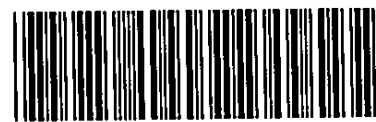


2632905

**Groundwork South West**  
**(A Company Limited by Guarantee)**  
**Report and Financial Statements**

31 March 2010

SATURDAY



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20/11/2010

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COMPANIES HOUSE

## Report of the trustees for the year ended 31 March 2010

The trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 March 2010.

### Reference and administrative details

<b>Charity number:</b>	1008537
<b>Company number</b>	2632905
<b>Principal Office:</b>	Sandon Court, Queen Alexandra Square, The Millfields, Plymouth, PL1 3JB
<b>Registered Office:</b>	First Floor, Lyster Court, Queen Alexandra Square, The Millfields, Plymouth, PL1 3JB
<b>Auditors:</b>	Bishop Fleming, 16 Queen Square, Bristol BS1 4NT
<b>Bankers:</b>	National Westminster Bank plc, 6 St Andrews Cross, Plymouth, PL4 0WB
<b>Solicitors:</b>	Nash & Co Beaumont House, Beaumont Park, Plymouth PL4 9BD

### Directors and trustees

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

The trustees serving during the year and since the year end were as follows

Mr R E B Gilbert – Chairman	
Mr M A West	Nominated by The Evening Herald (resigned 22 May 2009)
Mr C Varcoe	Nominated by Imerys Minerals (resigned 22 May 2009)
Cllr P W Hitchens	Nominated by South Hams District Council (resigned 22 May 2009)
Ald D Dicker*	Nominated by Plymouth City Council (resigned 22 May 2009)
Mrs S Hooper	(Resigned 22 May 2009)
Cllr R Austin	Nominated by Caradon District Council (resigned 22 May 2009)
Cllr C Stocks*	Nominated by Torbay Council (resigned 22 May 2009)
Mr J M Crow	(Resigned 22 May 2009)
Cllr F Knight*	(Resigned 22 May 2009)
Cllr E Parkin	Nominated by Cornwall County Council (resigned 22 May 2009)
Mr I Carter	(Appointed 22 May 2009)
Mrs S MacDougall*	(Appointed 22 May 2009, resigned 5 February 2010)
Mr R J Smyth	(Appointed 22 May 2009)
Mr P E Sanders*	(Appointed 22 May 2009)
Mr D P Robathan*	(Appointed 22 May 2009)
Mrs K R Gilmore*	(Appointed 6 August 2010)
Ms A M Hocking	(Appointed 6 August 2010)
Ms J Le Poidevin	(Appointed 6 August 2010)

\*These trustees served on the Finance and Personnel Sub-Committee

## Report of the trustees for the year ended 31 March 2010

<b>Managing Director</b>	Mr A Cormie
<b>Operational Management Team</b>	D Channon - Finance Director J Hickie - Operations Director (West of England) A Picot - Training & Skills Director J Shepherd - Operations Director (West) L Walsh - Development Director M Clegg - Employment Programmes Director
<b>Company Secretary</b>	Mr A Cormie (appointed 22 May 2009) Bondlaw Secretaries Limited, Ballard House, West Hoe Road Plymouth PL1 3AE (resigned 22 May 2009)
<b>Members:</b>	The Federation of Groundwork Trusts South Hams District Council Plymouth City Council Evening Herald Devon County Council Imerys Minerals Cornwall Council

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

Groundwork South West changed its name from Groundwork Devon and Cornwall on 24 June 2009. It is still a company limited by guarantee governed by its Memorandum and Articles of Association which were revised and adopted on 17 April 2009. It is registered with the Charity Commission. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

#### Organisation

The administration of the charity is carried out by a board of trustees comprising a minimum of 2 and a maximum of 20 trustees of whom not more than 15 are nominated and not more than 5 are co-opted trustees. The board meets quarterly and there is a sub-committee covering Finance and Personnel matters.

The day-to-day operation of the charity is controlled by the Managing Director assisted by an Operational Management Team to cover operational matters including, finance, employment and operation and project management.

#### Appointment of Trustees

The South West is divided by the board into a number of sub-regional areas. The members of the charity within each sub-regional area of the South West may nominate representatives to serve on appropriate sub-regional committees. The members of each sub-regional committee may collectively nominate one of their members to serve on the board of trustees. In addition the local authority members in each sub-regional area may collectively nominate one other member of the sub-regional committee to serve on the board of trustees. Nominations are not valid until the board of trustees has been consulted.

The Federation of Groundwork Trusts may nominate 2 trustees.

Regional partners as agreed by the board (who may or may not be members of the company) are entitled to collectively nominate up to 2 trustees.

The board may also co-opt trustees for their specialist experience.

## **Report of the trustees for the year ended 31 March 2010**

All members of the board of trustees and the sub-regional committees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

### **Trustee Induction and Training**

New trustees undergo an induction process which briefs them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committees and decision making processes, the business plan and recent financial performance of the charity. They also meet key employees and other trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

### **Related parties**

The company is part of the Groundwork Federation of Trusts in England, Wales and Northern Ireland, and works with their partners to improve the quality of the local environment, the lives of local people and the success of local businesses in areas in need of investment and support. The members who are in partnership with the company are detailed above.

The charity's wholly owned subsidiary, Groundwork Southwest Enterprises Limited, was established to engage in consultancy, environmental review, ground maintenance and other commercial activities. It may also engage in activities which are similar to those of the charity, but which are performed outside of the charitable area of the Trust.

### **Risk management**

The trustees have a risk management strategy which comprises

- An annual review of the risks that 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 minimise any potential impact on the charity should those risks materialise.

The strategy has identified only a few minor risks, other risks being either eliminated or controlled.

## **OBJECTIVES AND ACTIVITIES**

The objects of the charity are to work in partnership with people in the South West to enable them to look after their local environment and create a better place in which to live and work.

