

Groundwork Wakefield Limited
(A Company Limited by Guarantee)

04 OCT 2012

Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2012

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Report of the Directors
For the Year Ended 31 March 2012

The directors present their report with the audited financial statements of the company for the year ended 31 March 2012

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity registration number	519846
Company registration number	2202681 (England and Wales)
Registered office	County Hall Wood Street Wakefield WF1 2QW

DIRECTORS

P Cooper
C Hudson
G Jesty (resigned 26 5 11)
R Lund (resigned 26 5 11 and appointed 1 6 12)
J M Mackman
B W McMillan (Chair)
M Prime
A R Wallis
J Wilson
D A Young (Resigned 24 11 11)
C Keith (appointed 26 05 11 and resigned 31 05 12)
M Graham (appointed 26 05 11)

SECRETARY

H Sandhu

EXECUTIVE DIRECTOR

K Taylor

AUDITORS

Allotts
Chartered Accountants
Registered Auditors
The Old Grammar School
13 Moorgate Road
Rotherham
S60 2EN

Report of the Directors
For the Year Ended 31 March 2012

PRINCIPAL ACTIVITIES

Groundwork Wakefield Limited is a registered charity and a company limited by guarantee and is governed by its Memorandum and Articles of Association. The Trust has interest in two subsidiaries Groundwork Pride Limited which is jointly owned with Groundwork North Yorkshire and Job Match (UK) Ltd which began trading as a wholly owned subsidiary in January 2012.

The Trust is also part of the Groundwork Federation, a network of independent Trusts covering England, Wales and Northern Ireland, co-ordinated by Groundwork UK. As a member of the Federation, the Trust plays a leading role in its development, delivery of strategic objectives and expansion programme in Yorkshire and the Humber.

The mission of the Trust is to **Bring about lasting environmental improvements through partnerships, contributing to the economic and social regeneration of the area**.

Working with key partners on the Wakefield Local Partnership and the community, the Board and staff continue to drive the Trust towards fulfilling its vision, purpose and strategic objectives, based on local need. Importantly, to ensure an impact is achieved through its activities, the Trust plans and operates within the context of the Districts Community Strategy. Through this approach public benefit is maximised and it reflects how the Trust refers to the Charity Commission's general guidance on public benefit when reviewing its aims and objectives, and planning future activities.

DIRECTORS

The directors are the trustees of the charitable company for the purpose of the Charities Act 1993. None of the directors are members of the company.

The Board may have no more than thirteen directors of whom not more than six shall be nominated directors and not more than seven co-opted directors. The founder members of the company, so long as they remain members, may appoint directors as follows:

The Federation of Groundwork Trusts	2
City of Wakefield Metropolitan District Council	4

Re-nomination is made after 3 years for co-opted directors and 2 years for nominated directors.

New directors are given a comprehensive Induction Pack to inform them of their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making process.

All directors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

STRATEGIC FRAMEWORK

Working within the strategic context of Government policy, the Groundwork Federation strategy and the priorities of *Wakefield Together*, the following are the Trust's purpose, aims and headline strategic objectives which have been produced by the Board and staff, and provide the operating framework to deliver public benefit.

Purpose - To build sustainable communities in areas of need through joint action.

Aim - To work with the community and partners to improve quality of life and bring about positive change in people's lifestyles and the environment.

Report of the Directors
For the Year Ended 31 March 2012

Fundamentally, the purpose and aim are implemented in partnership with communities and other organisations and deliver programmes of work that address three strategic objectives

Objectives

- To build safer, stronger, communities where people are connected to their neighbourhood
- To promote learning by delivering skills and training that enables sustainable employment and enterprise for all
- To support healthier lifestyles that improve the physical and social wellbeing of the community

In addition, the following set of core values within which Groundwork Wakefield operate have been agreed by the Board and staff

Values

- Striving for **Excellence**
- **Partnership** working
- Ensuring **Community Focus**
- Protecting and enhancing the **Environment**
- Promoting and delivering **Sustainability**
- Operating with **Integrity** and **Professionalism**
- Encouraging **Innovation**
- Providing **Flexibility**

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

During 2011/2012 the Trust made a significant and positive impact within the communities of the Wakefield District through the delivery of its services. In addition, through its trading company Groundwork Pride, it delivered programmes of work in North Yorkshire, Kirklees and Hull to the benefit of local communities and to fulfil the Groundwork Federation strategy of extending geographical coverage. The following summarises the Trust's achievements and outlines future activity.

