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Registered number: 04151312  
Charity number: 1089987

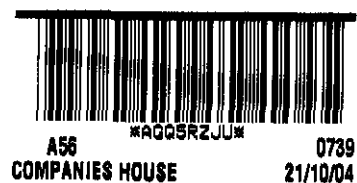
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**GROUNDSWELL NETWORK SUPPORT UK**  
(A company limited by guarantee)

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2004**



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## GROUNDSWELL NETWORK SUPPORT UK

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## GROUNDSWELL NETWORK SUPPORT UK

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### LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 March 2004

**Trustees**

Tara Bradley (appointed 16/12/2003)

Gordon Donaldson

James Earp, Treasurer

Dominic Fox, Chair

Graham Gardiner

Hannah Luff

Ruth McLeod

Ann Morgan

Robbie Newton

Lucie Russell

Mike Seal

Sam Waylen

**Company Registered Number**

04151312

**Charity Registered Number**

1089987

**Registered Office**

Elmfield House, 5 Stockwell Mews, London, SW9 9GX

**Secretary**

Gordon Donaldson

**Auditors**

Gotham Erskine, Friendly House, 52 - 58 Tabernacle Street, London, EC2A 4NJ

**Bankers**

Unity Trust Bank, Nine BrindleyPlace, 4 Oozells Square, Birmingham, B1 2HB

CAF Cash Limited, P.O Box 289, West Malling, Kent, ME19 4TA

**Solicitors**

Bates Well & Braithwaite, Cheapside House, 138 Cheapside, London, EC2V 6BB

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## **GROUNDSWELL NETWORK SUPPORT UK**

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### **TRUSTEES' REPORT For the year ended 31 March 2004**

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The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the financial statements of Groundswell Network Support UK (the Company and the Charity) for the year ended 31 March 2004. The Trustees confirm that the annual report and financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000.

#### **Method of appointment or election of Trustees**

The management of the Company is the responsibility of the Trustees who are appointed and co-opted under the terms of the Articles of Association. The Trustees are looking into an appropriate structure for use in the long term in respect of the selection of trustees.

#### **Constitution policies and objectives**

The Company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 8th January 2001.

The principal objects of the Company are to relieve poverty, particularly of homeless people, and to develop the capacity and skills of socially and economically disadvantaged homeless people in such a way that they are better able to participate more fully in society.

#### **Review of activities and future developments**

This has been Groundswell's second year as an independent organisation. Established projects such as the Grant Award Scheme, the newsletter and Exchanges have continued to provide valuable resources and support to groups of people engaged in tackling homelessness at the grassroots level. Groundswell has also developed new initiatives such as the Social Business Support Programme and Community Activist training.

The Social Business Support Programme has been successful in enabling homeless entrepreneurs to set up social enterprises. The projects include Generator X an environmental education project, Magic Beans Workers co-operative an environmental rural housing co-op and Street friends, an IT and website project.

Groundswell continues to work to increase the capacity of groups in the network. During this year £20,000 was distributed to 42 self-help projects through the Grant Award Scheme. The organisation developed a Community Activist Training programme, which was delivered in conjunction with the Directory of Social Change. The course was very well received and covered all aspects of setting up a successful community project. Homeless individuals and groups have been enabled to come together to share ideas through exchanges held in Exeter and Bradford. A Women's Forum was held in Gloucestershire with 150 participants, this provided an excellent opportunity for women who have experienced homelessness to share skills and experiences.

Groundswell wishes to make service providers more participative. This year the organisation supported network initiatives such as locally organised Speakouts, culminating in Speakout Week. Network groups also linked into research undertaken into the quality of consultation carried out by Local Authorities for their Homeless Strategies. To improve Local Authorities ability to consult with homeless people Groundswell and the New Economics Foundation have developed a tool called DEMOCS (Deliberative Meetings of Citizens). Service providers have also received Participation training from Groundswell.

Groundswell has increased its work to influence policy at all levels. During this year the organisation was invited to take part in the Homeless Link Research Forum, and has responded to government policy initiatives such as DEFRA's consultation on the Review of Powers, Rights and Responsibilities.

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## **GROUNDSWELL NETWORK SUPPORT UK**

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The efficiency of the organisation has been greatly improved through developing our IT resources, new software and hardware has been acquired. The database has been updated and Groundswell has also brokered web access and website set-up for 13 groups in the network.