To enable these aims to be met, project officers work closely with these Local Authorities, community groups and other relevant partner organisations. There have been no material changes in these policies since the last report.

In 2009/10 the Trust delivered a wide range of social, economic and environmental regeneration projects predominantly in Torbay, Plymouth, Bristol and Cornwall. These projects can be grouped into six Groundwork themes: Community, Youth, Education, Land, Business and Employment.

### **Ensuring our work delivers our aims**

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to people and places in the South West. The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes.

## Report of the trustees for the year ended 31 March 2010

### Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

### ACHIEVEMENTS AND PERFORMANCE

During 2009/10 the Trust successfully delivered a wide range of projects across its area of operations. Highlights include:

#### Community:

- Horticultural Healing – we continued to help people to recover from mental health illness or acquired brain injury through horticultural and grounds maintenance work at the Royal William Yard in Plymouth. During the year, clients have gone on to move out of supported housing and into their own flats, moved into employment and training and we are now looking to expand the project into Cornwall.
- Based in Torbay we started a programme providing inflatable 'It's a Knockout' equipment to community groups and businesses in the south west and this has proved extremely popular.
- We continued to support the development of PURIST – a social enterprise making a range of locally made and sustainable beauty products.

#### Youth:

- In Cornwall we continued to provide a wide range of positive activities and support for young people in St Austell and in May 2009 we opened the first youth centre in St Austell for over 15 years. Critical to this was securing a contract with Cornwall Council to deliver youth work in the town.
- Sports – We provided a wide range of sports development activities in Torbay, Plymouth and Cornwall through our South West Spaces for Sports programme and we continued to increase usage of the all-weather "Pilgrim Pitch" we manage in Saltash.
- Green V – in partnership with BTCV and the Guild of Voluntary Services in Plymouth we continued to deliver a project aimed at engaging young people in environmental volunteering, with a particular focus on enabling those with mental and physical disabilities to take part.

#### Land:

- Trenance Valley Action Park, Newquay – Early in the year we successfully completed the construction of an exciting play park for teenagers with a focus on climbing and informal natural play, the centrepiece of the park being a 3.5 metre high climbing boulder.
- Devonport Park – as part of a wider HLF-funded project we were engaged by Plymouth City Council to develop a community gardening project in the Park and over the year many local people have taken part in improving the existing flower beds and creating new ones.
- We continued to run a volunteer conservation programme undertaking a range of work across Plymouth.

## Report of the trustees for the year ended 31 March 2010

### ACHIEVEMENTS AND PERFORMANCE – CONTINUED

#### Education:

- Working with Plymouth University we successfully completed the “I Love Looe” book with Looe Secondary School
- Also in partnership with Plymouth University we delivered two history projects with local schools in Plymouth

#### Business:

- We have made significant progress during the last year after the loss of the Envision programme, focussing on engaging with larger agencies, and the Carbon Reduction Commitment (CRC) Examples include securing work with a local Police Authority to review waste management and environmental legal compliance within their facilities We also secured significant training to provide environmental management training for armed forces staff to help prepare them for a career once they have left the forces

#### Employment:

- 2009/10 saw us focus on significantly developing both the scope and scale of our employment programmes
- We are successfully delivering Future Jobs Fund (FJF) vacancies throughout the South West region These projects have created employment opportunities for young unemployed people aged between 18 and 24, often across hard to reach rural areas or in areas of deprivation bringing much needed employment to the area As a result of our outstanding performance we have also secured further rounds which will carry through to 2010/11 Our achievements in each area are as follows
  - Groundwork UK & National Housing Federation – original bid 102 vacancies – delivered 121 Total value of bid is £768,350
  - Devon County Council – original bid 15 vacancies – delivered 50 Total value of bid is £310,000
  - Bristol City Council – original bid 12 vacancies – delivered 18 Total value of bid is £185,250
  - Cornwall County Council – original bid 12 vacancies – delivered 27 Total value of bid is £157,950
- We have secured a subcontractor agreement to deliver Flexible New Deal in Plymouth, Exeter and Torbay We deliver the Mandatory Work Referral Activity section and so far have worked with 44 clients, providing them with valuable work experience, skills and a current up to date reference
- We have secured a subcontractor agreement to deliver Community Task Force in Plymouth This will add to the depth of our employment programme offer but delivery will not commence until 2010/2011
- These programmes have significantly raised the organisations profile and helped enhance established partnerships We have also won a Jobcentre Plus award for our work on Future Jobs Fund - The South West Employer Award - working in partnership with Jobcentre Plus “In recognition of your significant contribution in supporting people into employment” We have also been cited as an example of best practice at several regional conferences and meetings around the delivery of Future Jobs Fund

## Report of the trustees for the year ended 31 March 2010

### ACHIEVEMENTS AND PERFORMANCE – CONTINUED

- Social Enterprise – we continue to support our Purist enterprise providing employment to local people through producing and retailing a range of natural soap and body products using sustainable ingredients, locally sourced (where possible) which support the local economy and have a low impact on the environment

#### Achievements:

This wide range of activities resulted in the following achievements

- We planted 306 trees against a target of 200
- We improved 341,475 square metres of land against a target of 15,996 square metres
- We maintained 2,080,405 square metres of land compared to a target of 2,248,876 square metres
- In terms of people actively involved in projects, we achieved 18,417 young person days (target 8,178) and 17,210 adult person days (target 6,227)
- We created 188 jobs as well as safeguarding 37 others compared with targets of 9 and 35 respectively
- We involved 28 schools (target 46) and supported 48 businesses (target 53)
- We helped businesses divert 57 tonnes of waste from landfill against a target of 50 tonnes
- We provided 735 training weeks compared with a target of 721
- We progressed 88 projects against a target of 75

#### Quality control:

The Groundwork Federation has adopted the fundamental concepts of excellence, as set out in the European Foundation for Quality Management Excellence Model, setting a goal of meeting minimum standards right across the organisation. To meet these goals the Trust has invested in its staff, training an accredited adviser to support the 'business excellence through action' (beta+ TM) programme

