review

These are our second full year accounts as a company and a charity. During this period we have consolidated the good progress made. It will be seen from the comments below the association is in a well managed and financially sound position.

VAT registration was achieved in February 2006. The regrettable effect of this is membership fees have become subject to VAT. This was an unavoidable situation given the turnover of the Association but does enable us to offset against VAT paid. It should be noted that educational events, such as the Annual Conference, organised by the Association are VAT exempt.

As part of establishing a sound management basis of the Association full financial procedures, approved by the Secretary, have been adopted.

The Association's finances have now been transferred to a professional commercial accounting software system, SAGE. This has enabled detailed financial reporting to take place on a regular basis, in particular keeping the trustees aware of the financial situation of the Association.

The last financial review for 2005 indicated a deficit for that year of £4,464. This deficit occurred due to particular accounting reasons. As predicted we are now able to report for the financial year 2006 a surplus of £14,612. It should be noted that this surplus is mainly restricted funds in connection with projects.

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TRUSTEES' REPORT
(continued)

Financial Review (continued)

It should be noted that we have also adopted the accounting practice, SORP 2005. This is a requirement of the Charity Commission. This means that the format of this year's accounts has changed to meet the requirements of the new practice.

It is the adoption of the accruals accounting method which has produced the anomaly in the Membership income when comparison is made between the accounting years of 2005 and 2006. Membership income is apportioned by the period of membership across accounting periods. As 2005 was the first period for the accruals basis accounting system, this produced what seemed to be a low figure for Membership as a large proportion of the income was deferred to 2006 which is now reflected in this year's figure. Reports for subsequent years will show a more consistent picture.

Projects with restricted funds, Defra Environmental Action Fund and the Scottish Executive Sustainable Action Grant will continue into the next accounting period, being separately audited after their year end 31st March 2007.

Investment Powers and Policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish.

Reserves Policy

The trustees have forecast the level of free reserves (that is those reserves not tied up in fixed assets, restricted or designated funds) the charity will require to sustain operations. The trustees consider that the most appropriate level of free reserves would be £20,000 - £24,000, to cover 2 months operational costs. The reserves are currently in deficit. However, the trustees anticipate the reserves will start to accumulate during the next period of account. The trustee's acknowledge that it is prudent to ensure there are sufficient free reserves in future periods to provide financial flexibility. The reserves requirements should have also been taken into account as part of the risk assessment referred to above. The trustees acknowledge that the present level of reserves will be insufficient to support the planned programme of development, and contingency plans have been established to ensure the reserves level is sufficient going forward.

Plans for Future Periods

The EAUC Executive Committee is carrying out a strategic review following completion of many of its key objectives in its business plan (available at www.eauc.org.uk). The review will be formulated into a policy and strategy which will be presented to members for their input and comment. The Executive Committee will then formulate an action plan for the year. In the meantime projects like the Sustainable Procurement project and CaSPr will continue to deliver resources to members over the next year, but new projects will also be investigated, especially with reference to the new strategy. More Insight Guides will be scheduled relating to specific key topical areas. A programme of seminar and events will be developed in response to members' needs, as set out in the recent members training needs survey. A project funded by the Learning and Skills Council focusing on providing advice on sustainability for the Further Education sector will be undertaken during 2007. Partnerships in projects will be explored such as the NUS Services Carbon Academy project for Student Unions. Further Opportunities for funding from HEFCE, Defra and other national bodies will also be investigated.

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TRUSTEES' REPORT
(continued)

Plans for Future Periods (continued)

The financial viability of the association continues to be a main thrust of the work of the UK office and the Executive Committee. Work on recruiting more Full and Associate members will continue, as will the work on sponsorship.

The last year has been a period of consolidation for the association. The coming year will see the association moving forward, developing new services and developing new partnerships to meet the rising sustainability challenge.

Trustees' Responsibilities in Relation to the Financial Statements

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources for that period. In preparing those 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 234Z of the Companies House 1985) of which the charity's auditors are unaware, and each trustee has taken all steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution to reappoint Davies Mayers Barnett LLP as the charity's auditors will be put to the members at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and in accordance with the Special Provisions of Part VII of the Companies Act 1985, relating to small entities.

By order of the Board on 18th April 2007



J G Snook
Secretary

**THE ENVIRONMENTAL ASSOCIATION FOR
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**Report of the Independent Auditors to the Members of
The Environmental Association for Universities and Colleges**

We have audited the financial statements of The Environmental Association for Universities and Colleges for the year ended 31st December 2006 on pages 13 to 23. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Requirements for Smaller Entities (effective January 2005).