STRATEGY

The Trust continued to undertake a key strategic role in the district and actively supported the establishment of a Local Service Board in response to changes in national and local priorities. In addition, it has been an active partner on the Boards of First, the Cultural Partnership, and Young Lives-the Third Sector consortium for young people's services. Through participation on these key partnerships, the Trust has aligned its business plan and activity to the Wakefield Community Strategy. In turn, shared, clear priorities have ensured a complementary and co-ordinated approach with the other agencies and clarity of purpose, identity and niche. This has enabled an increased effectiveness in achieving social and economic outcomes as well as environmental outputs.

During the year, through its office in Hull, the Trust has effectively progressed strategic and operational activity in the city. This included building upon the Feasibility Study in to the future role of Groundwork in Hull, supported by Hull City Council. The outcome identifies a clear need for Groundwork and the precise nature of this is being developed with the council and other partners.

Through the commitment and hard work of the staff and Board Directors in 2011/12, the Trust and its subsidiaries achieved continued growth, resulting in a consolidated income of £3,478,554, a surplus of £33,946 (prior to FRS17 Pension scheme adjustment) and over 150 projects undertaken in progressing towards achieving the strategic objectives.

The support of the Trust's Company Members, Wakefield Metropolitan District Council (WMDC) and Groundwork UK has continued to be invaluable throughout the year. In addition, despite reductions in partners own funding and the impact of the recession, support from other stakeholders has also been immensely valued, not least the community and this has been fundamental to the Trust's success.

Report of the Directors
For the Year Ended 31 March 2012

OPERATIONS

Engaging and supporting communities to meet their needs has continued to be central to our approach and during the year the Trust has actively involved adults and young people in projects for in excess of 10,000 person days. In addition, the Trust and its trading company have continued to deliver training programmes, which has led to local people developing their confidence and skills, which in turn enabled them to have a greater say in the future of their communities and obtain employment. Building on the principle that people, places and prosperity are inextricably linked, the Trust also created opportunities for people to take local action, create better, safer and healthier neighbourhoods and helped businesses and individuals fulfil their potential.

In order to undertake the breadth of activity identified, the Trust has sought and developed partnering arrangements with other agencies in order to extend its capacity to deliver and to stretch the associated outcomes/outputs.

The following provides highlights of the Trust's activities within each service area.

Engagement

During this financial year three service areas of Community, Education and Youth were combined to form a single engagement service area. This has led to greater impact in the work delivered and a more coordinated approach to working in communities. The three service areas are reported below.

The Trust continued to deliver its community development activity through the Housing Joint Venture programme with Wakefield and District Housing (WDH), which was successfully extended for a further two years during this financial year. The Joint Venture with WDH enabled Groundwork to demonstrate a range of activity that has complemented neighbourhood initiatives and contributed to area based neighbourhood planning.

This has been delivered across nine estates, working with a variety of stakeholders to improve both the physical environment and the lives of people living and working in these priority areas.

Staff have also supported the delivery of activity in North Yorkshire, Kirklees and Hull, in particular working on the Pullman Street play area, Hull, and developing the Barrowcliff Masterplan in Scarborough.

Quality Education and Youth programmes have continued to be delivered to a very diverse range of people, including primary and secondary school pupils, teachers, young offenders, adults, volunteers and people at risk of offending.

The Lottery funded Turning the Corner programme working with young people, shopkeepers and residents to build trust and promote cohesion within the district has been a particular highlight, targeted at three neighbourhoods during the year. This included a scheme in Normanton, Wakefield, where a highly publicised project was successfully delivered working with young people, the Town Council, West Yorkshire Police, local church, WDH and Sainsbury's. Other activity has complemented the Engagement team's activities in Portobello, Wakefield to engage with out of work young men with the aim of presenting a positive activity to become involved in with the ultimate aim of re-engaging with the labour market.

A new initiative, Young People Friendly Neighbourhoods (YPFN) has started during the year working in both Wakefield and Scarborough. The initiative aims to work with young people to not only give them positive experiences and opportunities, but also to develop new ways of working alongside the broader community to integrate youth activities into the mainstream. This project will run into the new financial year.

Land

The Trust delivered a successful land programme of 35 projects for a variety of clients. This included significant activity in, Hull, Kirklees and North Yorkshire.