Looking forward, the organisation has developed a new Business Plan for 2005-2008. This includes initiatives to assist homeless-led groups to develop their IT capacity through a Portal Project and to develop a Participation Audit, which will enable Groundswell in its aim of transforming homelessness organisations.

We were very disappointed to say goodbye to Toby Blume, who has been our Chief Executive since we incorporated. Toby gave us a really good start as an independent organisation, and we wish him all the best in his new role. We are however delighted to welcome Armajit Kaur as our new Chief Executive.

### **Financial review**

The results for the year show a pleasing increase in both our total income and in our key unrestricted funds (that is our core resources). However, our main source of funding from the Community Fund (now the Big Lottery) is coming to an end and we are working hard to replace that funding.

### **Investment policy and performance**

In order to maximise the charity's assets funds are invested in a deposit account set up with the Charities Aid Foundation.

### **Reserves policy**

The Trustees have identified the risks facing the Charity as part of a comprehensive risk assessment. The Trustees have set a target unrestricted "free" reserves level of £47,500. This figure takes into account the resources required should the organisation be dissolved and it is the Trustees intention to build up adequate reserves to meet these costs.

### **Risk management**

The Trustees of the charity in recognising their responsibility for mitigating risks faced by the organisation conducted a full risk assessment. The risk assessment, undertaken by staff and Trustees, identified the major risks faced by the organisation and made decisions about how to respond to them. This process examined risk relating to governance, operations, law and regulation, finance and external factors.

The major risks identified by the charity were seen to be loss of key staff, a lack of capacity to undertake fundraising activities and the ending of financial support from the Community Fund (over-reliance on a single grant-maker). Other risks were identified as moderate and low risk (of occurrence and impact).

Systems and procedures, to limit as far as possible the risks identified, have been developed and implemented as part of the risk assessment, with clear control procedure, monitoring process and further action identified.

### **Grant making policies**

We have clear guidelines and criteria for making grants, that are in accordance with the objects of the charity and are freely available on request. Decisions are made against a set of predetermined criteria (the involvement of homeless people, minority involvement and how the project will make a difference to the lives of homeless people). These decisions are taken by an independent committee made up of individuals with a variety of experience and skills including, personal experience of homelessness and exclusion, grant making and of running self help groups and voluntary organisations.

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## GROUNDSWELL NETWORK SUPPORT UK

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### Directors and Trustees

The members of the Board perform the role of directors in company law and are the trustees in charity law. Those who served during the year were:

Dominic Fox (Chair)  
James Earp (Treasurer)  
Ann Morgan  
Gordon Donaldson  
Graham Gardiner  
Hannah Luff  
Lucie Russell  
Mike Seal  
Robbie Newton  
Ruth McLeod  
Sam Waylen  
Tara Bradley

### Trustees' responsibilities

Company and charity law applicable to charities in England/Wales 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 Company and of the surplus or deficit of the Company for that period. In preparing those financial statements the Trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis (unless it is inappropriate to presume that the Trust will continue in operation).

The Trustees have overall responsibility for ensuring that the Company has an appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the detection and prevention of fraud and other irregularities.

This report was approved by the Trustees on 20 September 2004 and signed on its behalf, by:



Dominic Fox

Chair

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## GROUNDSWELL NETWORK SUPPORT UK

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GROUNDSWELL NETWORK SUPPORT UK Under section 247B of the Companies Act 1985

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We have audited the financial statements of Groundswell Network Support UK for the year ended 31 March 2004 set out on page 17. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

#### RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As described in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities", published in October 2000. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the Company is not disclosed. We read the Trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 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.