This report is made solely to the 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 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 company and the company'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 trustees, (who are also the directors of The Environmental Association for Universities and Colleges for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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 if, in our opinion, the Trustees' Report is consistent with the financial statements, if the charity 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 charity is not disclosed.

We read other information contained in the Trustees' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information beyond that referred to in this paragraph.

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 charity'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.

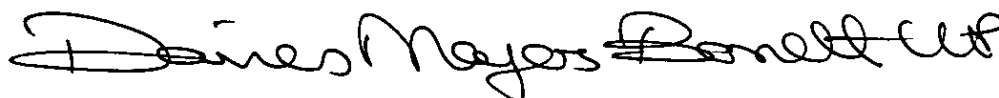
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Report of the Independent Auditors to the Members of
The Environmental Association for Universities and Colleges
(continued)

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 Entities, of the state of the charity's affairs as at 31st December 2006 and of its incoming resources and application of resources, including the company's income and expenditure for the year then ended,
- 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



DAVIES MAYERS BARNETT LLP

Chartered Accountants

Registered Auditors

Pillar House

113/115 Bath Road

Cheltenham

Gloucestershire

GL53 7LS

Dated 3rd May 2007

**THE ENVIRONMENTAL ASSOCIATION FOR
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STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST DECEMBER 2006

	<u>Note</u>	Unrestricted <u>Funds</u> <u>£</u>	Restricted <u>Funds</u> <u>£</u>	2006 <u>Total</u> <u>£</u>	2005 <u>Total</u> <u>£</u>
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income:					
- Donations	3	1,732	-	1,732	14,523
Investment income	4	745	-	745	138
Incoming resources from charitable activities:					
- Conference income		45,673	-	45,673	32,336
- Grants for projects	5	3,630	130,198	133,828	33,519
- Membership income		57,787	-	57,787	19,288
- Training workshops		14,303	712	15,015	-
- Product and services		356	1,846	2,202	-
TOTAL INCOMING RESOURCES		<u>124,226</u>	<u>132,756</u>	<u>256,982</u>	<u>99,804</u>
RESOURCES EXPENDED					
Costs of charitable activities:					
- Conference costs	7	37,941	-	37,941	28,929
- Project costs	7	18,745	119,481	138,226	50,800
- Membership costs	7	33,740	-	33,740	17,754
- Training workshop costs	7	15,079	712	15,791	-
- Products and services	7	3,749	1,846	5,595	-
		<u>109,254</u>	<u>122,039</u>	<u>231,293</u>	<u>97,483</u>
Governance costs	6	11,077	-	11,077	6,785
TOTAL RESOURCES EXPENDED		<u>120,331</u>	<u>122,039</u>	<u>242,370</u>	<u>104,268</u>
NET INCOMING/(OUTGOING) RESOURCES					
		3,895	10,717	14,612	(4,464)
NET MOVEMENT IN FUNDS					
		<u>3,895</u>	<u>10,717</u>	<u>14,612</u>	<u>(4,464)</u>
Reconciliation of funds					
Total funds brought forward		(7,219)	2,755	(4,464)	-
TOTAL FUNDS CARRIED FORWARD AT 31ST DECEMBER 2006	16	<u>(3,324)</u>	<u>13,472</u>	<u>10,148</u>	<u>(4,464)</u>

**THE ENVIRONMENTAL ASSOCIATION FOR
UNIVERSITIES AND COLLEGES
(A COMPANY LIMITED BY GUARANTEE)**

BALANCE SHEET

AT 31ST DECEMBER 2006

	<u>Note</u>	<u>2006</u>		<u>2005</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fixed assets					
Tangible assets	11		3,464		5,273
Current assets					
Debtors	12	96,459		57,529	
Cash at bank and in hand		76,562		39,635	
		<u>173,021</u>		<u>97,164</u>	
Creditors : amounts falling due within one year	13	(166,337)		(106,901)	
Net current assets/(liabilities)			6,684		(9,737)
Total assets less current liabilities			<u>10,148</u>		<u>(4,464)</u>
Creditors : amounts falling due after more than one year			-		-
Net assets/(liabilities)			<u>10,148</u>		<u>(4,464)</u>
Funds					
Income funds	16		10,148		(4,464)

These financial statements were prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005), and were approved by the board of trustees on 18th April 2007 and signed on its behalf by -



M Wiles }

J G Snook }

TRUSTEES

**THE ENVIRONMENTAL ASSOCIATION FOR
UNIVERSITIES AND COLLEGES
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006**

1. Basis of preparation

The financial statements have been prepared under the historic cost convention. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and the statement of Recommended Practice, Accounting and reporting by Charities (SORP 2005) issued in March 2005 and the Charities Act 1993.

2. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's accounts.

a) Company status

The charity is a company limited by guarantee. The members of the company are those Universities and Colleges subscribing to the EAUC and totalled 195 at 31st December 2006. 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.

b) Fund accounting

Funds held by the charity are either -

- *Unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees
- *Restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

c) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Membership income is accounted for on an accruals basis, therefore membership income is apportioned by the period of membership across accounting periods.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006
(continued)

c) Incoming resources (continued)

Revenue grants are credited to the profit and loss account in the same period as the revenue expenditure to which they relate is charged. Where the receipt is designated or restricted for a special project that has conditions applied, the income is deferred until the project expenditure is incurred and the conditions have been met.

Legacies, bequests and donations are recognised in the accounts on receipt. Where the receipt is designated or restricted for a special project, the income is deferred until the project expenditure is incurred.

d) Allocation of overhead and support costs

Overhead and support costs have been allocated first between direct charitable and governance. Overhead and support costs relating to Charitable Activities have been apportioned based on the amount of staff time spent. Where items involve more than one category they are apportioned between the categories according to the nature of the cost.

e) Resources expended and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Irrecoverable VAT is charged against the category of resources expended for which it is incurred.

f) Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overheads and support costs.

g) Fixed assets

Fixed assets are stated in the balance sheet at cost less accumulated depreciation. Cost is defined as purchase cost less any residual value.

Net book values are regularly reviewed by the trustees and any appropriate adjustments are made to carrying values.

**THE ENVIRONMENTAL ASSOCIATION FOR
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

(continued)

h) Amortisation and depreciation

Depreciation will be provided on fixtures, fittings and computer equipment to write off the cost of each asset over its expected useful life on the straight line method at the rates of 20% and 50% respectively per annum

3. Donations

	<u>Unrestricted Funds £</u>	<u>Restricted Funds £</u>	<u>2006 £</u>	<u>2005 £</u>
- Unincorporated EAUC Association	-	-	-	11,042
- HEEPI – contribution to EAUC costs	1,732	-	1,732	3,481
	<u>1,732</u>	<u>-</u>	<u>1,732</u>	<u>14,523</u>

4. Investment income

	<u>2006 £</u>	<u>2005 £</u>
- Bank interest receivable	745	138
	<u>745</u>	<u>138</u>

5. Revenue grants

Revenue grants can be analysed as follows -

	<u>2006 £</u>	<u>2005 £</u>
<u>Grants received:</u>		
<u>Restricted funds</u>		
- Environmental Action Fund Grants	81,410	18,128
- Sustainable Action Grant	41,462	15,391
- Sustainable Action Grant extension	333	-
- Waste Guide	6,993	-
	<u>130,198</u>	<u>33,519</u>
<u>Unrestricted funds</u>		
- Biodiversity guide	3,630	-
	<u>133,828</u>	<u>33,519</u>

**THE ENVIRONMENTAL ASSOCIATION FOR
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006
(continued)

6. Allocation of support costs and overheads

The breakdown of support costs and how these were allocated between Governance and Charitable Activities is shown in the table below

	Charitable Activities	Governance	Total Allocated	Basis Apportionment
	£	£	£	
Staff costs	41,443	-	41,443	Staff time
Travel & subsistence	2,432	3,668	6,100	Staff time and actual
Marketing & printing	4,043	-	4,043	Staff time and actual
Products & services	1,515	-	1,515	Actual
Website & computer costs	2,650	712	3,362	Staff time and actual
Audit & accountancy	-	6,132	6,132	Actual
Insurance	5,099	611	5,710	Staff time and actual
Bank charges	866	(46)	820	Staff time
Depreciation	1,809	-	1,809	Staff time
Consultancy	674	-	674	Staff time
Hospitality	1,427	-	1,427	Staff time
Sundry & office expenses	1,943	-	1,943	Staff time
Total	63,901	11,077	74,978	

7. Analysis of charitable expenditure

	Charitable Activity	Support Costs	Total 2006	Total 2005
	£	£	£	£
Conference costs	26,695	11,246	37,941	28,929
Project costs	119,481	18,745	138,226	50,800
Membership costs	-	33,740	33,740	17,754
Training workshops	8,293	7,498	15,791	-
Products and services	1,846	3,749	5,595	-
	156,315	74,978	231,293	97,483

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006
(continued)

8. Net incoming resources/(resources expended)

Net incoming resources/(resources expended) are stated after charging/(crediting) -

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Auditors' remuneration	2,745	2,500
Depreciation of tangible owned fixed assets	1,809	-
	<u> </u>	<u> </u>

9. Staff costs

The aggregate employment costs amounted to -

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Wages and salaries	62,314	12,852
Social Security costs	4,262	917
Pension costs	8,322	1,838
	<u>74,898</u>	<u>15,607</u>

The charity has no employees. The above relates to recharges of staff costs from the University of Gloucestershire (a member of the charity) for 3 seconded employees.