Report of the Directors
For the Year Ended 31 March 2012

Regionally the Trust remains involved in the development of Green Infrastructure and White Rose Forest initiatives, both of which have the potential to progress further to open up new areas of work for the Trust. In Hull the initiative to develop a masterplan for East Park has been delivered the work currently being put out to tender. In Kirklees, activity in Dewsbury Moor, with support from Marks and Spencer's, successfully delivered a green park for the community. A review of potential clients and activity across Kirklees has also been undertaken with a view to developing further activity in 2012/13.

Employment

The Growing for the Future (G4F) social enterprise which was established by the Trust in partnership with Wakefield Council and NHS Wakefield District has completed its second year of trading. G4F works with people with learning difficulties to develop on the site and in the community to promote the social and health benefits of locally grown produce. Contracts have once again been won to deliver the councils spring and summer bedding for 2012. Trading has been difficult over the year and a thorough review is currently underway to determine the long term future of the site.

The contracts team, has delivered 15 quality landscaping schemes during the year. These covered a wider geographical area than previously seen including Hull and North Yorkshire. The team has continued to work with ex-offenders under the Blue Sky programme and links have been established with local prisons to look to further develop how we work alongside those leaving the prison service.

Training and Skills

Following the Trusts involvement in the Future Jobs Fund and looking into the potential for the Work Programme, the Trusts Skills team has developed its activity across three core groups. Two funded through European Social Funding working with Young People who are classed as being NEET (Not in Employment, Education or Training) and with specific families who are furthest engaged with the labour market. Both schemes rely on Payment by Results which will prove to be a challenge moving into the new financial year. The third key group involves supporting people back into training or employment through local Job Clubs. People attend on a voluntary basis and although not funded activity, it is an excellent way of identifying people and aiding them in their quest for employment. The Trust has also developed a new enterprise linked to the skills agenda. Job Match UK acts as a recruitment agency across a number of sectors, but also complements the Trusts other activities, specifically within the skills team.

Performance

During the year, the Trust achieved the following key performance indicators

- 2,062 trees planted (8% below target),
- Improved 161,750 sqm of land (61% more than target),
- Maintained 604,480 sqm of land (612% more than target)
- Worked with 6,857 young people and 2,792 adults (52% and 43% more than target),
- Created 91 jobs (9% below target),
- Progressed 159 projects, (6% more than target)

DEVELOPMENT

The Trusts Development activity is concentrated across the following key sectors

- Construction - To target key construction companies and become part of their supply chain, with a view to securing contracts
- Housing Sector - To diversify our housing partners through a strategic approach along with pursuing local opportunities
- Energy and Utilities - To develop links for work placements (F4C and Blue Sky) as well as contract work for GPL
- Education/Youth - To develop a diverse portfolio of schools catering for both primary and high schools. To deliver bespoke activities as well as linked programmes
- Public Sector - Local Authorities- To pursue service provision opportunities along with providing support for district wide strategic activity

Report of the Directors
For the Year Ended 31 March 2012

- Parish Councils - To build a portfolio of contracts across the Group's area, delivering commercial contracts and engagement activity direct to Parish and Town Councils

A significant development during the year has been the Trusts involvement in the management of Whitwood Golf Club, Castleford. Groundwork Wakefield have been working with the committee of Whitwood Golf Club with a view to taking over the running of the municipal 9 hole golf course at Whitwood, Castleford. A new company, Whitwood Golf Club Ltd has been established as a wholly owned subsidiary of Groundwork Wakefield.

INTERNAL

Groundwork's greatest assets are its employees and Board of Directors. As an Investors in People Silver awarded organisation there is a strong commitment to personnel and organisational development. The Trust would like to thank the staff and Board of Directors for their continued contributions and support, which have been invaluable.

The Board has continued to play a key role in ensuring strong governance and leadership through Board meetings, the Corporate Services Committee, Job Match (UK) Ltd, Groundwork Pride Ltd and Business Planning meetings. Led by the Chair, Brian McMillan, the Board has and will take a key role in the future developments of the Trust as outlined above. This will include the need to ensure that the governance and organisational structure, decision making processes and internal communications are efficient, effective and fit for purpose.

The Trust believes that the approach it takes to ensure the delivery of high quality services is key, especially with the increased competition from other organisations for the limited resources available and the need to demonstrate value for money, innovation and the delivery of high quality products.