#### OPINION

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2004 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**Gotham Erskine**

Chartered Accountants and Registered Auditors

Friendly House  
52 - 58 Tabernacle Street  
London  
EC2A 4NJ

Date: 18th October 2004

## GROUNDSWELL NETWORK SUPPORT UK

### STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account) For the year ended 31 March 2004

	Note	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
<b>INCOMING RESOURCES</b>					
Donations, legacies and similar incoming resources	2	257,512	6,721	264,233	249,374
Activities in furtherance of the charity's objects	3	-	23,895	23,895	15,448
Bank interest		-	1,348	1,348	1,206
<b>TOTAL INCOMING RESOURCES</b>		<b>257,512</b>	<b>31,964</b>	<b>289,476</b>	<b>266,028</b>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds:</i>					
Fundraising	4	1,766	-	1,766	1,535
<i>Charitable expenditure:</i>					
Grants payable - institutional	5	31,143	-	31,143	21,857
Costs of activities in furtherance of the charity's objects	6	194,856	7,996	202,852	125,489
Support costs for grants and activities		41,893	4,109	46,002	109,241
Resources expended on managing and administering the charity		10,875	259	11,134	13,299
<b>TOTAL RESOURCES EXPENDED</b>		<b>280,533</b>	<b>12,364</b>	<b>292,897</b>	<b>271,421</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>		<b>(23,021)</b>	<b>19,600</b>	<b>(3,421)</b>	<b>(5,393)</b>
Transfers between Funds	13	11,844	(11,844)	-	-
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED)</b>		<b>(11,177)</b>	<b>7,756</b>	<b>(3,421)</b>	<b>(5,393)</b>
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(11,177)</b>	<b>7,756</b>	<b>(3,421)</b>	<b>(5,393)</b>
TOTAL FUNDS AT 1 APRIL 2003		30,005	26,271	56,276	61,669
<b>TOTAL FUNDS AT 31 MARCH 2004</b>		<b>£ 18,828</b>	<b>£ 34,027</b>	<b>£ 52,855</b>	<b>£ 56,276</b>

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



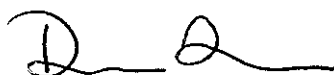
## GROUNDSWELL NETWORK SUPPORT UK

### BALANCE SHEET As at 31 March 2004

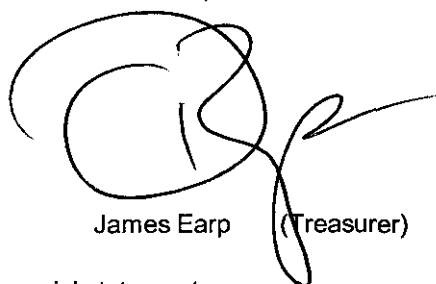
	Note	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		4,627		8,426
<b>CURRENT ASSETS</b>					
Debtors	10	19,314		7,565	
Cash at bank and in hand		66,615		51,129	
		<u>85,929</u>		<u>58,694</u>	
<b>CREDITORS:</b> amounts falling due within one year	11	(37,701)		(10,844)	
<b>NET CURRENT ASSETS</b>			<u>48,228</u>		<u>47,850</u>
<b>NET ASSETS</b>	14	£	<u>52,855</u>	£	<u>56,276</u>
<b>CHARITY FUNDS</b>					
Restricted Funds	13		18,828		30,005
Unrestricted - Designated Funds	13		4,627		8,426
Unrestricted - General Funds	13		29,400		17,845
			<u>£ 52,855</u>		<u>£ 56,276</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Trustees on 20 September 2004 and signed on their behalf, by:



Dominic Fox (Chair)



James Earp (Treasurer)

The notes on pages 8 to 17 form part of these financial statements.

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## GROUNDSWELL NETWORK SUPPORT UK

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000, applicable accounting standards and the Companies Act 1985.

##### 1.2 Company status

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

##### 1.3 Fund accounting

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

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

##### 1.4 Incoming resources

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

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

##### 1.5 Resources expended

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

Overheads have been allocated on the basis of staff costs.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

## GROUNDSWELL NETWORK SUPPORT UK

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

#### 1.6 Cash flow

The financial statements do not include a cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### 1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

Fixtures & Fittings	-	33%	straight line
Office Equipment	-	33%	straight line
Computer Equipment	-	33%	straight line

#### 1.8 Operating leases

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

#### 1.9 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

#### 1.10 Welfare loans

Small welfare loans from the restricted funds are treated as recoverable unless the Trustees decide they should be written off.