The Trust undertook its first beta+ assessment in September 2006, having worked to the BETA standard for the previous 4 years. A combined beta+ and Self Assessment took place in December 2008

The Trust was awarded the Investors in Excellence Achievement Marque in December 2008 following an independent assessment by North of England Excellence

Independent re-audits of both Investors in People (IIP) and British Standard BS8555 have taken place and we have been re-certified to both standards

The Trust intends to continue its commitment to quality and the promotion of excellence

### FINANCIAL REVIEW

The operations of the Trust during the year resulted in net incoming unrestricted funds (before transfers to restricted funds) of £89,183 (2009 net outgoing £49,785). After allowing for transfers to restricted funds of £67,530 the unrestricted funds have increased by £21,653

The overall net movement of funds out of the trust was £109,461 (2009 net movement into the trust of £38,837). The principal funding sources are shown in note 3 to the accounts. The Trust completed a substantial re-structuring during the early part of the financial year which has had an impact upon the level of net incoming unrestricted resources

All grants received are applied to producing high quality sustainable projects, with a contribution to support and development costs which are paid for partly by income from the Department for Communities and Local Government, Local Authorities and local private companies

## Report of the trustees for the year ended 31 March 2010

### FINANCIAL REVIEW - CONTINUED

The Trust's trading subsidiary traded profitably during the year and an amount of £11,537 has been GiftAided to the charity

The total unrestricted funds carried forward are £260,921 (2009 £239,268) of which £nil (2009 £50,000) has been designated

### Investment powers and policy

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

The trustees, having regard to the liquidity requirements and to the reserves policy have operated a policy of keeping available funds in an interest bearing deposit account and seek to achieve the best possible rate of interest

### Reserves policy

The charity's trustees have reviewed the Reserves Policy and agreed that a reasonable level of unrestricted reserves is required for the following reasons

- To absorb short term setbacks such as loss or delays in funding
- To finance working capital needs, such as delays in receipts and to fund the time delays between developing projects, obtaining approval and funds being received
- To cover the working capital requirement to fund the usual retrospective nature of the programme funding which can result in considerable timing differences between expenditure and receipt of funds
- To cover the cost of investing in staff training and development in order to improve and develop new services for the Trust
- To cover the cost of developing new services, such as communications, research and quality business information systems
- To set aside funds for appropriate capital assets such as buildings, IT and other equipment

To provide funding to cover any unforeseen down turn in activity, allowing alternative activity to be generated and/or planned down-sizing of activity In assessing a reasonable target value for unrestricted reserves, the Trustees consider that the charity should hold sufficient 'free reserves' i.e., those unrestricted funds not committed or invested in tangible fixed assets in the region of 4-6 months of our running costs

In reaching this decision the Trustees are conscious of the need to act responsibly as a charity and to avoid the creation or retention of unnecessary surpluses for which there is no future planned requirement or that bear no relation to our charitable aims It is the Charity's intention to ensure adequate reserves to operate effectively with our principle aim being to successfully deliver our charitable objectives It is our intention to develop our Business Plan to include the planned and managed growth of unrestricted reserves

As at 31 March 2010 the general unrestricted reserves stood at £260,921 which represents just under 5 months of our current running costs and which the Trustees aim to build up over the medium term There were no designated reserves



## Report of the trustees for the year ended 31 March 2010

### Plans for future periods

The Trust continues to deliver the wide range of projects as it did in 2009/10 but will specifically be involved in projects which deal with issues of unemployment

New projects include

- House Youth Project, St Austell – Opening on the 1<sup>st</sup> May 2009, we are providing the first youth centre for the town for over 15 years. The first project completed is a high quality youth cafe with an IT suite. Future plans include the development of a music recording studio and creation of a performance/multi-use space
- Sports – We will continue to deliver a programme of sports development activities for young people in Torbay, Plymouth and Cornwall
- South Hams – We have been commissioned by South Hams District Council to provide support for community groups and parish councils to develop their plans for play and open space projects
- Environmental Volunteering – We have re-structured our volunteering team to be able to offer a wider range of volunteering opportunities around the Plymouth area including weekends and we hope to further expand the programme across Devon and Cornwall
- Environmental Business Services (EBS) – with the end of grant funding for these type of programmes as result of the government's 'simplification' agenda, we have restructured the EBS team to a smaller core business development team with activities such as training to be contracted out. This will offer the trust greater flexibility in which to meet the challenge of a move to purely commercial operation
- Our successes within Future Jobs Fund programmes have enabled us to create significant partnerships with many lead accountable bodies and with Jobcentre Plus. This has led to uplifts on all contracts going into 2010/2011 and a specific request from Jobcentre Plus for us to put in our own bids to deliver FJF across the region. As a result we have secured a further 540 Future Jobs Fund opportunities with a combined value of approximately £3.4 million
- Due to our successful delivery in the original contract areas, we have agreed to extend our Flexible New Deal contract into Cornwall
- We will commence delivery of the Community Task Force (CTF) programme in 2010/2011
- Operating these programmes will strengthen our ability to deliver other programmes both now and in the future, which will make the organisation considered to be a first choice partner for future works. If successfully run in this will confirm and display our capacity to deliver large projects across our geographical area
- With the change of Government we will also have an opportunity to enter the new "framework" process to deliver the "Work Programme". This is a large contract which has an estimated annual value of £10 million to £50 million. Our trust may not be large enough to operate this contract independently but we have progressed options with other organisations to deliver the work programme. We are optimistic that we will be joining the framework and expanding our current employment programme provision
- Landscape Design Consultancy – the Trust employs a full-time Chartered Landscape Architect who is providing advice to a range of organisations

## Report of the trustees for the year ended 31 March 2010

### Development areas:

The Trust now has greatly expanded the number of offices and team bases right across the region. The greatest geographically focused opportunities to increase our activities are currently in Swindon, Gloucester and Somerset.