The success of the Trust is recognised within the Federation and it is considered to be one of the top performers. In addition to this it has secured a number of external validations including the Matrix Standard, Silver Accreditation in Investors in People, BS8555, the Disability Double Tick symbol and the Investors in Excellence Marque awarded by the UK Excellence Federation.

Groundwork Wakefield and Groundwork Pride are undergoing a significant amount of change, which will lead to new challenges for the Board, management and the staff in general. Core to meeting these changes is the aim to be an employer of choice to ensure

- Groundwork retains and attracts high calibre, professional and experienced staff, as it expands its activities and geographical coverage
- Programme continuity and excellent relationships with our partners
- Staff have the skills and knowledge to develop and deliver a diversifying portfolio of projects

It is forecast that 2012/13 will see continued growth throughout the operating area of Wakefield and across into Hull, Kirklees, East Riding and North Yorkshire. There will therefore be a need and commitment to ensure that the whole team is developed to meet the challenges and opportunities, that systems are in place and individual, departmental and organizational needs are mutually met.

REGIONAL WORKING

It is the firm belief that regional working with other Groundwork Trusts will continue to benefit Groundwork Wakefield and Groundwork Pride and its regional partners. With this in mind Groundwork Wakefield will continue to explore and develop beneficial working relationships in order to secure resources, and obtain efficiency and cost benefits wherever possible.

These relationships will incorporate

- Programme development and delivery
- Regional marketing
- Resource sharing
- Overhead sharing

Report of the Directors
For the Year Ended 31 March 2012

To ensure cost effectiveness and best value the Trust has a service level agreement with Groundwork North Yorkshire to Financial, Human Resource and Administrative services as well as those of the Executive Director. It has resulted in both charities being able to operate more cost effectively by spreading overhead costs, sharing good practice and identifying joint programmes. This arrangement will continue and develop further with Groundwork Pride Limited, the joint trading company.

RESERVES POLICY

The Trust's policy on reserves, which has been approved by the Board, is to continue to build the unrestricted reserves to the level of 90 days of expenditure. Through this the Trust's viability will be increased and cash flow strengthened. It also falls in line with the best practice recommendations by Groundwork UK. The level of unrestricted reserves at the last day of the financial year were £899,737 (prior to FRS17 Pension Reserve) representing 103% of the Trust's target reserves.

RISK MANAGEMENT POLICY

The Policy of the Trust is to identify all risks and associated mitigation across all aspects of the organisation within the Business Plan. The Plan is approved by the Board on an annual basis. The monitoring of these risks is then undertaken throughout the course of the year by the Board and the Corporate Management Team, alongside the monitoring of the overall Business Plan.

PENSION DEFICIT

The Trust currently offers a defined benefit pension scheme to certain employees, which is operated through the West Yorkshire Pension Fund. The scheme has been closed to new members since April 2009, with employees now being offered the Groundwork Group Personal Pension, a defined contribution scheme.

Under Accounting Standards the Trust is required to undertake an annual actuarial valuation of the defined benefit scheme. The FRS17 Pension Valuation for the period ending 31 March 2012 indicates a net pension liability of £1.146m (£814k-2011). The Board is confident that the deficit will not affect the going concern of the Trust or its short term cashflow and financial viability. The deficit will be reviewed and considered by the scheme actuaries as part of the overall scheme valuation undertaken every three years, the next valuation being due for the period to 31 March 2013.

DIRECTORS'/TRUSTEES' RESPONSIBILITIES

The directors are the trustees of the charitable company for the purpose of charity law.

Company and charity law require the directors 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 its incoming resources and application of resources during the period. In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently,
- Observe the methods and principles in the Charity SORP,
- Make judgments and estimates that are reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Report of the Directors
For the Year Ended 31 March 2012

PROVISION OF INFORMATION TO AUDITORS

So far as each of the directors is aware at the time the report is approved

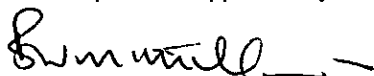
- There is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

AUDITORS

A resolution to tender the audit 2012/13 will be put to the members at the annual general meeting

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (SORP 2005) and the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the board on 30 August 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'B W McMillan', followed by a horizontal line.