## 2. DONATIONS, LEGACIES AND SIMILAR INCOMING RESOURCES

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
Ashden trust	5,750	-	5,750	5,750
Charities advisory trust	-	-	-	3
Community fund	214,116	-	214,116	204,227
The wates foundation	7,427	-	7,427	7,210
Tudor trust	20,000	-	20,000	20,000
Basic Skills Agency	-	-	-	466
John Ellerman Foundation	-	-	-	10,000
Charities Aid Foundation	-	-	-	600
Crisis	-	-	-	-
Network for social change	8,500	-	8,500	-
Laings Charitable Trust	-	5,000	5,000	-
Good gifts catalogue grant	1,635	-	1,635	-
Donations	84	1,721	1,805	1,118
<b>Donations, legacies and similar incoming resources</b>	<b>£ 257,512</b>	<b>£ 6,721</b>	<b>£ 264,233</b>	<b>£ 249,374</b>

# **GROUNDSWELL NETWORK SUPPORT UK**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 31 March 2004

### **3. INCOME FROM ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTS**

	<b>Restricted Funds 2004 £</b>	<b>Unrestricted Funds 2004 £</b>	<b>Total Funds 2004 £</b>	<b>Total Funds 2003 £</b>
Charity projects	-	6,642	6,642	-
Consultancy fees	-	5,675	5,675	1,880
Women's forum/safe as houses	-	3,124	3,124	-
Training	-	1,566	1,566	2,301
Publications and subscriptions	-	1,433	1,433	1,410
Other income	-	5,455	5,455	1,302
Self help forum	-	-	-	8,555
<b>Total</b>	<b>£ -</b>	<b>£ 23,895</b>	<b>£ 23,895</b>	<b>£ 15,448</b>

### **4. FUNDRAISING**

	<b>Restricted Funds 2004 £</b>	<b>Unrestricted Funds 2004 £</b>	<b>Total Funds 2004 £</b>	<b>Total Funds 2003 £</b>
Expenses	37	-	37	38
Staff costs	1,729	-	1,729	1,497
<b>Total</b>	<b>£ 1,766</b>	<b>£ -</b>	<b>£ 1,766</b>	<b>£ 1,535</b>

## GROUNDSWELL NETWORK SUPPORT UK

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

#### 5. GRANTS PAYABLE - INSTITUTIONAL

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
Grant award scheme	20,038	-	20,038	18,962
Action pays	-	-	-	2,080
Social enterprise grants	9,820	-	9,820	815
Good gifts catalogue	1,285	-	1,285	-
<b>Total</b>	<b>£ 31,143</b>	<b>£ -</b>	<b>£ 31,143</b>	<b>£ 21,857</b>

**Grant award scheme** - the following 33 organisations were paid, or offered, grants of £500: Crusaders Cricket Team (ARP), Brighton Unemployed Centre Families, Operation Alchemy/Shelanagig, Up From The Streets, Watford New Hope Trust, Manic Mechanics Welding School, 1 in 8 Project, Circonauts, Irish Travellers Movement in Britain, InterAction, Sustainable Life Styles Research Co-op Ltd, The Robert Barton Trust, Re-Tyred Accessories, Wonky Donkey Workshops, S.T.E.E.R, Challenge, Earthfire, Kingshill Communal Space, Landmatters Co-op Ltd, The Contemporary Itinerant Arts Collective, Convol Exceptionnel, National Probation Service, Mobile Skate Ramp for Traveller Kids, Travellers Tool Bank, The Electric Gypsies, Derbyshire Gypsy Liaison Group, Beggars Belief, Green Energy Services, C.A.T.H Youth Initiative Website Project, Earth Theatre, Mobile Homoeopath, Rupture, Roden Street Housing & Environmental Group.

**Action pays** - this scheme finished at the beginning of the year.

**Social enterprise grants** - 5 people were paid, or offered, grants. Of these, 3 were paid or offered more than £500:

Tony Hill - Streetfriends, Willie Shelito - Community Needs Ltd/BARS, Gen X, New Futures Association (Magic Bean Workers Co-op) and Exeter Shilhay Community (ABH RECORDS)

**Brokered grants** - those grants were for a specific individual.

**Good gifts catalogue grants** - no organisations were paid, or offered, grants of more than £500.

**All the above grants are considered to be part of the charity's "Network Support" activity.**

	2004 £	2003 £
Accrued at 1 April 2003	1,000	1,500
Grants payable for the year	31,143	21,857
Grants paid during the year	(28,643)	(22,357)
<b>ACCRUED AT 31 MARCH 2004</b>	<b>£ 3,500</b>	<b>£ 1,000</b>
<b>PAYABLE AS FOLLOWS:</b>		
Grants payable - institutional <1yr	£ 3,500	£ 1,000

