

The Leeds Groundwork Trust

Annual report for the year ended 31 March 2010



Registered No: 2064992
Charity Registration Number 518154

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About the Groundwork Federation

Our vision – the kind of world we want to see

Our vision is of a society of sustainable communities which are vibrant, healthy and safe, which respect the local and global environment and where individuals and enterprise prosper

Our mission – our role in making the vision a reality

Our mission is to transform lives and places in communities in need in the UK

Our impact – what will change as a result of our involvement

We will be an outcome-driven organisation and will measure the impact of our work on the quality of life in the communities we serve. Our work will result in

- better local environments
- people more satisfied with the places where they live
- people more empowered to engage in local decision-making
- people and organisations better equipped to connect with economic opportunity
- people behaving in ways which are healthier, more community-minded and more respectful of the environment

Our brand – what we stand for

Groundwork's activities and priorities will continue to vary across the UK according to need, opportunity and circumstance. Wherever we work and whatever we do, however, our brand will be associated with a consistent set of qualities and priorities

- **local delivery:** our role as a local development and delivery organisation remains paramount and we will maximise investment in the delivery of local projects and services
- **social justice:** we will deliver change in disadvantaged communities improving open spaces, tackling worklessness and low skills, changing behaviour and building confidence and cohesion
- **environmental sustainability:** we will deliver social and economic regeneration in a way which promoted environmentally responsible behaviour among individuals, communities and organisations
- **partnership:** we will recognise the strengths of other organisations and will contribute to partnerships at a local, regional, national and trans-national level
- **learning:** we will be an organisation that learns from itself and from others and that successfully translates the lessons from what works into practical, effective policy recommendations
- **quality:** our structure, systems and processes will be robust, streamlined and joined up, combining the flexibility of a federation with the efficiency, consistency and reach of a closer knit, more connected organisation making best use of our combined resources
- **passion:** we will be committed to improving lives and places and will encourage creativity, innovation and dynamism in our staff and volunteers

Chairman's report

2009/10 has been a successful year for Groundwork Leeds, as we have continued to deliver high quality programmes that have had a positive impact in the most deprived areas of the city, and to develop our range of services, in spite of the challenging economic circumstances

We are proud of all our achievements during the year, but particularly significant was the strengthening partnerships we've developed with local housing organisations, in particular with the three Arms Length Management Organisations (ALMOs) in Leeds – Aire Valley Homes Leeds, West North West Homes Leeds and East North East Homes Leeds. It has been especially gratifying to unify the teams of the Trust by offering a cross-team approach to partnership work. By offering a mixture of community engagement, youth work, Environmental Response Teams who tackle local problem sites, and landscape architecture, we've been able to draw on the skills and expertise of staff across the Trust. Benefits of our partnerships, which are tailored to each individual organisation's priorities, include helping them achieve their Decent Homes Standard targets, improving the local environment, reducing CO₂ emissions and the risk of anti-social behaviour and crime as well as providing employment opportunities for young people.

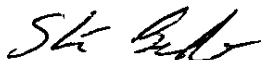
Beyond our housing partnerships, we've enjoyed further successes as a Trust. In April 2009 we were assessed as an "outstanding" Trust through the Groundwork Federation's Comprehensive Business Assessment – one of only three trusts in the Federation to achieve this standard – which reflects the scope and quality of the work we deliver, the dedication and hard work of our staff and volunteers and the direction given by our strong board of directors. We were also pleased to retain our BS8555 and Investors in People standards.

Groundwork Leeds is in a strong position to face the challenges presented by the current economic climate and challenging operating environment, and will focus development on existing and new partnerships in disciplines that are likely to be growth areas over the next few years, including worklessness, volunteering and active citizenship.

Our success would not have been possible without the contribution of all our staff, led by our Executive Director Adrian Curtis, and the invaluable contribution of volunteers, both our office-based volunteers and those from the community and business sectors who assist in the delivery of our projects on the ground.

I would like to thank all of the directors for their ongoing support, especially the Chairs of our sub-committees. I would also like to thank our many partners, particularly Leeds City Council, for their confidence in our ability to deliver. I am certain that our partnership with Leeds City Council will continue to flourish, as it has in the past, as this is an essential basis for our activities in the city of Leeds. At the same time, we will nurture and extend our partnerships with the many other agencies and organisations in our operating area.

Stuart Baker
Chairman



Date:

10/9/10

Executive Director's report

As a charity, we do not exist to generate surpluses and have a clear goal to maximise the value to local communities of funding we receive, so we were delighted to invest resources in community projects that would otherwise have been difficult to fund, and in our vocational landscaping teams so that we were the first organisation in Leeds to create Future Jobs Fund ("FJF") opportunities for young people. Nevertheless, it is essential that we ensure our reserves are consistent with those set out as prudent within our Reserves Policy. Small surpluses are important to ensure the ongoing stability of our organisation as it increases the scale and scope of its work. Within this context this year's Group surplus of £6,460 (pre adjustment for FRS 17 – Retirement Benefits ("FRS 17")) is a great achievement made possible by the hard work and dedication of all my colleagues in the Trust. It reflects the effective delivery of a substantial programme of works.

The Future Jobs Fund has been particularly significant for us this year, with the Trust securing contracts in Leeds, and through our trading subsidiary in Bradford, Calderdale and Kirklees, via Groundwork UK and locally submitted bids. FJF provides long-term unemployed individuals (primarily 18-24 year olds) with six-month part-time contracts which aim to increase their employability. Groundwork is responsible for delivering some 10% of the total jobs in West Yorkshire. We have committed to recruiting and supporting 280 individuals to the period ending March 2011, through contracts equating to £1.4 million. Partners include Leeds City Council, Calderdale Council, Pennine Housing 2000, West North West Homes Leeds, Aire Valley Homes Leeds, and British Waterways. So far we have recruited Green Doctors, food growers, landscape workers, gardeners, community workers and administrators. Individuals are offered support and advice throughout their contract, which intensifies as they approach the end of the six months to help ensure that they progress to further employment.

Other notable highlights are as follows:

- We secured a flagship project with Marks & Spencer through their scheme to improve public spaces funded by the profit made from carrier bag sales. This is a high profile project which will create a sustainable space in Victoria Gardens in Leeds City Centre. Consultations have now been completed which will help inform the final design.
- Our volunteering programme has grown considerably through the appointment of a full time Volunteer and Placements Co-ordinator in the latter part of the year. Since January, 27 placement volunteers have been recruited to a variety of roles within the Trust. 8 of these have gone on to secure employment – 3 within Groundwork Leeds. The Trust has also been represented at 9 graduate and community volunteer events within this period.
- Two projects won awards at Leeds City Council's Community & City Pride Awards in February: our Staff Activity Day at Thwaite Mills won Business & Community Project of the Year and Belle Isle Junior Wardens won the Engaging Under 18s Project of the Year.
- The Green Doctor service won Climate Change Project of the Year at the Yorkshire Post Environment Awards 2010 in March. This award recognises the determination of groups and individuals to protect the environment and reduce their carbon footprints.

On a different note, our new website was launched in December 2009. This was part of a federation-wide project to modernise Groundwork's web presence, and the new website allows the Trust to communicate its key messages, news and successes with both greater clarity and style.

We would like to thank our many supporters and partners such as Leeds City Council, the Department of Communities and Local Government, Education Leeds, The Leeds Initiative, the Leeds ALMOs and Housing Associations and our many other local partners within Leeds. In addition, I would like to thank the many local schools, community associations and countless volunteers who engage with our work.



Adrian Curtis
Executive Director

Date: 10 09 10

Governance

Name of Company

The company is incorporated under the name of The Leeds Groundwork Trust but operates under the trading name Groundwork Leeds and is referred to as such in the remainder of this report. Our advisors, Board of Trustees and Committees and Contacts are contained on pages 44-46

Registration Numbers

Charity Registration Number 518154

Company Registration Number 2064992

Structure of the Charity

The Leeds Groundwork Trust is a company limited by guarantee and a registered charity. It is governed by its memorandum and articles of association.