B W McMillan - Chair

Independent Auditors' Report to the Trustees of
Groundwork Wakefield Limited

We have audited the financial statements of Groundwork Wakefield Limited for the year ended 31 March 2012 on pages eleven to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's trustees, as a body, in accordance with regulations made under Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's trustees as a body, for our audit work for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2011

Independent Auditors' Report to the Trustees of
Groundwork Wakefield Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements, or
- the charitable company and group have not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



Allotts Business Services Limited
Chartered Accountants
Statutory Auditor
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

24.10.12

Allotts Business Services Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities (Including Income and Expenditure Account)
For the Year ended 31 March 2012

	Notes	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds.					
Voluntary income	2	71,831	-	71,831	54,746
Investment income bank interest		20,792	-	20,792	16,105
Incoming resources from charitable activities	3	2,633,790	600,786	3,234,576	3,663,755
Other incoming resources					
Service level agreement		154,815	-	154,815	110,600
TOTAL INCOMING RESOURCES		2,881,228	600,786	3,482,014	3,845,206
RESOURCES EXPENDED					
Charitable activities	3	2,825,323	600,786	3,426,109	3,732,417
Governance costs	5	18,499	-	18,499	21,198
TOTAL RESOURCES EXPENDED		2,843,822	600,786	3,444,608	3,753,615
NET INCOME FOR THE YEAR		37,406	-	37,406	91,591
Pension scheme actuarial gains/(losses)	15	(332,000)	-	(332,000)	305,000
Donation to minority interest	10	-	-	-	(1,118)
NET MOVEMENT IN FUNDS		(294,594)	-	(294,594)	395,473
RECONCILIATION OF FUNDS					
Fund balances brought forward		51,742	-	51,742	(343,731)
Net movement in funds		(294,594)	-	(294,594)	395,473
Fund balances carried forward		(242,852)	-	(242,852)	51,742

The notes attached form part of these financial statements

Consolidated and Company Balance Sheets
31 March 2012

	Notes	Group		Company	
		2012	2011	2012	2011
		£	£	£	£
FIXED ASSETS					
Tangible Assets	9	6,900	9,937	4,345	8,945
Investments	10	-	-	151	51
		<u>6,900</u>	<u>9,937</u>	<u>4,496</u>	<u>8,996</u>
CURRENT ASSETS					
Stock		7,431	-	-	-
Debtors	11	1,171,105	1,347,429	859,976	1,184,096
Cash at bank and in hand		<u>1,292,862</u>	<u>1,693,974</u>	<u>1,061,776</u>	<u>1,462,250</u>
		<u>2,471,398</u>	<u>3,041,403</u>	<u>1,921,752</u>	<u>2,646,346</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,575,101)</u>	<u>(2,185,549)</u>	<u>(972,133)</u>	<u>(1,807,326)</u>
NET CURRENT ASSETS		896,297	855,854	949,619	839,020
NET ASSETS BEFORE PENSION DEFICIT		<u>903,197</u>	<u>865,791</u>	<u>954,115</u>	<u>848,016</u>
Pension scheme deficit	15	<u>(1,146,000)</u>	<u>(814,000)</u>	<u>(1,146,000)</u>	<u>(814,000)</u>
NET ASSETS		<u><u>(242,803)</u></u>	<u><u>51,791</u></u>	<u><u>(191,885)</u></u>	<u><u>34,016</u></u>
FUNDS					
Unrestricted Funds					
General Fund		903,148	865,742	954,115	848,016
Pension Reserve	15	<u>(1,146,000)</u>	<u>(814,000)</u>	<u>(1,146,000)</u>	<u>(814,000)</u>
		<u>(242,852)</u>	<u>51,742</u>	<u>(191,885)</u>	<u>34,016</u>
Restricted Funds	18	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(242,852)</u>	<u>51,742</u>	<u>(191,885)</u>	<u>34,016</u>
MINORITY INTEREST	10	<u>49</u>	<u>49</u>	<u>-</u>	<u>-</u>
		<u><u>(242,803)</u></u>	<u><u>51,791</u></u>	<u><u>(191,885)</u></u>	<u><u>34,016</u></u>

The notes attached form part of these financial statements

Groundwork Wakefield Limited**Balance Sheet - continued****31 March 2011**

For the year ending 31 March 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the trustees on 30 August 2012 and are signed on its behalf by