We have improved our involvement with various regional and sub-regional partnerships, but intend to do more, particularly in relation to the newly establishing Local Enterprise Partnerships. We are also keen to create and strengthen relationships with Housing Associations.

Public sector cuts are likely to increase opportunities for us to tender for contracted works, across a range of services, e.g. land maintenance, positive activities for young people and community engagement focused on delivery of the 'Big Society' agenda.

We have two major thematic areas of development opportunity, which will be pivotal to this Trust in the coming years. The first is securing opportunities to deliver contract under the new 'Work Programme', supporting those furthest from the labour market in to employment. The second is 'Skills and Training' where we are transforming our organizational capacity and capability in order to best respond to the potential offered by the Skills Funding Agency. We believe there are great opportunities to combine employment and skills development activities.

Staff and systems are being increasingly developed to move towards meeting public procurement requirements, whilst still acknowledging that charitable grant funding will continue to have a place in supporting delivery of our work. This is including staff development in aspects such as delivering accredited training and upgrading many of our processes and accreditations.

The land at Saltash (4.8 acres) continues to provide us with a great income opportunity. After considering various options we are proceeding with a sale of the land for commercial development, currently awaiting final planning permission.

Profile-raising of our work will continue across our region, utilizing new tools such as our revised website, our improving contacts database, e-newsletters, new social media, professional photographers, quality exhibition materials and improving regional media relationships. Our profile raising will continue to focus on use of individual stories of people who demonstrate that involvement with Groundwork is 'Changing Lives'.

### Completeness of information to auditors

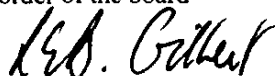
So far as each Trustee listed on page 1 above is aware -

- There is no relevant audit information of which the company's auditors are unaware, and
- They have taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

The Board of Trustees will be recommending to the members at the Annual General Meeting that Bishop Fleming is re-appointed as Auditors of Groundwork South West for the forthcoming year.

By order of the board



R E B Gilbert – Chairman  
for and on behalf of the Trustees  
Date 5 November 2010

## **Statement of trustees' responsibilities in respect of the financial statements**

The trustees (who are also directors of Groundwork South West 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 the year. In preparing these financial statements, the trustees are required to

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the 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.

# **Independent auditors' report**

**to the members of Groundwork South West (A Company Limited by Guarantee)**

We have audited the financial statements of Groundwork South West for the year ended 31 March 2010 which comprise the Consolidated Statement of Financial Activities, incorporating an Income and Expenditure Account, the Consolidated Balance Sheet, Company Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 its 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 Groundwork South West for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 the financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity'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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances, consistently applied and adequately disclosed.

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

*(Continued...)*

## Independent auditors' report

to the members of Groundwork South West (A Company Limited by Guarantee)  
(continued)

### Opinion

#### In our opinion

- the financial statements give a true and fair view of the state of affairs of the charitable company and of the group 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



Joseph Scaife FCA DChA (Senior Statutory Auditor)

For and on behalf of

**Bishop Fleming**

Chartered Accountants and Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date

12/11/10

## Consolidated statement of financial activities incorporating an income and expenditure account

for the year ended 31 March 2010

		<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2010</i>	<i>Total 2009</i>
	<i>Note</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary Income	2	709,714	-	709,714	281,122
Activities for generating funds	2	114,370	-	114,370	89,386
Investment income	2	730	-	730	7,384
Incoming resources from charitable activities	3	-	1,194,527	1,194,527	1,157,687
<b>Total incoming resources</b>		<b>824,814</b>	<b>1,194,527</b>	<b>2,019,341</b>	<b>1,535,579</b>
<b>Resources expended</b>					
Cost of generating funds					
Fundraising trading costs	4	70,699	-	70,699	155,931
Charitable activities	3	652,817	1,393,171	2,045,988	1,326,974
Governance costs	5	12,115	-	12,115	13,837
<b>Total resources expended</b>		<b>735,631</b>	<b>1,393,171</b>	<b>2,128,802</b>	<b>1,496,742</b>
Net incoming/(outgoing) resources before transfers		89,183	(198,644)	(109,461)	38,837
Transfers between funds					
Movement on projects	18	(67,530)	67,530	-	-
Net incoming/(outgoing) resources before other recognised gains		21,653	(131,114)	(109,461)	38,837
Net income (expenditure) for the year		21,653	(131,114)	(109,461)	38,837
Net movement in funds		21,653	(131,114)	(109,461)	38,837
Fund balances brought forward at 1 April 2009		239,268	411,132	650,400	611,563
Fund balances carried forward at 31 March 2010		260,921	280,018	540,939	650,400

The statement of financial activities includes all gains and losses recognised in the year

All incoming resources and resources expended derive from continuing activities

**Consolidated and charity balance sheet**

at 31 March 2010

	<i>Note</i>	<i>Group</i> <i>2010</i> £	<i>2009</i> £	<i>Charity</i> <i>2010</i> £	<i>2009</i> £
<b>Fixed assets</b>					
Tangible assets	9	688,169	93,668	634,805	93,668
Investments	10	-	-	100	100
		<u>688,169</u>	<u>93,668</u>	<u>634,905</u>	<u>93,768</u>
<b>Current assets</b>					
Stocks	11	7,233	4,819	7,233	4,819
Debtors	13	403,365	731,764	462,121	731,764
Cash at bank and in hand		466,365	72,575	460,618	72,476
		<u>876,963</u>	<u>809,158</u>	<u>929,972</u>	<u>809,059</u>
<b>Creditors</b> , amounts falling due within one year	14	568,085	252,426	568,085	252,682
<b>Net current assets</b>		<u>308,878</u>	<u>556,732</u>	<u>361,887</u>	<u>556,377</u>
<b>Total assets less current liabilities</b>		<u>997,047</u>	<u>650,400</u>	<u>996,792</u>	<u>650,145</u>
<b>Creditors</b> : amounts falling due after more than one year	15	456,108	-	456,108	-
<b>Net assets</b>		<u>540,939</u>	<u>650,400</u>	<u>540,684</u>	<u>650,145</u>
<b>Funds</b>					
Unrestricted funds		260,921	239,268	260,666	239,013
Restricted	18	280,018	411,132	280,018	411,132
<b>Total funds</b>		<u>540,939</u>	<u>650,400</u>	<u>540,684</u>	<u>650,145</u>