Members of Groundwork Leeds

As set out in the articles of association the Members of the Company are

- The Federation of Groundwork Trusts, and
Leeds City Council

The liability of the members of the company, as set out in the Memorandum of Association, is limited to £1 per member.

The Board of Trustees

The directors of the charitable company are its trustees for the purposes of charity law. Members of the company may appoint directors as follows:

- | | |
|---------------------------------------|---|
| • The Federation of Groundwork Trusts | 2 |
| • Leeds City Council | 6 |

The Board comprises not more than thirteen Directors of whom not more than eight shall be nominated Directors and not more than five co-opted Directors.

The Board may also admit to honorary membership such persons and subject to such rights and obligations as it shall resolve upon from time to time. Such honorary members shall not be Members for the purposes of the Articles or the Statutes. The Board may not bestow upon any honorary member the right of voting on any matter.

Terms of office

The Board shall admit to membership such persons as it shall think fit and the Board may from

time to time, by resolution, prescribe (and vary) criteria for membership. Nominations of directors shall be for a fixed or indeterminate period provided however that no such fixed period shall exceed three years and any indeterminate appointment shall automatically lapse at the end of three years but so that the nominated Board director shall be eligible for re-nomination.

Induction and training

New Trustees attend a series of meetings with the Executive Director and Senior Management team and attend their initial board meetings. Observers apart of their induction to the work of the Trust. Formal governance training is being delivered in conjunction with our Regional Trust. Further enhancement to the process will be made during 2010/11 to ensure it continues to meet the needs of the Trustees.

Organisational Structure

During 2009/10 the work and responsibilities of the Board of Trustees was supported by two Committees: the Finance & General Purposes Committee (including strategic funding and development) and the Personnel Committee are established and operate under the authority of the Board. In addition our Trading Company Board reports directly to the Board of Groundwork Leeds.

The Chairs of each Committee are drawn from the main board. Terms of reference for the Committees set down their delegated authority from the Board and specify limitations on their authority for matters which the Board reserves to itself.

The Board retains authority for the overall strategy and policy of Groundwork and approves the business plan, delegating development of the planning process and scrutiny of performance to the Finance & General Purposes Committee.

Management Structure

The Senior Management Team of the Executive Director and senior managers is as outlined on page 46. This team supports the Board of Trustees through delegated powers as outlined in the annual business plan.

Trustees' Report 2009/10

The Directors present their report and the audited financial statements for the year ended 31 March 2010. Statements regarding governance (p5), objectives and public benefit (p16) and the details of the Board of Trustees and its Committees (p44) form part of this report.

1. Principal activities and review of operations

Groundwork Leeds is a part of a national federation of Trusts making sustainable development a reality in the UK's most deprived neighbourhoods.

In Leeds, we work with all sectors of the community to empower local **people** to take ownership of the regeneration of their local area. We are committed to narrowing the gap for the most disadvantaged, and enabling, empowering and supporting communities and individuals to achieve sustainable positive change. We use a host of different approaches to get people involved within their communities, including community focused regeneration and community empowerment, life-long learning, training and employment, volunteering and specific work with children and young people. We help to develop employment opportunities locally and promote health, wellbeing and sustainable lifestyles.

Our **places** projects aim to improve local neighbourhoods and green spaces and engage partners and local communities throughout the process. They range from large scale urban master planning, with an implementation value of several million pounds, to individual local schemes with a value of less than five thousand pounds. We offer a professional service from sketch design through to contract administration that specialises in housing regeneration, green business parks, informal play, and access for all, and is working to improve the life chances of people living in deprived communities. We also aim to be at the forefront of the landscape profession in our areas of expertise. Our contract implementation team specialises in hard and soft landscaping, and enables us to provide a design build service.

2. Achievements and Results

In 2009/10, we achieved the following headline outputs:

People

- We aimed to get **9,950** children and young people involved in our projects during the year, and actually achieved **10,533**,
- We made it possible for **6,660** adults to play their part in helping us improve the city,
- We worked with **129** schools, against a target of **80**,
- We delivered **1,093** training weeks.

Projects included

- Our **Junior Wardens** scheme flourished this year in Leeds with projects on the Bawns Estate, Gamble Hill, Holt Park, Spring Valley and the Elmetes Junior Wardens aims to get young people aged 8-14 active in their communities through a range of environmental and entrepreneurial activities. The activities are designed to increase their social skills, help them become active in their communities, make a difference to their local environment and to help them develop themselves. Sessions can vary from local litter picks to creating hanging baskets and from learning about good citizenship to learning how to DJ – all designed to be fun as well as beneficial.
- **Partnership with Leeds Faith Forum** - Following our attendance at the Inter-Faith Conference on the Environment late last year, we have since joined up with the Leeds Faith Forum to undertake a series of environmental days within several different communities in Leeds. October saw the first event in Halton Moor, with volunteers removing litter from the site, cutting back overgrown vegetation and painting railings, all of which created a cleaner and greener area for residents and visitors to enjoy. Other events have since taken place in Armley and Beeston.
- In September we delivered our largest **corporate volunteering event** for 200 staff from ASDA, providing them with opportunities to get involved in environmental activities around Leeds and Bradford.

Places

- Overall **186** physical environmental improvement projects were delivered,
- We planted **7,153** trees,
- Capital projects and activities helped to improve or maintain approximately **920,000** square metres of land,

Projects included

- Our extensive partnership work with the three Leeds' ALMOs – Aire Valley Homes, West North West Homes Leeds and East North East Homes Leeds – has remained a prominent and exciting element of our work. Projects include physical improvements to Middleton Circus in South Leeds as part of the Middleton Masterplan, and extensive consultation with residents on the Bawns Estate in West Leeds, resulting in the development of a Masterplan for the area.
- 'The Bumps' is an area of recreational space which suffered from vandalism, fly tipping and anti social behaviour and a general feel of neglect. Groundwork transformed the site in partnership with Leeds City Council Parks & Countryside department and with the support of Councillor Lobley and local artist Antonia Stowe. The capital cost of the new playspace was £62,618, which was funded by Playbuilder, Leeds City Council Area Committee, and Groundwork Leeds. Other Playbuilder projects were developed during the year for delivery in 2010/11.

Prosperity

- We worked with **36** businesses, and helped to create or safeguard **123** jobs,
-

Projects included

- **Future Jobs Fund** – By the end of March 2010 we had helped 78 young people into employment in Leeds, Calderdale and Bradford 55 landscape workers, 14 Green Doctors, 6 community workers and 3 food growing workers
- **Green Doctor** - this service has continued to develop and grow and during this year alone the service visited over 400 households, installing around 5,000 energy saving measures and saving almost 400 tonnes of carbon Delivery of the service also began in Calderdale as part of the Future Jobs Fund, with support from Calderdale Council and Pennine Housing 2000
- **Green Check** – which has continued to expand its range of activities with schools This included an energy pilot which saw schools taking part in a six-week period of activity specifically aimed at reducing its energy consumption As a result, seven schools reduced their energy use by an impressive 10%

Much of our work was supported by volunteers, who generously contributed their time, energy and commitment to our work through a range of activities Volunteers included individuals from the community and businesses who helped tackle neighbourhood “grot spots” and delivered small-scale neighbourhood environmental improvements, young people involved in projects to improve local environments and help to forge closer links between different sections of the community, those who have given up their time to support projects specifically targeting the causes of climate change and the invaluable support of volunteers who have supported our project delivery

3. Future developments

The Trust’s Business Plan for 2010/11 details our plans to work in partnership with Leeds City Council, and others in the public, private and voluntary sector to

- **Build Safer, Stronger Communities** – through activities that support partners to increase the number of people who are engaged in decision making and actively involved with our projects in order to promote active citizenship, community cohesion, wellbeing and healthy lifestyles
- **Open Opportunities** – deliver programmes that inspire young people to see learning as their route to success, and which address the causes of worklessness
- **Improve the Environment** – with a range of neighbourhood and “low carbon” initiatives that will build our reputation for environmental excellence We will improve the quality of the built environment, promote the use and development of Green Infrastructure and the effective use of natural resources and deliver projects that promote energy efficiency and waste management

We expect the recession and public sector austerity measures to continue to have an impact on our ability to secure funding for some elements of our work, although Big Society and an

emphasis on localism are present opportunities for Groundwork. It is likely that employability and training initiatives will continue to be a key driver of the work that we deliver, although the Future Jobs Fund will not continue beyond March 2011. At the time of writing, Groundwork is considering the how it might contribute to the Government's Work Programme as a potential alternative to Future Jobs Fund activities.