B W McMILLAN**Trustee**

Notes to the Financial Statements
For the Year ended 31 March 2012

1 ACCOUNTING POLICIES

a) Accounting Convention and Basis of Preparing the Financial Statements

The financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), the Statement of Recommended Practice Accounting and Reporting by Charities issued in March 2005, applicable accounting standards and the Companies Act 2006

The company has adapted the Companies Act formats to reflect the nature of its charitable activities

b) Group Financial Statements

These financial statements consolidate the accounts of the charity and its subsidiary undertakings on a line by line basis, both of which are made up to 31 March. Transactions between group companies are eliminated on consolidation. No Statement of Financial Activities is presented for the charity alone.

c) Company Status

Groundwork Wakefield Limited is a company limited by guarantee. The guarantors are The Federation of Groundwork Trusts and Wakefield Metropolitan District Council. The liability in respect of the guarantee, as set out in the memorandum, is limited to £1 per member.

d) Fund Accounting

Funds held by the charity are either

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

e) Incoming Resources

Incoming resources are accounted for when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied:

Voluntary income by way of grants and donations are accounted for when receivable.

Investment income is accounted for when receivable.

Incoming resources from charitable activities are accounted for when earned for service contracts and when receivable for grants. Where grants are considered to be performance related, income is recognised to the extent that the services outlined had been performed by the year end. Where income has been received but the related services had not been performed by the year end, the balance is carried forward as deferred income.

f) Resources Expended

All expenditure is accounted for on an accruals basis, including irrecoverable VAT, and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expense headings on the basis of time spent.

Governance costs are those incurred in connection with the management of the group's assets, organisational administration and compliance with constitutional and statutory requirements.

Notes to the Financial Statements
For the Year ended 31 March 2012

1 ACCOUNTING POLICIES (CONTINUED)

g) Tangible fixed assets

Individual tangible fixed assets costing £1,500 or more are capitalised and included at cost including any incidental expenses of acquisition

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 life on the following basis

Project equipment and tools	over 5 years straight line
Office equipment	over 3-5 years straight line
Computer hardware	over 3 years straight line
Motor vehicles	over 3 years straight line

h) Cash flow statement

The company has taken advantage of the exemption in FRS1 from producing a cash flow statement on the grounds that it is a small company

i) Pension costs

The company makes contributions to the West Yorkshire Local Government Superannuation Fund, a defined benefit scheme. The charge represents contributions paid by the company to the fund in respect of the year for current employees

j) Corporation tax

The company is exempt from corporation tax on its charitable activities

2 VOLUNTARY INCOME

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Grants for core funding	25,000	-	25,000	25,000
Gifts in kind	36,996	-	36,996	19,506
Other	9,835	-	9,835	10,240
	<u>71,831</u>	<u>-</u>	<u>71,831</u>	<u>54,746</u>

3 CHARITABLE ACTIVITIES

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Income:				
Community projects	206,688	309,239	515,927	350,427
Land projects	565,472	-	565,472	1,021,486
Employment projects	1,861,715	-	1,861,715	1,954,473
Education projects	-	45,583	45,583	70,305
Business projects	48,254	125,198	173,452	164,594
Youth projects	-	120,766	120,766	144,921
Programme delivery	-	-	-	-
Internal invoicing	(48,339)	-	(48,339)	(42,451)
	<u>2,633,790</u>	<u>600,786</u>	<u>3,234,576</u>	<u>3,663,755</u>

Notes to the Financial Statements
For the Year ended 31 March 2012

3 CHARITABLE ACTIVITIES (continued)

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Expenditure:				
Community projects	318,062	309,239	627,301	504,076
Land projects	601,450	-	601,450	606,357
Employment projects	1,859,144	-	1,859,144	2,341,472
Education projects	15,180	45,583	60,763	71,593
Business projects	78,019	125,198	203,217	116,573
Youth projects	1,807	120,766	122,573	134,797
Programme delivery	-	-	-	-
Internal invoicing	(48,339)	-	(48,339)	(42,451)
	<u>2,825,323</u>	<u>600,786</u>	<u>3,426,109</u>	<u>3,732,417</u>

	Direct Costs 2012 £	Support Costs 2012 £	Total Costs 2012 £	Total Costs 2011 £
Expenditure comprised:				
Community projects	563,533	63,768	627,301	504,076
Land projects	555,206	46,244	601,450	606,357
Employment projects	1,707,203	151,941	1,859,144	2,341,472
Education projects	52,105	8,658	60,763	71,593
Business projects	190,678	12,539	203,217	116,573
Youth projects	112,762	9,811	122,573	134,797
Programme delivery	-	-	-	-
Internal invoicing	(48,339)	-	(48,339)	(42,451)
	<u>3,133,148</u>	<u>292,961</u>	<u>3,426,109</u>	<u>3,732,417</u>