These financial statements were approved by the board of trustees on 5 November 2010 and were signed on its behalf by



R E B Gilbert  
Chairman

## Notes to the financial statements

for the year ended 31 March 2010

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable UK accounting standards and the Companies Act 2006

Following a review, certain items of income and expenditure have been reclassified from restricted to unrestricted. The comparative figures have been restated in accordance with the reclassification to allow comparisons. The effects of this reclassification are to increase voluntary income from £102,222 to £281,122, to increase income from activities for generating funds from £nil to £89,386 and to reduce income from charitable activities from £1,425,973 to £1,157,687

#### *Group financial statements*

These financial statements consolidate the results of the charity and its wholly owned subsidiary Groundwork South West Enterprise Limited. In accordance with Section 230(4) of the Companies Act 2006 and paragraph 397 of SORP 2005, Groundwork South West (A Company Limited by Guarantee) has taken advantage of the exemptions and has not presented a separate Statement of Financial Activities

#### *Fund accounting*

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

The trustees may set aside part of the charity's unrestricted funds to be used for particular purposes in the future. Such sums are described as 'designated funds' and should be accounted for as part of the charity's unrestricted funds. The trustees have the power to reallocate such funds within the unrestricted funds unless and until expended

Restricted funds are funds subject to specific restrictive conditions imposed by funders or by the purpose of the grant. The purpose and use of the restricted funds is set out in note 18 to the financial statements

All income and expenditure is shown in the Statement of Financial Activities on page 13.

#### *Incoming resources*

Revenue based grants are credited to the Statement of Financial Activities in the period to which they relate

Voluntary income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when

- The donor specifies that the grant or donation must only be used in future accounting periods, or
- The donor has imposed conditions which must be met before the charity has unconditional entitlement

Income from commercial trading activities is recognised as earned (as the related goods and services are provided)

Investment income is recognised on a receivable basis



## Notes to the financial statements

for the year ended 31 March 2010

### 1. Accounting policies (continued)

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions is recognised as earned (as the related goods or services are provided). Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Income is deferred when performance related grants are received in advance of the performances or event to which they relate.

#### *Gifts in kind*

Gifts in kind are recognised as income at the estimated value to the charity. The value of services provided by volunteers is not included within these financial statements.

#### *Resources expended*

The cost headings comprise expenditure, including staff costs, directly attributable to the activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with use of the resources.

Support costs comprise all services supplied centrally identifiable as wholly or mainly in support of charitable expenditure and include an appropriate proportion of general overheads.

Central overheads are allocated on the basis of their use with the aim of ensuring that those costs remaining within the administration relate to the management of the Trust's assets, organisational administration and compliance with constitutional and statutory requirements.

#### *Capital grants*

Capital based government grants are included within restricted funds in the balance sheet and credited to trading income over the estimated useful economic life of the assets to which they relate.

#### *Cash flow statement*

The company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard No 1 on the grounds of its size.

#### *Stock and work in progress*

Resources expended on incomplete projects have been incorporated within the SOFA under the accruals concept. These costs have been matched with incoming resources received in the following period and hence no work in progress has been recorded at the year end. Stocks are valued at the lower of cost and net realisable value.

#### *Pension costs*

The company operates a defined contributory personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged represents the contributions payable to the scheme in respect of the accounting period.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors.

## Notes to the financial statements

for the year ended 31 March 2010

### 1. Accounting policies (continued)

Rentals payable are apportioned between the finance element, which is charged to the income and expenditure, and the capital element which reduces the outstanding obligation for future payments

All other leases are accounted for as "operating leases" and rental charges are charged to the Statement of Financial Activities on a straight line basis over the life of the lease

#### *Fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Freehold land is not depreciated. It is the company's practice to maintain its long leasehold building in a continual state of sound repair. The directors review the valuation of the building annually for impairment in its value and as they consider that the residual value at the end of its useful economic life will not be less than its present carrying value, no depreciation is chargeable. Depreciation is provided by the company on a reducing balance basis to write off the cost of tangible fixed assets over their estimated useful economic lives as follows

Motor vehicles	-	25%
Furniture and fittings	-	20%
Tools and Equipment	-	25%
Computers	-	40%

## Notes to the financial statements

for the year ended 31 March 2010

### 2. Incoming resources from generated funds

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2010</i>	<i>Total 2009</i>
	£	£	£	£
<b>Voluntary income</b>				
Grants for core funding	690,456	-	690,456	221,900
Gifts in kind - Donated assets	16,098	-	16,098	-
Other	3,160	-	3,160	59,222
	<u>709,714</u>	<u>-</u>	<u>709,714</u>	<u>281,122</u>
<b>Activities for generating funds</b>				
Fundraising trading income	113,997	-	113,997	89,386
Rental income	373	-	373	-
	<u>114,370</u>	<u>-</u>	<u>114,370</u>	<u>89,386</u>
<b>Investment income</b>				
Bank interest	730	-	730	7,384
	<u>730</u>	<u>-</u>	<u>730</u>	<u>7,384</u>

### 3. Charitable activities

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2010</i>	<i>Total 2009</i>
	£	£	£	£
<b>Income was received for:</b>				
Community projects	-	386,545	386,545	437,638
Land projects	-	185,676	185,676	146,911
Employment projects	-	447,934	447,934	-
Education projects	-	14,664	14,664	22,909
Business projects	-	25,215	25,215	266,168
Youth projects	-	133,493	133,493	83,531
Regional projects	-	-	-	193,143
Development projects	-	1,000	1,000	7,387
	<u>-</u>	<u>1,194,527</u>	<u>1,194,527</u>	<u>1,157,687</u>
<b>Income from projects was provided by:</b>				
Central Government	-	56,000	56,000	-
Public agencies	-	47,173	47,173	142,122
Local authorities	-	297,882	297,882	313,169
European Union	-	426	426	208,619
National Lottery	-	91,913	91,913	10,427
Private sector	-	701,133	701,133	483,350
	<u>-</u>	<u>1,194,527</u>	<u>1,194,527</u>	<u>1,157,687</u>