The recession will continue to make it harder to secure some funding streams and there will be fewer opportunities created by physical developments, including the ability to target the private sector as potential partners and the availability of funding streams linked to development, such as Section 106.

We have had a consistent approach to supporting our key partners and extending our influence for some years. We have been a leader in the voluntary sector in Leeds in demonstrating how our products and services help to deliver Local Area Agreement outcomes. We support the Federation's aspiration to create stronger and more productive relationships with the social housing sector, and with the private and voluntary sectors, and will continue to invest resources to achieve this.

The most significant opportunities and challenges we face in 2010/11 are:

- Sustaining activity levels in Leeds and, through our trading company, developing out of area activities in Bradford, Calderdale and Kirklees. This presents a significant opportunity for Groundwork.
- The Future Jobs Fund will have a large impact on turnover in 2010/11, and provides an opportunity to develop relationships with new partners, particularly in the housing sector. Our challenge is to ensure that we capitalise on the opportunity while making effective preparations for the end of the programme in March 2011.
- Local Authorities are facing a significant reduction in funding to tackle deprivation, which will have a knock-on effect on the funding available to the voluntary sector.
- The recession is having an impact across all programmes and has created a hostile operating environment.

Groundwork remains vulnerable to an external funding climate which is largely beyond its control, however sound financial planning, high quality management information, good knowledge of external drivers and a well-informed Finance and General Purposes Committee help to increase the likelihood that financial risks will be anticipated well in advance of a crisis point.

4. Financial Performance

The financial result of the Trust for the year ended 31 March 2010 was a surplus of £6,460 (pre adjustment for FRS 17).

The group comprising Groundwork Leeds and its subsidiary trading company, Groundwork Environmental Services (Leeds) Ltd, reports a net outgoing resources before other recognised gains and losses of £19,540 (2009 net incoming resources before other recognised gains and losses £35,987) on incoming resources of £3,112,717 (2009 £3,072,052). The reduction of the

net incoming resources before other recognised gains and losses from £6,460 to a net outgoing resources before other recognised gains and losses of £19,450 is as a result of the adjustments required by the recognition of the pension liability accounted for under FRS 17

Excluding the FRS 17 adjustments a net incoming resources before other recognised gains and losses of £6,460 for the year would have been reported. The reconciliation between the two figures is set out below reversing the FRS 17 adjustment currently shown as a cost within the income & expenditure account

	Year ended 31 March 2010 £'000
Net outgoing resources before other recognised gains and losses for the period under FRS 17	(20)
Operating charge under FRS 17	19
Actual defined benefit pension contributions	(26)
	(58)
Interest on pension liabilities	91
FRS 17 adjustment in the period	<u>26</u>
Net incoming resources before other recognised gains and losses for the period excluding FRS 17	<u>6</u>

The proportion of these results relating specifically to the Trust Charity was a net outgoing resources before other recognised gains and losses of £19,540 (2009 net incoming resources before other recognised gains and losses £35,882), on incoming resources of £2,858,301 (2009 £2,521,318). The Trust Charity net incoming resources before other recognised gains and losses was inclusive of a £3,941 Gift Aid from our trading subsidiary Groundwork Environmental Services (Leeds) Ltd (GES) (2009 £14,000)

5. Groundwork Environmental Services (Leeds) Limited

The Trust's wholly owned trading subsidiary has achieved positive results in a difficult trading environment. A turnover of £986,858 (2009 £1,037,506) resulted in a profit of £3,941 (2009 £14,105) enabling a Gift Aid donation of £3,941 (2009 £14,000) to the Trust. Whilst GES is not directly involved in the provision of charitable services to the people of Leeds, it works closely with the Trust and its contribution to the success of the Trust is more than a simple annual donation. By delivering quality environmental services GES actively promotes the aims of the Trust and the national Groundwork network, often in areas where the Groundwork message has not previously been heard.

Opportunities for our trading company also exist to help deliver Groundwork's wider strategy in

Yorkshire and the Humber, a process which brings added benefit to Leeds as overhead costs are shared and staff gain greater and wider experience. Nationally the Federation of Groundwork Trusts has initiated a process of change and has renewed its overall strategy and introduced a new partnership agreement for Member Trusts.

The company made no donations or subscriptions for either charitable or political purposes during the year ended 31 March 2010 (2009 £Nil)

The charity's relationship with other related parties is set out on page 43

A resolution to reappoint Baker Tilly UK Audit LLP as auditors will be proposed at the annual general meeting

6. Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

7. Small companies' exemption

This report is prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Financial Review

1. Reserves policy

As a not-for-profit organisation the Trust actively seeks to maximise its annual expenditure on community based projects. As a matter of policy, therefore, only modest surpluses are planned for each year. At Groundwork Leeds working capital is not only needed for future investment but also to fund delays in receipt of income and to absorb any short-term setbacks.

The new policy that was reviewed in May 2008 sets a target of 3 months of working capital for free reserves (previously £300,000). Free reserves are the resources the charity has or can make available to spend for any or all of the charity's purposes once it has met its commitments and covered its other planned expenditure. This excludes restricted reserves and any reserves that can only be realised by disposing of fixed assets held for charity use. In the financial statements this is equal to the unrestricted net current assets.

As at 31 March 2010, 3 months working capital equated to £472,500 whilst free reserves stood at £428,262 (31 March 2009 £417,928).

Groundwork Leeds' reserves policy is informed by

- Its forecasts for levels of income in future years and the reliability of each source
- Its forecasts for expenditure in future years on the basis of planned activity
- Its analysis of any future need, opportunities, contingencies or risks and the likelihood and impact of each

The main need for reserves at present is to fund the delay in the receipt of income with a small cushion to absorb short-term setbacks.

Project income is currently included in the business plan at approximately £3.83m. Of this just over half is received in arrears with an average delay of 3 months. This reinforces the need for our current reserves level. The management team has been asked by the Finance Committee to review this to ensure it remains adequate for the future needs of the Trust.

The level of unrestricted reserves will be monitored on an ongoing basis by the management team and will be reviewed by the Board as part of the business plan approval process every year.