4 SUPPORT COSTS

	Community £	Land £	Employment £	Education £	Business £	Youth £	Total £
Staff costs	65,348	47,390	121,746	8,872	11,414	10,053	264,823
Travel	2,224	1,613	12,077	302	1,022	343	17,581
Marketing	801	581	1,704	109	175	124	3,494
Premises	2,358	1,710	4,463	320	475	363	9,689
Communications	4,135	2,998	18,521	561	938	636	27,789
Professional fees	244	177	1,253	33	104	38	1,849
Insurance	665	482	3,363	90	222	103	4,925
Sundry	27	20	738	4	30	3	822
IT	950	689	5,163	129	211	146	7,288
Depreciation	255	185	2,021	35	167	38	2,701
Project man fee	(13,239)	(9,601)	(19,108)	(1,797)	(2,219)	(2,036)	(48,000)
	<u>63,768</u>	<u>46,244</u>	<u>151,941</u>	<u>8,658</u>	<u>12,539</u>	<u>9,811</u>	<u>292,961</u>

Notes to the Financial Statements
For the Year ended 31 March 2012

5 GOVERNANCE COSTS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Legal and professional	6,791	-	6,791	11,090
Audit fees	7,095	-	7,095	7,006
Non-audit services	4,613	-	4,613	2,804
Other	-	-	-	298
	<u>18,499</u>	<u>-</u>	<u>18,499</u>	<u>21,198</u>

6 STAFF COSTS

	2012 £	2011 £
Salaries and wages	1,347,389	1,308,647
Social security costs	114,723	109,024
Pension costs	72,253	79,162
	<u>1,534,365</u>	<u>1,496,833</u>

The average number of employees during the year, analysed by category, was

Direct charitable	<u>64</u>	<u>72</u>
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One employee earned between £60,000 and £69,999 (2011 one) and was accruing benefits in a defined benefit pension scheme

7 TRUSTEES

Trustees' were not remunerated for any services in the year
 No trustees were reimbursed for personal expenses properly incurred in the performance of their duties as trustee (2011 one trustee reimbursed £248)

8 NET INCOME/(EXPENDITURE) FOR THE YEAR

	2012 £	2011 £
This is stated after charging -		
Auditors' remuneration (group)		
- audit services	7,095	7,006
- non-audit services	4,613	2,804
Depreciation	6,378	7,374
Gifts in kind	<u>(36,996)</u>	<u>(19,506)</u>

Notes to the Financial Statements
For the Year ended 31 March 2012

9 TANGIBLE ASSETS

Group

	Motor Vehicles £	Project Equipment £	Office Equipment £	Computer Equipment £	Total £
COST					
At 1 April 2011	37,904	25,786	83,722	107,996	255,408
Additions	-	3,341	-	-	3,341
Disposals	(19,620)	(23,236)	(67,697)	(101,287)	(211,840)
At 31 March 2012	<u>18,284</u>	<u>5,891</u>	<u>16,025</u>	<u>6,709</u>	<u>46,909</u>
DEPRECIATION					
At 1 April 2011	37,904	24,793	77,569	105,205	245,471
Charge for year	-	1,778	3,205	1,395	6,378
Eliminated on disposal	(19,620)	(23,235)	(67,697)	(101,288)	(211,840)
At 31 March 2012	<u>18,284</u>	<u>3,336</u>	<u>13,077</u>	<u>5,312</u>	<u>40,009</u>
NET BOOK VALUE					
At 31 March 2012	<u>-</u>	<u>2,555</u>	<u>2,948</u>	<u>1,397</u>	<u>6,900</u>
At 31 March 2011	<u>-</u>	<u>993</u>	<u>6,153</u>	<u>2,791</u>	<u>9,937</u>