## GROUNDSWELL NETWORK SUPPORT UK

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

#### 6. CHARITABLE EXPENDITURE BY FUNCTION SUMMARY BY EXPENDITURE TYPE

	Staff Costs 2004 £	Depreciation 2004 £	Other Costs 2004 £	Total 2004 £	Total 2003 £
Communications and information	54,060	-	15,093	69,153	55,456
Network support	45,073	-	17,647	62,720	32,350
Events and training	32,713	-	38,266	70,979	37,683
Subtotal charitable functions	131,846	-	71,006	202,852	125,489
Support costs for grants and activities	8,680	4,865	32,457	46,002	109,241
Resources expended on managing and administering the charity	7,226	-	3,908	11,134	13,299
Total	£ 147,752	£ 4,865	£ 107,371	£ 259,988	£ 248,029

#### 7. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2004 £	2003 £
Depreciation of tangible fixed assets:		
- owned by the company	4,865	2,432
Auditors' remuneration	4,062	4,530

During the year, no Trustees received any remuneration (2003 - £NIL).

During the year, no Trustees received any benefits in kind.

During the year, Trustees received £920 reimbursement of expenses (2003 - £454).

During the year, a Trustees indemnity insurance premium of £724 (2003: £664) was paid.

# **GROUNDSWELL NETWORK SUPPORT UK**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 31 March 2004

### **8. STAFF COSTS AND NUMBERS**

Staff costs were as follows:

	2004 £	2003 £
Wages and salaries	130,183	119,764
Social security costs	13,562	11,431
Other pension costs	5,736	5,241
	<u>£ 149,481</u>	<u>£ 136,436</u>

The average monthly number of employees during the year was as follows:

	2004 No.	2003 No.
	<u>5</u>	<u>5</u>

All staff time is for Direct Charitable purposes, except that the equivalent of 10% of a full time post is allocated to the Management and Administration of the charity, 5% of a staff time is allocated to the Cost of Generating Funds.

### **9. TANGIBLE FIXED ASSETS**

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 April 2003	14,064
Additions	1,066
At 31 March 2004	<u>15,130</u>
<b>Depreciation</b>	
At 1 April 2003	5,638
Charge for the year	4,865
At 31 March 2004	<u>10,503</u>
<b>Net book value</b>	
At 31 March 2004	<u>£ 4,627</u>
At 31 March 2003	<u>£ 8,426</u>

# **GROUNDSWELL NETWORK SUPPORT UK**

## **NOTES TO THE FINANCIAL STATEMENTS** For the year ended 31 March 2004

### **10. DEBTORS**

	2004	2003
	£	£
Trade debtors	4,344	353
Grant receivable	5,955	466
Prepayments and accrued income	8,340	6,746
Other debtors	675	-
	<u>£ 19,314</u>	<u>£ 7,565</u>

### **11. CREDITORS:** **Amounts falling due within one year**

	2004	2003
	£	£
Trade creditors	2,650	2,058
Social security and other taxes	4,434	3,079
Accruals	5,698	4,230
Grants accrued - institutional	3,500	1,000
Other creditors	5,219	477
Deferred income	16,200	-
	<u>£ 37,701</u>	<u>£ 10,844</u>