2. Principal funding sources

Groundwork Leeds has increased its income generation for 2009/10 which, given the continuing changes to traditional grant funding regimes and a more difficult operating environment in general represents positive performance

The major sources of funding during the year are set out below

- **Local Authorities** - £1,390,138 (£1,552,200 in 2008/09)
Primarily received from Leeds City council, however the Trust, via GES (Leeds), does receive funding from Bradford MDC, Calderdale MBC and Kirklees MBC for the purpose of delivering a mixture of revenue and capital projects throughout our target areas with a small amount contributing directly to the core costs of the Trust
- **Central Government** - £508,420 (£126,585 in 2008/09)
Funding represents our Programme Development Funding from DCLG via the Groundwork Federation, for which we are tasked with delivering a full range of activities within our most deprived areas. Additionally, from October 2009 we have been receiving funding from DWP for the Future Jobs Fund, which will be running until September 2011
- **Private Sector** - £442,093 (£450,101 in 2008/09)
The Trust works with a range of private sector partners on a range of activities with around two-thirds of the funding being on our capital programme. Significant funders in 2009/10 included William Sutton Housing and Grantscape

3. Risk assessment and management

A risk register is produced as part of the annual Business Planning process, which is reviewed by the Finance & General Purposes Committee and endorsed by the Board. The register includes a clear action plan for those items where further action is needed and identifies and evaluate the high level controls that Groundwork Leeds has put into place to manage these risks

The risk management analysis has become an integral part of the quarterly management review of the annual Business Plan. At strategic level, the major risks identified are

- **Public Sector Austerity:** As outlined elsewhere, Local Authorities are facing a significant reduction in funding, which will have a knock-on effect on the funding available to the voluntary sector. The risk register score is high in terms of probability and is rated high impact
- **Economic Recession** The recession is likely to have an impact across all operations. Suppliers and customers will be facing the downturn and some may fail, which will impact on our business. It will be harder to secure some funding streams
- **Insufficient cash flow:** Many funders pay in arrears, up to three months after expenditure has been incurred, which can cause problems in terms of cash flow, particularly for high value capital expenditure

4. Basis of preparation of financial statements

The going concern basis assumes that sufficient funding will continue to be forthcoming from a range of sources, particularly Leeds City Council and the Department for Communities and Local Government via Groundwork UK. Most revenue funding has been secured for the year ending 31 March 2011. For subsequent years the level of funding has not yet been agreed and it is almost inevitable that the Trust's funding will be cut to some extent given the prevailing state of the public finances. The Board has prepared projections and has contingency plans in place to reduce its expenditure if need be to accommodate anticipated possible cuts. The Board remains focussed on raising the remaining funds required, and is confident that any shortfall that may arise can be met from its own reserves. The Board therefore considers it appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required to the carrying value of assets and liabilities should the Trust not continue in operation as a going concern.

By order of the board



Sarah Simpson
Company Secretary

Date: 10 9 10

Objectives and Public Benefit

1. Objectives

Groundwork Leeds' charitable objectives are to

-
- provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area of Benefit,
- advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever

Activities outside of this area may be undertaken if they

- are educational
- do not exceed a set percentage of turnover
- are through our trading company

2. Public Benefit

The Trustees can confirm that to the best of their knowledge and capacity, they have complied with their duty to provide identifiable and tangible benefits for the public as a result of the Trust's programme of work. The Trustees have referred to guidance from the Charity Commission when reviewing aims and objectives and in planning future activities.

The Charity's has achieved tangible public benefits in the furtherance of its objectives as follows

Promote the conservation, protection and improvement of the physical and natural environment in the Leeds Metropolitan Area: we have done this by implementing physical improvement projects during the year. Our environmental improvements are for the general benefit of the people of Leeds and improve public land. We work with communities, local organisations, businesses, and schools to promote the conservation, protection and improvement of the physical environment in Leeds, by encouraging active citizenship, providing opportunities for people to undertake environmental volunteering, and by providing young people with programmes of active environmental action, and environmental education. The Future Jobs Fund provides employment opportunities for the young unemployed, who deliver a range of practical physical environmental improvements in areas of need.

Provide facilities in the interests of social welfare for recreation and leisure time occupation with the objective of improving the conditions of life for those living in or working in or resorting to the Area of Benefit: We deliver a range of positive activities, mainly for young people, which aim to improve confidence, improve intergenerational relationships, and promote community pride. This improves the conditions of life for beneficiaries by enhancing community cohesion, providing community focused activities for young people that provide the dual benefit of improving the environment and building people's capacity to engage positively in their community.

Advance public education in environmental matters and other ways of better conserving, protecting and improving the same wheresoever: we have a strong programme of school-based environmental education delivering a range of activities including recycling awareness, the implementation of environmental management systems within schools, and promoting environmental activity. Our Green Doctor programme provides home-based education for low income households which aims to reduce fuel poverty, particularly in elderly and disabled households. Our training and alternative education activities provide opportunities for marginalized young people (primarily those who are not in education, employment or training or those who are at risk of disengaging from mainstream educational opportunities) to develop environmental skills while gaining practical qualifications.

All activities are undertaken in areas of deprivation or on behalf of deprived communities. Trustees make a regular assessment of deprivation using the Index of Multiple Deprivation and geographical mapping of activity. Beneficiaries are not required to pay for our services, and, where projects are not open to all, selection occurs on the basis of need, for example Green Doctor targets low-income households, and training programmes target marginalized young people who are not in education, employment or training ("NEET").

Statement of Trustees' responsibilities

The trustees (who are also directors of Groundwork Leeds 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)

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 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 judgments 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 the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors Report

We have audited the group and parent charity financial statements of The Leeds Groundwork Trust ("the financial statements") for the year ended 31 March 2010 on pages 21 to 43

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 auditor's 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 the charitable 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 company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed auditors under the Companies Act 2006 and section 43 of the Charities Act 1993 and report to you in accordance with those Acts. 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the

preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charitable company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all 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

Qualified opinion arising from missing accounting disclosures

In accordance with Financial Reporting Standard 17 – Retirement Benefits ("FRS 17"), the Trust is required to disclose comparative information, and five year analysis for experience gains and losses and valuation of scheme assets and liabilities. The Trust has not included all required disclosures for these previous years

Except for the omission of the information referred to above, in our opinion

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Charities Act 1993, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

Baker Tilly UK Audit LLP

SHAUN MULLINS ACA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

2 Whitehall Quay,

Leeds,

West Yorkshire LS1 4HG

18 November 2010

Consolidated statement of financial activities

for the year ended 31 March 2010

	Note	Type of Fund		2010	2009
		Unrestricted	Restricted	Total	Total (Restated)
		£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds	2				
Voluntary income		4,708	80,000	84,708	80,200
Activities for generating funds		21,138	-	21,138	16,560
Investment income		-	-	-	9,538
Incoming resources from					
Charitable activities	3	-	2,542,614	2,542,614	2,308,413
Other incoming resources	5	410,601	53,656	464,257	657,341
Total incoming resources		436,447	2,676,270	3,112,717	3,072,052
RESOURCES EXPENDED					
Costs of generating funds	6				
Fundraising trading costs		-	159,587	159,587	120,167
Charitable activities	4	-	2,444,915	2,444,915	2,213,780
Governance costs	7	-	141,943	141,943	148,040
Other resources expended	8	385,812	-	385,812	554,078
Total resources expended	9	385,812	2,746,445	3,132,257	3,036,065
Net incoming / (outgoing) resources and net movement in funds					
Transfer between funds	10	50,635	(70,175)	(19,540)	35,987
		(66,142)	66,142	-	-
Net incoming / (outgoing) resources before recognised gains and losses					
Net income and expenditure for the year		(15,507)	(4,033)	(19,540)	35,987
Other recognised gains and losses					
Building revaluation	11	241,100	-	241,100	-
Actuarial loss on defined benefit pension scheme	16	(254,000)	-	(254,000)	-
Net movement in funds		(28,407)	(4,033)	(32,440)	35,987

Consolidated statement of financial activities (continued)

<i>Reconciliation of funds</i>		Type of Fund		2010	2009
		Unrestricted	Restricted	Total	Total
	Note	£	£	£	(Restated) £
Total funds at 1 April 2009					
- Previously stated		-	-	-	838,585
- Prior year adjustment		-	-	-	(455,000)
- As restated	17	407,473	12,099	419,572	383,585
Fund balances carried forward at 31 March 2010		379,066	8,066	387,132	419,572
		=====	=====	=====	=====

All of the above results are derived from continuing activities

The group has no recognised gains and losses other than those stated above and therefore no separate Statement of Total Recognised Gains and Losses has been presented