## Notes to the financial statements

for the year ended 31 March 2010

### 3. Charitable activities (continued)

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total 2010</i>	<i>Total 2009</i>
	£	£	£	£
<b><i>Expenditure on projects</i></b>				
Community projects	100,560	473,744	574,304	457,969
Land projects	16,788	230,471	247,259	172,799
Employment projects	45,131	447,617	492,748	5,611
Education projects	13,663	16,720	30,383	39,530
Business projects	101,432	20,435	121,867	301,394
Youth projects	29,367	159,962	189,329	112,356
Development projects	127,572	44,222	171,794	67,458
Other central costs	218,304	-	218,304	169,857
	<u>652,817</u>	<u>1,393,171</u>	<u>2,045,988</u>	<u>1,326,974</u>

#### *Expenditure on projects comprised*

	<i>Direct cost of activities</i>	<i>Grant funding of activities</i>	<i>Support costs</i>	<i>Total 2010</i>	<i>2009</i>
	£	£	£	£	£
Community projects	476,908	-	97,397	574,305	457,969
Land projects	224,424	-	22,835	247,259	172,799
Employment projects	379,200	-	113,548	492,748	5,611
Education projects	18,800	-	11,583	30,383	39,530
Business projects	74,306	-	47,560	121,866	301,394
Youth projects	143,510	-	45,819	189,329	112,356
Development projects	116,622	-	55,172	171,794	67,458
Other central costs	218,304	-	-	218,304	169,857
	<u>1,652,074</u>	<u>-</u>	<u>393,914</u>	<u>2,045,988</u>	<u>1,326,974</u>

### 4. Cost of generating funds

	<i>2010</i>	<i>2009</i>
	£	£
<b><i>Fundraising trading costs</i></b>		
Staff costs	17,289	23,535
Other direct costs of activities	49,109	129,938
Support costs	4,301	2,458
	<u>70,699</u>	<u>155,931</u>

## Notes to the financial statements

for the year ended 31 March 2010

### 5. Governance costs

	2010	2009
	£	£
Trustees expenses	2,365	1,287
Audit fees	9,750	12,550
	<u>12,115</u>	<u>13,837</u>

### 6. Staff costs

	2010	2009
	£	£
Salaries and wages	1,123,713	723,141
Social security costs	87,148	66,580
Pension costs	17,181	14,287
	<u>1,228,042</u>	<u>804,008</u>

The average number of employees on the payroll was 74 (2009 - 37). The average number of employees during the year, calculated on the basis of full time equivalents was as follows

	2010	2009
	No	No
Chief Executive	1	1
Project staff	29	22
Administration and support	12	8
Employment programmes	19	-
	<u>61</u>	<u>31</u>

There were no employees whose emoluments exceeded £60,000 in the year (2009 - none)

### 7. Trustees

Trustees were not remunerated for any services in the year. During the year 7 trustees were reimbursed for travel and accommodation costs amounting to £2,365 (2009 – 3 trustees were reimbursed a total of £1,288 for travel costs).

### 8. Net incoming/(outgoing) resources before transfers

	2010	2009
	£	£
The net incoming / (outgoing) resources before transfers is stated after charging		
Depreciation	11,425	6,236
Loss on disposals of owned assets	9,623	1,775
Auditors remuneration - audit services	9,750	11,050
- non audit services	-	1,500
Operating lease rentals - plant and machinery	11,295	6,150
- land and buildings	51,008	33,655
	<u></u>	<u></u>

## Notes to the financial statements

for the year ended 31 March 2010

### 9. Tangible fixed assets

<i>Group</i>	<i>Land and Buildings</i>	<i>Tools &amp; equipment</i>	<i>Fixtures &amp; fittings</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Group Total</i>
	£	£	£	£	£	£
<b>Cost or valuation.</b>						
At 1 April 2009	56,401	20,360	45,609	16,469	27,911	166,750
Additions	523,316	-	18,471	-	73,762	615,549
Disposals	-	-	(9,623)	-	-	(9,623)
At 31 March 2010	579,717	20,360	54,457	16,469	101,673	772,676
<b>Depreciation:</b>						
At 1 April 2009	-	17,229	22,530	13,625	19,698	73,082
Charge for the year	-	786	3,710	628	6,301	11,425
At 31 March 2010	-	18,015	26,240	14,253	25,999	84,507
<b>Net book value:</b>						
At 31 March 2010	579,717	2,345	28,217	2,216	75,674	688,169
At 31 March 2009	56,401	3,131	23,079	2,844	8,213	93,668
<b>Charity</b>	<i>Land and Buildings</i>	<i>Tools &amp; equipment</i>	<i>Fixtures &amp; fittings</i>	<i>Computer equipment</i>	<i>Motor vehicles</i>	<i>Charity Total</i>
	£	£	£	£	£	£
<b>Cost or valuation.</b>						
At 1 April 2009	56,401	20,360	45,609	16,469	27,911	166,750
Additions	523,316	-	18,471	-	18,250	560,037
Disposals	-	-	(9,623)	-	-	(9,623)
At 31 March 2010	579,717	20,360	54,457	16,469	46,161	717,164
<b>Depreciation:</b>						
At 1 April 2009	-	17,229	22,530	13,625	19,698	73,082
Charge for the year	-	786	3,710	628	4,153	9,277
At 31 March 2010	-	18,015	26,240	14,253	23,851	82,359
<b>Net book value:</b>						
At 31 March 2010	579,717	2,345	28,217	2,216	22,310	634,805
At 31 March 2009	56,401	3,131	23,079	2,844	8,213	93,668