The trustees received no remuneration during the period. A total of £3,164 (2005: £1,355) was reimbursed for directly incurred travel expenses to 10 trustees.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

(continued)

10. Taxation

The company is a registered charity and hence no provision for taxation is included in the financial statements as it benefits from the exemptions offered by Section 505 of Income and Corporation Taxes Act 1988

11. Tangible fixed assets

	<u>Fixtures & Fittings</u>	<u>Computer Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost			
At 1st January 2005	3,957	1,316	5,273
Reclassification	(1,199)	1,199	-
At 31st December 2006	<u>2,758</u>	<u>2,515</u>	<u>5,273</u>
Depreciation			
At 1st January 2005	-	-	-
Charge for the year	551	1,258	1,809
At 31st December 2006	<u>551</u>	<u>1,258</u>	<u>1,809</u>
Net Book Value			
At 31st December 2006	<u>2,207</u>	<u>1,257</u>	<u>3,464</u>
Net Book Value			
At 31st December 2005	<u>3,957</u>	<u>1,316</u>	<u>5,273</u>

All assets are used in direct furtherance of the charity's objects

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

(continued)

12. Debtors

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Trade debtors	93,108	38,300
Prepayments and accrued income	3,351	19,229
	<u>96,459</u>	<u>57,529</u>

13. Creditors

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year: -		
Accruals	24,776	24,904
Deferred income	135,954	81,997
Social Security and other taxes	5,607	-
	<u>166,337</u>	<u>106,901</u>

Deferred income is comprised of the following items

	<u>2006</u>	<u>2005</u>
	<u>£</u>	<u>£</u>
<u>Unrestricted funds: -</u>		
- Membership received in advance	42,601	34,369
- Conference sponsorship received in advance	21,125	3,000
- Events attendance fee received in advance	2,520	-
	<u>66,246</u>	<u>37,369</u>
<u>Restricted funds:-</u>		
- Grant income for projects	69,708	44,628
	<u>135,954</u>	<u>81,997</u>

The restricted funds represent grant monies received in advance of specific projects, where conditions are applied, in furtherance of the charity's objectives, and have been deferred in order to properly coincide with planned expenditure

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2006
(continued)**

14. Capital commitments

There were no capital commitments at the balance sheet date (2005 £Nil)

15. Contingent liabilities

There were no contingent liabilities at the balance sheet date (2005 £Nil)

16. Analysis of assets and liabilities between funds

	<u>Fixed Assets £</u>	<u>Current Assets £</u>	<u>Creditors Due Within One Year £</u>	<u>Creditors Due After One Year £</u>	<u>Funds £</u>
Restricted Funds	-	82,906	(69,434)	-	13,472
Unrestricted Funds					
- General	3,464	90,115	(96,903)	-	(3,324)
	<u>3,464</u>	<u>173,021</u>	<u>(166,337)</u>	<u>-</u>	<u>10,148</u>

**THE ENVIRONMENTAL ASSOCIATION FOR
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2006

(continued)

17. Analysis of charitable funds

a) Analysis of unrestricted fund movements

	Balance at 31st December 2005 £	Incoming resources £	Resources expended £	Transfers £	Fund at 31st December 2006 £
General fund	(7,219)	124,226	(120,331)	-	(3,324)

b) Analysis of restricted fund movements

	Balance at 31st December 2005 £	Incoming Resources £	Resources expended £	Transfers £	Fund at 31st December 2006 £
Grants for projects	2,755	130,198	(119,481)	-	13,472
Training workshops	-	712	(712)	-	-
Products and services	-	1,846	(1,846)	-	-
	2,755	132,756	(122,039)	-	13,472

There were no transfers between funds during the year

The general funds remain in deficit. The trustees are hopeful that this will be reversed in the short-term future, back to a surplus position.

Purpose of Restricted Funds:-

- Grants for projects -This represents externally funded projects, Sustainable Procurement Project, Campus Sustainability Programme and the Waste Guide in furtherance of our charitable objective to promote and advance the education of sustainable development in universities and colleges
- Training workshops -This represents HEEPI training events to advance the education of sustainable development in universities and colleges
- Products and services -This represents training provided to the LSC on Sustainable Procurement to advance the education of sustainable development in universities and colleges