Consolidated balance sheet
at 31 March 2010

	Note	2010 £	2009 (Restated) £
Fixed assets			
Tangible assets	11	693,870	456,644
Current assets			
Stocks		-	1,695
Debtors	14	1,026,300	1,385,531
Debtors due in more than one year	14	50,433	50,433
Cash at bank and in hand		80,851	206,399
		1,157,584	1,644,058
Creditors:			
Amounts falling due within one year	15	(729,322)	(1,226,130)
Net current assets		428,262	417,928
Net assets excluding pension liability		1,122,132	874,572
Provision for liabilities and charges			
Defined benefit pension scheme liability	16	(735,000)	(455,000)
Net assets including pension liability		387,132	419,572
Income Funds			
Unrestricted funds:			
General funds	10	772,614	762,121
Funds arising from revaluation	10	341,452	100,352
Restricted funds			
Donated asset reserve	10	8,066	12,099
Pension reserve	10	(735,000)	(455,000)
Total funds		387,132	419,572

This report is prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 21 to 43 were approved and authorised for issue by the board of directors on 10 September 2010 and were signed on its behalf by

Chairman

Sh. Sub

Director

10/9/10
Ampr
10/9/2010

Trust balance sheet
at 31 March 2010

	Note	2010 £	2009 (Restated) £
Fixed assets			
Tangible assets	12	692,978	455,156
Investment	13	100	100
		<u>693,078</u>	<u>455,256</u>
Current assets			
Debtors	14	913,328	1,181,593
Debtors due in more than one year	14	50,433	50,433
Cash at bank and in hand		54,358	201,941
		<u>1,018,119</u>	<u>1,433,967</u>
Creditors:			
amounts falling due within one year	15	(589,942)	(1,015,528)
		<u>428,177</u>	<u>418,439</u>
Net current assets			
		<u>1,121,255</u>	<u>873,695</u>
Net assets excluding pension liability			
Provision for liabilities and charges			
Defined benefit pension scheme liability	16	(735,000)	(455,000)
		<u>386,255</u>	<u>418,695</u>
Net assets including pension liability		<u>386,255</u>	<u>418,695</u>
Income Funds			
Unrestricted funds.			
General funds	10	771,737	761,244
Funds arising from revaluation	10	341,452	100,352
Restricted funds			
Donated asset reserve	10	8,066	12,099
Pension reserve	10	(735,000)	(455,000)
Total funds		<u>386,255</u>	<u>418,695</u>

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies

The financial statements on pages 21 to 43 were approved and authorised for issue by the board of directors on 10 September 2010 and were signed on its behalf by

Chairman

Sh Sub

Director

(10/9/10
amr
10/9/2010

Notes to the financial statements for the year ended 31 March 2009

1. Principal accounting policies

The financial statements are prepared in accordance with the Financial Reporting Standard for smaller Entities, the Companies Act 2006, the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and applicable accounting standards in the United Kingdom

The principal accounting policies adopted in the preparation of the financial statements are as follows

Basis of accounting

The financial statements have been prepared under the historical cost basis of accounting modified by the revaluation of certain fixed assets

Going concern

The going concern basis assumes that sufficient funding will continue to be forthcoming from a range of sources, particularly Leeds City Council and the Department for Communities and Local Government via Groundwork UK. Most revenue funding has been secured for the year ending 31 March 2011. For subsequent years the level of funding has not yet been agreed and it is almost inevitable that the Trust's funding will be cut to some extent given the prevailing state of the public finances. The Board has prepared projections and has contingency plans in place to reduce its expenditure if need be to accommodate anticipated possible cuts. The Board remains focussed on raising the remaining funds required, and is confident that any shortfall that may arise can be met from its own reserves. The Board therefore considers it appropriate to prepare the financial statements on a going concern basis. The financial statements do not reflect any adjustments that would be required to the carrying value of assets and liabilities should the Trust not continue in operation as a going concern.

Group financial statements

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Groundwork Environmental Services (Leeds) Ltd on a line by line basis. A separate Statement of Financial Activities (SOFA) for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by the Companies Act 2006 and paragraph 397 of SORP 2005. Intragroup sales and profits are eliminated fully on consolidation.

Fund accounting

Unrestricted funds are available for use at the discretion of the directors in furtherance of the general objectives of the Trust.

Restricted funds can only be used for particular restricted purposes within the objectives of the charity. These arise when funds are subject to specific restrictive conditions imposed by funders or by the purpose of the grant.

All group income and expenditure is shown within the consolidated statement of financial activities as shown on page 21.

1 Principal accounting policies (continued)

Incoming resources

All incoming resources are reported gross and are included in the financial statements when receivable. Income on projects is recognised according to the stage reached in the contract by reference to the value of work done and the terms of the project agreement. Income received in advance for projects is deferred until the conditions for receipt have been met. A prudent estimate of the surplus attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty.

Managed contract income

In accordance with the provisions of the SORP 2005 we are including in our SOFA the full cost of managed contracts, even though a large proportion of the funding does not go through our bank account, where we can clearly show that we are responsible for managing the contract.

Resources expended

Resources expended are included in the SOFA on an accruals basis, inclusive of any VAT that cannot be recovered. Resources expended are allocated directly to a particular activity where the costs relate directly to that activity. Where cost cannot be

directly attributed to an activity, costs are apportioned on a staff hours basis. Support costs comprise those costs incurred directly in support of expenditure on the objects of the charity and are now included in project expenditure and apportioned by employee numbers. These include a proportion of the costs of central staff, travel and premises costs, centralised service costs as well as an element of depreciation and unreclaimable VAT. Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

Gifts in kind and volunteers' contributions

The Trust benefits greatly from a variety of gifts in kind and voluntary contributions, predominantly labour and other human resources. All such benefits are excluded from these financial statements as it is not possible to accurately value them.

Donations

Donated services, facilities and fixed assets are recorded in the SOFA at the value to the charity where this can be quantified.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Land and buildings are stated at valuation. Depreciation is calculated to write off the cost or valuation of tangible fixed assets over their estimated useful lives in equal annual instalments at the following rates:

Freehold land and buildings	2%
Motor vehicles	20%
Tools & Equipment	20%
ICT equipment	33%
Furniture	10%
Building Improvements	10%

1. Principal accounting policies (continued)

The value below which fixed assets are not capitalised is £1,000 however in circumstances where numerous purchases are made as part of set up costs for a particular project that have a combined value of greater than £1,000 the combined purchase will be capitalised in the absence of funding dedicated to set up costs

Cost of generating funds

These include the salaries, direct expenditure and overhead costs of the strategic funding team including events

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Pensions

The company participates in the West Yorkshire Pension Fund, a statutory scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1986.

The costs of providing the pensions are charged in the Statement of Financial Activities in accordance with Financial Reporting Standard FRS 17 - 'Retirement Benefits', see note 16 for details.

Cash flow statement

The company has taken advantage of the small company exemption from preparing a cash flow statement under the terms of FRS 1 – Cash Flow Statements.

2. Incoming resources from generated funds

	Type of Fund		2010	2009
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Voluntary income				
Donations and gifts	4,708	-	4,708	200
Grant for core funding	-	80,000	80,000	80,000
	-----	-----	-----	-----
	4,708	80,000	84,708	80,200
	-----	-----	-----	-----
Activities for generating funds				
Rental income	21,138	-	21,138	16,560
	-----	-----	-----	-----
	21,138	-	21,138	16,560
	-----	-----	-----	-----
Investment income				
Bank interest	-	-	-	9,538
	-----	-----	-----	-----
	-	-	-	9,538
	-----	-----	-----	-----

3. Charitable activities - income

	Type of Fund	2009
	Restricted funds	Total
	£	£
Income was received for		
Community projects	305,583	362,450
Design projects (Land)	209,462	331,498
Vocational projects (Employment)	314,081	172,236
Schools projects (Education)	90,101	262,676
Youth projects	294,519	300,626
Landscape contracting projects	-	103,366
Climate Change Projects	339,833	-
EBS projects	100,100	-
Capital projects	888,935	775,561
	-----	-----
	2,542,614	2,308,413
	-----	-----