## Notes to the financial statements

for the year ended 31 March 2010

### 9. Tangible fixed assets (continued)

#### Analysis of Land and buildings

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Freehold	81,724	56,401	81,724	56,401
Long leasehold (over 50 years)	497,993	-	497,993	-
	<u>579,717</u>	<u>56,401</u>	<u>579,717</u>	<u>56,401</u>

#### Non-depreciated assets

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Land	81,724	56,401	81,724	56,401

### 10. Investments

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Investment in subsidiary at cost	-	-	100	100

### 11. Stocks

	<i>2010</i>	<i>2009</i>
	£	£
Stocks held for resale	7,233	4,819

## Notes to the financial statements

for the year ended 31 March 2010

### 12. Subsidiary company

	<i>Principal activity</i>	<i>Holding</i>	<i>Proportion held</i>
Groundwork South West Enterprises Limited	Environmental projects, consultancy, environmental reviews, vehicle hire and ground maintenance services	Ordinary shares	100%

Results and net assets of trading subsidiary

	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Turnover	82,567	176,752
Administrative expenses	(70,699)	(155,931)
Operating profit	11,868	20,821
Interest payable and similar charges	(11,868)	(20,821)
Profit retained for the financial year	-	-
	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>
Retained profit for year	-	-
Retained profit / (loss) brought forward	255	255
Retained profit carried forward	255	255
Assets	59,111	355
Liabilities	58,756	-
Total net assets	355	355
Share capital and reserves	355	355

### 13. Debtors

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	181,114	406,927	181,114	406,927
Amount due from subsidiary undertaking	-	-	58,756	-
Other debtors	32,272	232,370	32,272	232,370
Accrued income	189,979	92,467	189,979	92,467
	403,365	731,764	462,121	731,764



## Notes to the financial statements

for the year ended 31 March 2010

### 14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Trade creditors	226,274	141,537	226,274	141,537
Amount due to subsidiary undertaking	-	-	-	256
Deferred income (note 16)	181,870	-	181,870	-
Accruals	80,591	64,149	80,591	64,149
Other creditors	43,450	46,740	43,450	46,740
Bank loans	35,900	-	35,900	-
	<u>568,085</u>	<u>252,426</u>	<u>568,085</u>	<u>252,682</u>

### 15. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Bank loans	456,108	-	456,108	-
	<u>456,108</u>	<u>-</u>	<u>456,108</u>	<u>-</u>

The bank loans are repayable as follows

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Due within one year	35,900	-	35,900	-
Due within two to five years	388,750	-	388,750	-
Due after more than five years	67,358	-	67,358	-
	<u>492,008</u>	<u>-</u>	<u>492,008</u>	<u>-</u>

The charity has two bank loans

£137,000 repayable by instalments over 10 years which is secured by way of a fixed charge over the long leasehold property at Sandon Court, The Millfields, Plymouth Interest is charged at 2.5% per annum over Base Rate The balance outstanding on this loan as at 31 March 2010 was £135,858

£358,000 repayable over 5 years by monthly instalments and a final instalment of £248,850 The lender has indicated that this final instalment will be repayable by instalments over fifteen years but this is subject to formal agreement The loan is secured by way of a fixed charge over the long leasehold property at Sandon Court, The Millfields, Plymouth Interest is charged at 2.5% per annum over Base Rate The balance outstanding on this loan as at 31 March 2010 was £356,150

## Notes to the financial statements

for the year ended 31 March 2010

### 16. Deferred income

	<i>Balance 1 April 2009</i>	<i>Released from previous year</i>	<i>Deferred in current year</i>	<i>Balance 31 March 2010</i>
	£	£	£	£
<b>Group and charity</b>				
Grants	-	-	45,000	45,000
Fees	-	-	136,870	136,870
	-	-	181,870	181,870

### 17 Annual commitments under non-cancellable operating leases are as follows

	2010		2009	
	<i>Land and Buildings</i>	<i>Other</i>	<i>Land and Buildings</i>	<i>Other</i>
	£	£	£	£
Operating leases which expire				
Within one year	-	-	1,438	-
In two to five years	45,879	13,818	-	7,772
In over five years	-	1,064	31,000	-
	45,879	14,882	32,438	7,772

### 18. Restricted funds

Restricted funds represent separately identifiable funds for individual projects and the movements are summarised as follows

	<i>At 1 April 2009</i>	<i>Incoming resources</i>	<i>Outgoing resources</i>	<i>Transfers (to) / from unrestricted fund</i>	<i>At 31 March 2010</i>
	£	£	£	£	£
Community projects	172,965	386,545	473,744	55,670	141,436
Land projects	124,414	185,676	230,471	12,487	92,106
Employment projects	18,424	447,934	447,617	-	18,741
Education projects	3,384	14,664	16,720	(1,328)	-
Business projects	-	25,215	20,435	(4,780)	-
Youth projects	42,127	133,493	159,962	5,450	21,108
Development projects	49,818	1,000	44,222	31	6,627
	411,132	1,194,527	1,393,171	67,530	280,018

The trust has been engaged in over 120 projects during the year. A brief summary of the above themes is as follows

Community projects involve working with people to help them improve both where they live and their quality of life including helping them to have meaningful involvement in the development of their local

## Notes to the financial statements

for the year ended 31 March 2010

### 18. Restricted funds - continued

area Funding for these projects comes from a variety of sources including public agencies, local authorities and the private sector It includes funding of £170,000 received from the charity "v" towards a project which encourages environmental volunteering for 16 to 25 year olds and an amount of £73,773 received from the BIG Lottery Fund for a programme working in partnership to develop the capacity of the Voluntary and Community Sector in Torbay