### **12. DEFERRED INCOME**

	2004	2003
	£	£
Amount deferred in the year	16,200	-
	<u>£ 16,200</u>	<u>£ -</u>



## GROUNDSWELL NETWORK SUPPORT UK

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

#### 13. STATEMENT OF FUNDS

	Brought Forward	Incoming Resources	(Resources Expended)	Transfers in/(out)	Carried Forward
<b>DESIGNATED FUNDS</b>					
Fixed assets	£ 8,426	£ -	£ -	£ (3,799)	£ 4,627
<b>GENERAL FUNDS</b>					
Unrestricted Funds	£ 17,845	£ 31,964	£ (12,364)	£ (8,045)	£ 29,400
Total unrestricted funds	£ 26,271	£ 31,964	£ (12,364)	£ (11,844)	£ 34,027
<b>RESTRICTED FUNDS</b>					
	Brought Forward	Incoming Resources	(Resources Expended)	Transfers in/(out)	Carried Forward
Grant award scheme	11,038	20,000	(20,037)	-	11,001
Manuals & publications	2,099	7,427	(17,259)	7,733	-
Capacity building training	8,507	5,750	(7,987)	-	6,270
Action pays	60	-	(60)	-	-
Capital grants	466	-	(458)	-	8
Welfare loans	500	84	(100)	-	484
Social enterprise grants	7,335	8,500	(19,946)	4,111	-
Community fund	-	212,216	(212,216)	-	-
Good gift grants	-	1,635	(1,285)	-	350
Fixed asset Fund	-	1,900	(1,185)	-	715
Subtotal	£ 30,005	£ 257,512	£ (280,533)	£ 11,844	£ 18,828
Total of Funds	£ 56,276	£ 289,476	£ (292,897)	£ -	£ 52,855

#### DESIGNATED FUND

##### Fixed Assets

The Fixed Asset Designated Reserve represents the net book value of assets where there is no related grant condition so as to ongoing use.

#### RESTRICTED FUNDS

##### Grant Award Scheme

£20,000 received from the Tudor Trust is to provide grants of up to £500 to projects run by and involving homeless and ex-homeless people.

##### Manuals and publications

£7,427 received from the Wates Foundation is for the production of practical guides and publications.

##### Capacity Building Training

£5,750 received from the Ashden Charitable Trust to provide training and skills sharing for homeless and ex-

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## GROUNDSWELL NETWORK SUPPORT UK

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

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homeless people to develop successful community projects.

#### Action Pays

This scheme has finished.

#### Welfare loans

The loans are to provide funds for volunteer welfare and hardship.

#### Social Enterprise Grants

£8,500 received from Network for Social Change is to support homeless and ex-homeless people to set up commercial projects (social enterprises). At the end of the year, some grants were payable to participants of the scheme, but the total payable is less than the balance carried forward.

#### Community Fund

£212,216 received from the Community Fund is to cover the running costs and overheads for the Charity. A further £1,900 was received for capital expenditure.

#### Good Gift Grants

This grant of £1635 was received from the Charities Advisory Trust via the good gifts catalogue agreement and provided for 4 allotments, 11 kitchen kits and 8 bedroom kits for ex-homeless people.

#### Fixed Asset Fund

This fund represents the net book value of asset bought by restricted fund (Community Fund)

#### Grant Brokerage

The Charity receives grants specifically intended for other projects and individuals. These are passed on in their entirety. The amount involved in the year was £8,551 (2002: £5,610). As they are not grants made to the Charity they are not reflected as a restricted fund.

#### 14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2004 £	Unrestricted Funds 2004 £	Total Funds 2004 £	Total Funds 2003 £
Tangible fixed assets	715	3,912	4,627	8,426
Current assets	21,613	64,315	85,928	58,694
Creditors due within 1 year	(3,500)	(34,200)	(37,700)	(10,844)
Total	£ 18,828	£ 34,027	£ 52,855	£ 56,276

#### 15. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets are held separately from those of the Company in an independently administered fund. There were no outstanding or prepaid contributions at the balance sheet date.

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## GROUNDSWELL NETWORK SUPPORT UK

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2004

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#### 16. OPERATING LEASE COMMITMENTS

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004 £	2003 £
<b>Expiry date:</b>		
Within 1 year	20,727	1,770
Between 2 and 5 years	1,770	21,167
	<u>22,497</u>	<u>22,937</u>

Equipment: Annual commitment within 1 year is £1,770, the lease is for 3 years, expires end of January 2007.

Premises: Annual commitment is £20,727, the lease is expired on the 24th February 2005.

#### 17. ONGOING OPERATIONS

The Trustees consider that the level of activities in the financial year starting 1 April 2004 will depend upon the success of the current fundraising initiatives. Currently there is a projected deficit for 2004/05. In the event of cessation, costs of £20,900 for redundancy and £9,800 for contractual commitments may arise. In the light of developments after the year end, the Trustees feel confident that fundraising targets will be met and therefore it is appropriate to prepare these financial statements on the going concern basis. The Trustees continue to monitor the situation closely.