3. Charitable activities – income (continued)

	2010 £	2009 £
Income from projects was provided by		
Local authorities	1,390,138	1,552,200
Central government	508,420	126,585
Public agencies	196,253	179,527
Private sector	442,093	450,101
Lottery	5,710	-
	<u>2,542,614</u>	<u>2,308,413</u>
	=====	=====

Deferred Income

	Group £	Charity £
Balance at 1 April 2009	342,842	269,510
Amount released to incoming resources	(342,842)	(269,510)
Amount deferred in the year	231,947	180,547
	<u>231,947</u>	<u>180,547</u>
	=====	=====
Balance at 31 March 2010	231,947	180,547

4. Charitable activities – Expenditure

	2010 Restricted funds £	2009 Restricted Funds £
Expenditure on projects comprised		
Community projects	279,395	345,161
Design projects (Land)	179,987	321,843
Vocational projects (Employment)	314,602	168,938
Schools projects (Education)	109,206	221,878
Youth projects	292,571	256,734
Landscape contracting projects	-	123,665
Climate change projects	288,726	-
EBS projects	95,297	-
Capital projects	885,131	775,561
	<u>2,444,915</u>	<u>2,213,780</u>
	=====	=====

4. Charitable activities – Expenditure (continued)

	Direct cost of activities	Grant funding of activities	Support costs	2010 £	2009 £
Expenditure on projects comprised					
Community projects	221,326	-	58,069	279,395	345,161
Design projects (Land)	143,242	-	36,745	179,987	321,843
Vocational projects (Employment)	271,201	-	43,401	314,602	168,938
Schools projects (Education)	86,110	-	23,096	109,206	221,878
Youth projects	236,488	-	56,083	292,571	256,734
Landscape contracting projects	-	-	-	-	123,665
Climate change projects	235,066	-	53,660	288,726	-
EBS projects	73,227	-	22,070	95,297	-
Capital projects	-	-	41,202	885,131	775,561
	843,929				
	-----	-----	-----	-----	-----
	2,110,589	-	334,326	2,444,915	2,213,780
	=====	=====	=====	=====	=====

5. Other incoming resources

	Unrestricted funds	Restricted funds	2010 Total	2009 Total
Income from trading subsidiary	330,226	-	330,226	550,734
Other incoming resources	80,375	53,656	134,031	106,607
	-----	-----	-----	-----
Total other incoming resources	410,601	53,656	464,257	657,341
	-----	-----	-----	-----

5. Other incoming resources (continued)**Net income from trading activities of subsidiary**

The Trust has a wholly owned trading subsidiary, Groundwork Environmental Services (Leeds) Limited. The subsidiary transfers its taxable profits to the Trust by means of Gift Aid. A summary of the subsidiary's trading results is shown below. Audited financial statements have been filed with the Registrar of Companies.

	<i>Charitable</i> £	<i>Non-Charitable</i> £	2009/10 £	2008/09 £
Turnover	656,632	330,226	986,858	1,038,140
Cost of sales	(575,037)	(289,191)	(864,228)	(946,098)
Gross profit	81,595	41,035	122,630	92,042
Administrative expenses	(78,973)	(39,716)	(118,689)	(77,937)
Net profit	2,622	1,319	3,941	14,105
Corporation Tax			-	-
Amount Gift aided to the Trust			(3,941)	(14,000)
Net profit retained in subsidiary			-	105
Capital reserves at the end of the financial year			977	977

6. Cost of generating funds

	Type of Fund		2010	2009
	Unrestricted funds	Restricted funds	Total	Total
	£	£	£	£
Fundraising trading costs				
Staff costs		133,866	133,866	104,115
Premises and other costs		11,242	11,242	7,687
P R & marketing		10,003	10,003	1,065
Other		4,476	4,476	7,300
		159,587	159,587	120,167

7. Governance costs

	Type of Fund		2010	2009
	Unrestricted	Restricted	Total	Total
	funds	funds		
	£	£	£	£
Meeting costs		1,586	1,586	1,295
Trustees expenses		307	307	467
Legal & professional		3,150	3,150	200
Audit fees		11,500	11,500	12,200
Staff costs		113,427	113,427	121,124
Other		11,973	11,973	12,754
		-----	-----	-----
		141,943	141,943	148,040
		=====	=====	=====

8. Other costs

Trading subsidiary expenditure	385,812	-	385,812	531,779
Secondments	-	-	-	22,299
	-----	-----	-----	-----
	385,812	-	385,812	554,078
	=====	=====	=====	=====

9. Total resources expended

	Staff Costs £	Other direct costs £	Allocated costs £	Total 2010 £	Total 2009 £
Costs of generating funds					
Fundraising trading costs	133,866	25,721	-	159,587	120,167
Trading subsidiary expenditure	241,039	144,773	-	385,812	531,779
Charitable Expenditure					
<i>Costs of activities in furtherance of charity's objectives</i>					
Charitable activities	1,248,932	1,195,983	-	2,444,915	2,213,780
Governance costs	113,427	28,516	-	141,943	148,040
Other costs	-	-	-	-	22,299
	1,737,264	1,394,993	-	3,132,257	3,036,065
	=====	=====	=====	=====	=====

Note of historical cost surplus

	2010 £	2009 £
Reported net outgoing resources before recognised gains and losses	(19,540)	35,987
Difference between historical cost depreciation charge relevant to the Trust's building and the actual depreciation charge for the year calculated on the revalued amount	1,499	1,499
	(18,041)	37,486
	=====	=====

The statement of financial activities is presented after charging the following items

	Group 2010 £	2009 £
Depreciation of tangible fixed assets – owned assets	48,571	46,213
Depreciation of tangible fixed assets – leased assets	2,700	2,700
Hire purchase of vehicles	-	-
Operating leases of vehicles	8,320	8,320

9 Total resources expended (continued)**Employee information**

The average monthly number of persons employed by the group during the year was

	2010	2009
Direct charitable expenditure	45	43
Management, administration and support of the charity	16	14
Future Jobs Fund – waged staff	11	-
	<u>72</u>	<u>57</u>
	=====	=====

The staff costs associated with the above staff were

	2010 £	2009 £
Wages and salaries	1,503,400	1,323,022
Social security costs	135,493	120,773
Other pension costs	98,371	65,411
	<u>1,737,264</u>	<u>1,509,206</u>
	=====	=====

There was one employee with emoluments in the band £60,000-£69,999 (2009 1) This employee was also a member of the West Yorkshire Pension Fund

No remuneration was paid in the year to any director (2009 £Nil)

Other allocated costs included (support costs)

	2010 £	2009 £
Staff costs	248,063	184,501
Travel and vehicle costs	81,730	74,975
Centralised service costs	118,462	111,018
VAT	6,884	5,995
Depreciation	45,580	43,696
Other including recruitment and training	35,331	55,739
	<u>536,050</u>	<u>475,924</u>

10. Statement of funds

	Balance at 31 03 09 (restated) £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31.03 10 £
Unrestricted funds:					
General funds	762,121	106,221	(56,905)	(38,823)	772,614
Funds arising from revaluation	100,352	241,100	-	-	341,452
Non-charitable trading activities	-	330,226	(328,907)	(1,319)	-
Restricted funds:					
Donated asset reserve	12,099	-	-	(4,033)	8,066
Charitable activities	-	2,676,270	(2,746,445)	70,175	-
Pension reserve	(455,000)	-	(254,000)	(26,000)	(735,000)
	<u>419,572</u>	<u>3,353,817</u>	<u>(3,386,257)</u>	<u>-</u>	<u>387,132</u>
	=====	=====	=====	=====	=====

Unrestricted funds are transferred at the end of the year to cover shortfalls within restricted charitable activities. The donated asset reserve relates to the purchase of a minibus from grant funding from the Clothworker's Foundation specifically for the use on youth projects. The pension reserves relate to the liability within the balance sheet due to the requirements of FRS 17 – Retirement Benefits.