Land projects involve our landscape architects and project staff working with people to create or improve community gardens, parks, play areas, footpaths and natural spaces Funding for these projects comes from a variety of sources including public agencies, local authorities, landfill tax and the private sector This theme includes two projects carried out in Newquay The charity was commissioned in 2008 by Restormel Borough Council to design and build an adventurous play space in at Trenance Valley Action Park, Newquay for older young people and to refurbish an existing play area at Atlantic Road, Newquay This work was completed during the year ended 31 March 2010 In respect of these two projects the table above includes outgoing resources of £157,655 incurred in the year ended 31 March 2010 which was covered by £107,835 incoming resources, £44,393 of funds held as at 1 April 2009 and £5,427 transferred from unrestricted funds

Our employment projects encompass government initiatives such as Future Jobs Fund, Flexible New Deal and Community Task Force which are funded by government agencies to break the 'no experience, no work' cycle We are creating jobs to improve the skills, confidence and employability of jobseekers and improve the quality of life for local communities The support we're able to provide will help young people achieve qualifications, secure the personal support they need to succeed while creating places that are cleaner and greener

The trust employs an Education and Training Manager who works with schools to deliver innovative environmental education and to re-engage disaffected young people into education Our work with children and young people in school links to the national curriculum and helps to illustrate how our individual actions can make a difference to the local and global environment Funding for these projects comes from a variety of sources including public agencies, local authorities, National Lottery and the private sector

Our Business teams provide a range of services to businesses, both large and small They specifically help improve our clients' environmental performance whilst cutting their costs The funding for this theme comes from the private sector

Our Youth projects help young people to participate in their local communities and provide a range of positive activities, building confidence and self-esteem Funding principally comes from local authorities and the private sector The House is a pioneering, aspirational initiative to transform youth provision in St Austell The town is the largest conurbation in Cornwall, but until Groundwork began working there in 2007 through the Youth Works programme, there had been no youth work provision and no youth centre for over 15 years Through a strong partnership with Restormel Borough Council (now Cornwall Council), a disused building was secured to become St Austell's first dedicated Youth Centre in 15 years The building has been totally refurbished and comprises a social meeting space, top of the range kitchen area, internet suite, one to one room and office space In respect of this project the table above includes outgoing resources of £151,978 incurred in the year ended 31 March 2010 which was covered by £100,892 incoming resources, £31,719 of funds held as at 1 April 2009 and £19,367 of unrestricted income

The trust commits funding to develop new relationships and new projects throughout the region During the year an amount of £44,222 was spent on development work

## Notes to the financial statements

for the year ended 31 March 2010

### 19. Landfill tax

The Trust is a registered Environmental Body, regulated by ENTRUST, the regulator under the Landfill Tax Regulations. The Trust is entitled to collect funds from landfill operators and to administer projects which will be carried out using those funds.

Landfill tax funds are restricted and can only be used for projects approved by ENTRUST. The projects can be carried out by the Trust or by third parties but responsibility for monitoring performance and for compliance with the landfill tax regulations remains with the Trust which effectively grants contracts to carry out works against specification. All landfill tax monies are accounted for separately from other funds.

	£
Balance of landfill tax monies held by the Trust as at 1 April 2009	47,439
Allocated to projects	11,552
Balance of landfill tax monies held by the Trust as at 31 March 2010	<u>35,887</u>

The balance of landfill tax monies held by the Trust forms part of the amount of £466,365 shown in the group balance sheet as cash at bank and in hand. Corresponding entries are included in Other Creditors and Restricted Funds.

### 20. Directors' material interest in contracts

#### *The Bailey Partnership*

The Trust entered into contracts with The Bailey Partnership to provide support work and Amber Properties to provide groundwork services. Mr M A West, who resigned as a director on 22 May 2009, is the managing partner of both partnerships. These contracts were offered in the normal course of business. He has no personal interest in the contract other than as managing partner. The Trust has an existing lease and maintenance agreement with Amber Properties.

<i>Name</i>	<i>Status</i>	<i>Value of transaction Sales/(Purchases)</i>	<i>Balance owed at year end</i>
Maurice West	Director	£601	£153
Maurice West	Director	(£87,740)	£18,923

### 21. Commitments

*Commitments at the end of the financial year for which no provision has been made.*

	<i>Group</i>		<i>Charity</i>	
	<i>2010</i>	<i>2009</i>	<i>2010</i>	<i>2009</i>
	£	£	£	£
Authorised but not contracted	-	-	-	-

## Notes to the financial statements

for the year ended 31 March 2010

### 22. Pension scheme

The company operates a funded, defined contribution, contributory personal pension scheme. At 31 March 2010, £1,651 (2009 £262) of contributions were due to the scheme in respect of the company.

### 23. Reconciliation of movement of funds

<i>Group</i>	<i>Balance 1 April 2009 £</i>	<i>Movement in year £</i>	<i>Balance 31 March 2010 £</i>
Unrestricted funds	239,268	21,653	260,921
Restricted funds	411,132	(131,114)	280,018
	<u>650,400</u>	<u>(109,461)</u>	<u>540,939</u>
<i>Charity</i>	<i>Balance 1 April 2009 £</i>	<i>Movement in year £</i>	<i>Balance 31 March 2010 £</i>
Unrestricted funds	239,013	21,653	260,666
Restricted funds	411,132	(131,114)	280,018
	<u>650,145</u>	<u>(109,461)</u>	<u>540,684</u>

All funds are raised and given for specific purposes on projects and are output related. These outputs incorporate fees, consultancies, projects spend and implementation work. The conditions governing the income or grants restrict these funds and, when these conditions have been met, the earned income may become unrestricted and used as a contribution to the Trust's unrestricted funds. The Trust's unrestricted funds can be used, with the approval of the Trust's Board, to fund any expenditure relating to projects or general running costs which fall within the Trust's general aims and objectives.

### 24. Analysis of group net assets between funds

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2010 £</i>
Tangible fixed assets	688,169	-	688,169
Cash and other net current assets	28,860	280,018	308,878
Long term liabilities	(456,108)	-	(456,108)
	<u>260,921</u>	<u>280,018</u>	<u>540,939</u>