Net assets by fund

Group	Unrestricted fund £	Restricted fund £	Donated asset fund £	2010 Total £	2009 Total (Restated) £
Fixed assets	685,804	-	8,066	693,870	456,644
Stock	-	-	-	-	1,695
Debtors	1,026,300	-	-	1,026,300	1,385,531
Debtors due in more than 1 year	50,433	-	-	50,433	50,433
Cash balances	80,851	-	-	80,851	206,399
Less Creditors	(729,322)	-	-	(729,322)	(1,226,130)
Less Pension liability	(735,000)	-	-	(735,000)	(455,000)
	<u>379,066</u>	<u>-</u>	<u>8,066</u>	<u>387,132</u>	<u>419,572</u>
	=====	=====	=====	=====	=====

10. Statement of funds (continued)

Trust	Unrestricted fund £	Restricted fund £	Donated asset fund £	2010 Total £	2009 Total (Restated) £
Fixed assets	684,912	-	8,066	692,978	455,156
Investment	100	-	-	100	100
Debtors	913,328	-	-	913,328	1,181,593
Debtors due in more than 1 year	50,433	-	-	50,433	50,433
Cash balances	54,358	-	-	54,358	201,941
Less Creditors	(589,942)	-	-	(589,942)	(1,015,528)
Less Pension liability	(735,000)	-	-	(735,000)	(455,000)
Net assets	<u>378,189</u>	<u>-</u>	<u>8,066</u>	<u>386,255</u>	<u>418,695</u>

Surplus for the financial year

As permitted by section 230 of the Companies Act 2006, the parent company's SOFA has not been included in these financial statements. The parent company's net outgoing resources before other recognised gains and losses for the year were £19,540 (2009 net incoming resources before other recognised gains and losses £35,961)

11 Tangible fixed assets – Group

	Freehold land and buildings £	Motor vehicles & plant £	ICT & equipment £	Furniture £	Building Imp's £	Total £
Cost or valuation						
At 1 April 2009	485,000	113,171	107,828	21,718	32,987	760,704
Additions	-	-	39,134	3,276	4,987	47,397
Revaluation	115,000	-	-	-	-	115,000
At 31 March 2010	600,000	113,171	146,952	24,994	37,974	923,101
Depreciation						
At 1 April 2009	116,400	89,915	82,547	9,763	5,435	304,060
Charge for year	9,700	10,324	25,258	2,192	3,797	51,271
Revaluation	(126,100)	-	-	-	-	(126,100)
At 31 March 2010	-	100,239	107,805	11,955	9,232	229,231
Net book value at 31 March 2010	600,000	12,932	39,157	13,039	28,742	693,870
Net book value as at 31 March 2009	368,600	23,256	25,281	11,955	27,552	456,644
Cost or valuation as at 31 March 2010						
Valuation	600,000	-	-	-	-	600,000
Cost	-	113,171	146,952	24,994	37,974	323,101
At 31 March 2010	600,000	113,171	146,952	24,994	37,974	923,101

Freehold land and buildings were revalued on the basis of an open market valuation in existing use at 31 March 2010 by Nigel Tapp & Co Commercial Chartered (MRICS) Surveyors. If the freehold land and buildings had not been revalued they would have been included at the following amounts

	2010 £	2009 £
Cost	410,075	410,075
Aggregate depreciation on cost	(150,029)	(141,827)
	260,046	268,248

The net book value at 31 March 2010 represents fixed assets which are held as unrestricted for the furtherance of the Trust's general charitable objectives

12. Tangible fixed assets – Trust

	Freehold land and buildings £	Motor vehicles & plant £	ICT Equipment £	Furniture £	Building Imp's £	Total £
Cost or valuation						
At 1 April 2009	485,000	79,953	91,976	21,718	32,987	711,634
Additions	-	-	39,134	3,276	4,987	47,397
Revaluation	115,000	-	-	-	-	115,000
	-----	-----	-----	-----	-----	-----
At 31 March 2010	600,000	79,953	131,110	24,994	37,974	874,031
	-----	-----	-----	-----	-----	-----
Depreciation						
At 1 April 2009	116,400	58,185	66,695	9,763	5,435	256,478
Charge for year	9,700	9,729	25,257	2,192	3,797	50,675
Revaluation	(126,100)	-	-	-	-	(126,100)
	-----	-----	-----	-----	-----	-----
At 31 March 2010	-	67,914	91,952	11,955	9,232	181,053
	-----	-----	-----	-----	-----	-----
Net book value at 31 March 2010	600,000	12,039	39,158	13,039	28,742	692,978
	=====	=====	=====	=====	=====	=====
Net book value as at 31 March 2009	368,600	21,768	25,281	11,955	27,552	455,156
	=====	=====	=====	=====	=====	=====
Cost or valuation as at 31 March 2010						
Valuation	600,000	-	-	-	-	600,000
Cost	-	79,953	131,110	24,994	37,974	274,031
	=====	=====	=====	=====	=====	=====
At 31 March 2010	600,000	79,953	131,110	24,994	37,974	874,031
	-----	-----	-----	-----	-----	-----

13. Fixed asset investment

The Trust holds share capital with a value of £100 (2009 £100) in its subsidiary trading undertaking Groundwork Environmental Services (Leeds) Limited (GES). GES is a company registered in England, the shares are ordinary and they represent 100% of the nominal value of all shares issued. The trading performance of this company and the aggregate amount of capital and reserves is set out in note 5.

14. Debtors

	Group		Trust	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	729,063	851,922	644,601	752,614
Prepayments	16,340	11,101	16,340	10,756
Accrued income	280,897	522,508	131,747	418,223
Amounts due from subsidiary undertaking	-	-	120,630	-
	<u>1,026,300</u>	<u>1,385,531</u>	<u>913,328</u>	<u>1,181,593</u>
	=====	=====	=====	=====

Debtors amounts falling due after more than one year

	Group		Trust	
	2010	2009	2010	2009
	£	£	£	£
Accrued income	50,433	50,433	50,433	50,433
	<u>50,433</u>	<u>50,433</u>	<u>50,433</u>	<u>50,433</u>
	=====	=====	=====	=====

15. Creditors: amounts falling due within one year

	Group		Trust	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	310,334	254,517	228,104	189,269
Other creditors	11,237	42,020	11,237	42,020
Other taxation and social security	129,322	127,855	129,322	125,115
Accrued expenditure	46,482	458,896	40,732	238,785
Deferred income	231,947	342,842	180,547	269,510
Amounts owed to subsidiary undertaking	-	-	-	150,829
	<u>729,322</u>	<u>1,226,130</u>	<u>589,942</u>	<u>1,015,528</u>
	=====	=====	=====	=====

At 31 March 2010 the group had annual commitments under non-cancellable operating leases as follows

	Other	
	2010	2009
	£	£
Expiry date		
Between one and five years	8,320	8,320
	<u>8,320</u>	<u>8,320</u>
	=====	=====

16. Pensions

The company contributes to a pension scheme providing benefits based on final pensionable salary. The assets are held separately from those of the company in the West Yorkshire Superannuation Fund, a multi-employer defined benefit scheme administered by the City of Bradford Metropolitan Council in accordance with the Local Government Superannuation Regulations 1986. Contributions to the scheme are charged to the SOFA so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations. The valuation uses the "projected unit" method. The most recently available valuation was at 31 March 2007 which showed that the market value of the assets of the West Yorkshire Superannuation fund was £7,306 million and that the actuarial value of these assets represented 90% of the benefits that had accrued to members, after allowing for expected increases in earnings. The Trust's contributions to the defined benefit scheme for the period were £25,616 (2009 £17,960). The expected contributions for the period ending 31 March 2011 are £33,000.

The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the fund for FRS 17 purposes were

	31 Mar 2010	31 Mar 2009
Discount rate	5.50%	6.75%
Rate of price inflation	3.90%	3.25%
Rate of increase to pensions in payment	3.90%	3.25%
Rate of increase to deferred pensions	3.90%	3.25%
Rate of general increase in salaries	5.65%	5.00%

The fair value of the assets of the scheme and the expected rates of return were

	Long-term expected rate of return at <u>2010</u> %	Value at <u>2010</u> £'000	Long-term expected rate of return at <u>2009</u> %	Value at <u>2009</u> £'000
Equities	8.00	854	7.50	570
Property	8.50	41	6.50	35
Government bonds	4.50	145	4.00	115
Corporate bonds	5.50	41	5.80	55
Cash	0.70	41	1.60	56
Other	8.00	71	7.50	57
Total		<u>1,193</u>		<u>888</u>

The results of the valuation of the scheme's assets and liabilities are as follows

	2010 £'000	2009 £'000
Total market value of assets	1,193	888
Present value of scheme liabilities	(1,928)	(1,343)
Deficit	<u>(735)</u>	<u>(455)</u>

16. Pensions (continued)

The FRS 17 deficit has increased during the year ended 31 March 2010 as follows

	2010 £'000
Deficit in scheme at 1 April 2009	(455)
Movement in year	
Current service cost	(19)
Contributions	26
Net interest/return on assets	(33)
Actuarial loss	(254)

Deficit in scheme at 31 March 2010	(735)
	=====

Amounts Included in the Statement of Financial Activities (SOFA):**(a) Analysis of amount charged to net incoming resources**

	2010 £'000
Current service cost	(19)
	=====

(b) Analysis of amount debited to other finance charges

Expected return on pension scheme assets	58
Interest on scheme liabilities	(91)

Other finance charges debited to SOFA	(33)

Total charged to net incoming resources	(52)
	=====

(c) Analysis of the actuarial loss recognised in the SOFA:

Actuarial gain on assets	238
Actuarial gain on liabilities – Experience	11
Actuarial loss on liabilities – Change in assumptions	(503)

Total actuarial loss recognised in the SOFA	(254)
	=====

16. Pensions (continued)**Details of Experience gains and losses for the year to 31 March 2010:**

	2010 £'000
Experience loss or gain on assets	238
Percentage of scheme assets	19.9%
Experience loss or gain on liabilities	11
Percentage of scheme liabilities	0.6%
Total amount recognised in statement of total recognised gains and losses	(254)
Percentage of the present value of the scheme liabilities	13%

The expected defined benefit pension scheme contributions for the current year will be £33,000 for the period to 31/03/11

Defined Contribution pension scheme

A stakeholder defined contribution pension scheme also exists to which the Trust contributes up to 7% of salary based on the employee's contributions. The costs charged to the SOFA for the year were £46,755 (2009 £47,451)

17. Prior year adjustment

The provisions of FRS 17, relating to the charity's defined benefit pension arrangements, have been accounted for and partly disclosed as required by FRS 17. This change in accounting policy has resulted in a restatement of the balance sheet at 31 March 2009, the effect of which is to reduce the opening funds by £455,000. However the SOFA for 2009 has not been restated as the details were not available without incurring undue costs.

18. Grant income

The following bodies have provided grant income for support costs and direct charitable expenditure in excess of £2,000 to the Trust

	2010 £	2009 £
Leeds City Council	310,865	510,563
Department of Communities and Local Government	299,049	222,575
Groundwork Foundation	161,599	90,481
Employment Service	11,599	11,599
Mark Leonard Trust	-	9,100
Scottish Power	56,152	32,632
West Yorkshire Grants	5,000	4,500
DFID – DAF 193 Global Footprints Food Trail	11,220	10,610
Paul Hamlyn Foundation	9,100	20,150
Barclays Spaces 4 Sport	-	11,520
Involved	30,169	32,930

All grant funding received has been expended in accordance with the agreed terms of the individual grant agreements.

19. Related party transactions

During the year the Trust undertook a variety of community consultation, community development, educational, landscape design and landscape implementation works with a value of £1,526,272 (2009 £1,552,201) for Leeds City Council. Community consultation, community development, educational, landscape design and landscape implementation works with a value of £299,049 (2009 £222,575) were undertaken for the Department of Communities and Local Government whose income was administered via the Groundwork Foundation. Further grants of £163,428 (2009 £90,481) were administered via the Groundwork Foundation. Landscape design and landscape implementation works with a value of £nil (2009 £8,388) were undertaken with funding from Green Leeds Limited.

Mr P Schofield is a co-opted director of The Leeds Groundwork Trust. During the year sales of £nil (2008 - £20,977) were made to him by Groundwork Environmental Services (Leeds) Limited. All transactions were conducted on an arm's length basis on normal trading terms. At 31 March 2009, £nil (2008 - £nil) was owed to Groundwork Environmental Services Limited.

Leeds City Council and Groundwork UK are the guarantors of the Trust. Trust Board members are also Board members of Green Leeds Limited.

At 31 March 2010 balances due to the Trust from related parties were as follows -

	2010 £	2009 £
Leeds City Council	511,368	488,089
Groundwork Foundation	46,427	39,828
Green Leeds Limited	-	8,388

20. Trustees' remuneration

The trustees neither received nor waived any emoluments during the year (2009 nil). Two trustees received reimbursement of expenses for attending Board and other Trust and GES meetings amounting to £307 (2009 £467).

In accordance with the Memorandum of Association the Trust purchased Charities Professional Liability insurance for both staff and trustees. The cost of this insurance included in the SOFA was £3,150 (2009 £3,150).

Advisors

Auditors

Baker Tilly UK Audit LLP

Chartered Accountant

2 Whitehall Quay

Leeds, LS1 4HG

Solicitors

Eversheds

Bridgewater Place

Water Lane

Leeds, LS11 5DR

Stapleton Gardner & Co.

Stoneleigh House

Commercial Street

Morley

Leeds, LS27 8HN

Bankers

Unity Trust Bank

Nine Brindleyplace

Birmingham

B1 2HB

Board of Trustees and Committees

The Trustee (who are the directors of the company in accordance with the Companies Act 2006) on the date of approval of this report, or who served as Trustees at any time during the year, as follows

Appointed Trustees	First appointed	Last appointed	Retired/resigned
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Nominated by Leeds City Council

Councillor A Blackburn	Jul 2004	AGM 2009	
Councillor J Dowson	Nov 2005	AGM 2008	
Councillor G Driver	Jan 1990	AGM 2007	
Councillor P Grahame	Sep 2010		
Councillor J Marjoram	Sep 2010		
Councillor R Pryke	Jul 2004	AGM 2007	
Councillor S Smith	Sep 2007		Sep 2010
Councillor K Wakefield	Jul 2003	AGM 2008	Sep 2010

Nominated by The Federation of Groundwork Trusts

Mr S K Baker (Chairman)	Jul 1991	AGM 2009	
Dr A Maclean	Jun 2005	AGM 2009	

Co-opted Trustees

Mr N Burr	Jan 2010		
Mr I D K Hickling	Jul 1987		Jan 2010
Mr A Hodgson	Jan 2010		
Mr P S Schofield	Sep 1988	AGM 2007	
Mrs S Shay	Jan 2010		

Honorary Directors

Mr G N Caplan	Jun 1995	AGM 2008	Sep 2010
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Company Secretary

Sarah Simpson

Committees of the Board

Finance & General Purposes	Chair Dr A Maclean
Personnel	Chair Mr G Caplan (to August 2010) Mr R Teese (from August 2010)

Wholly-owned subsidiary

Groundwork Environmental Services (Leeds) Ltd	Chair Dr A Maclean (to Feb 2010) Chair Mr N Burr (from Feb 2010)
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Contact Details

Executive Director

Adrian Curtis

Operations Director

Sarah Simpson

Finance Manager

Neil Hodgson

Lifelong Learning Manager

Roger Seeney

Partnerships & Development Manager

Emily Thompson

Places Manager

Julianne Tate

Landscape Services Manager

Ross Whitcombe

Environment & Business Centre

Merlyn Rees Avenue

Morley

Leeds LS27 9LE

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