Charity

	Motor Vehicles £	Project Equipment £	Office Equipment £	Computer Equipment £	Total £
COST					
At 1 April 2011	15,072	7,748	83,722	105,806	212,348
Additions	-	-	-	-	-
Disposals	(9,836)	(7,748)	(67,697)	(99,097)	(184,378)
At 31 March 2012	<u>5,236</u>	<u>-</u>	<u>16,025</u>	<u>6,709</u>	<u>27,970</u>
DEPRECIATION					
At 1 April 2011	15,072	7,748	77,569	103,014	203,403
Charge for year	-	-	3,205	1,395	4,600
Eliminated on disposal	(9,836)	(7,748)	(67,697)	(99,097)	(184,378)
At 31 March 2012	<u>5,236</u>	<u>-</u>	<u>13,077</u>	<u>5,312</u>	<u>23,625</u>
NET BOOK VALUE					
At 31 March 2012	<u>-</u>	<u>-</u>	<u>2,948</u>	<u>1,397</u>	<u>4,345</u>
At 31 March 2011	<u>-</u>	<u>-</u>	<u>6,153</u>	<u>2,792</u>	<u>8,945</u>

Notes to the Financial Statements
For the Year ended 31 March 2012

10 FIXED ASSET INVESTMENT

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
<i>Shares in subsidiaries at cost</i>				
At 1 April 2011	-	-	51	2
Additions	-	-	100	49
At 31 March 2012	<u>-</u>	<u>-</u>	<u>151</u>	<u>51</u>

The charity owns 51% of the ordinary share capital of Groundwork Pride Limited, a company registered in England and Wales. The remaining 49% is owned by Groundwork North Yorkshire.

The subsidiary undertakes environmental projects similar to those of the charity but which, because of their location or nature cannot be undertaken by the charities. Profits are donated to the charities in proportion to the work done in each area.

The charity owns the whole ordinary share capital of Job Match (UK) Limited, a company registered in England and Wales.

The subsidiary provides recruitment services tailored to the needs of beneficiaries of the charity's employment projects. Any profits will be donated to the charity.

The results of both companies are included within these consolidated financial statements on a line by line basis.

A summary of the subsidiaries' trading results is shown below:

	JMUKL	GPL	GPL
	2012	2012	2011
	£	£	£
Turnover	2,845	1,092,037	576,984
Cost of sales	(2,246)	(1,105,597)	(561,780)
Gross profit	599	(13,560)	15,204
Administrative expenses	(36,898)	(29,689)	(7,359)
Gift aid payment	-	-	(11,180)
Interest received and other income	5,500	5,355	2,159
Net profit/(loss)	(30,799)	(37,894)	(1,176)
Consolidation adjustments	-	-	10,062
Results included in the consolidated financial statements	<u>(30,799)</u>	<u>(37,894)</u>	<u>8,886</u>
 Assets	 27,277	 705,798	 426,162
Liabilities	(57,976)	(725,866)	(408,336)
Net assets	<u>(30,699)</u>	<u>(20,068)</u>	<u>17,826</u>
 Called up share capital	 100	 100	 100
Profit and loss account	(30,799)	(20,168)	17,726
	<u>(30,699)</u>	<u>(20,068)</u>	<u>17,826</u>

Notes to the Financial Statements
For the Year ended 31 March 2012

11 DEBTORS (All due within one year)

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	878,545	1,176,696	484,378	1,009,908
Other debtors	10,468	49	4,052	-
Amount owed by subsidiaries	-	-	180,874	30,062
Prepayments and accrued income	282,092	170,684	190,672	144,126
	<u>1,171,105</u>	<u>1,347,429</u>	<u>859,976</u>	<u>1,184,096</u>

12 CREDITORS (Amounts falling due within one year)

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	464,342	727,486	167,955	658,011
Social security and other tax	58,431	100,811	46,943	95,054
Other creditors	385,378	274,287	385,378	17,716
Accruals	75,394	236,992	62,975	220,795
Deferred income	591,556	845,973	308,882	815,750
	<u>1,575,101</u>	<u>2,185,549</u>	<u>972,133</u>	<u>1,807,326</u>

Creditors includes the following landfill tax funds held for third parties

Balance brought forward	126,260
Received in year	161,667
Paid in year	(147,803)
Balance carried forward	<u>140,124</u>

13 DEFERRED INCOME

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Balance brought forward	845,973	748,949	815,750	234,043
Income received	2,233,827	4,119,689	1,905,684	3,517,972
Income released to SOFA	(2,488,244)	(4,022,665)	(2,412,552)	(2,936,265)
Balance carried forward	<u>591,556</u>	<u>845,973</u>	<u>308,882</u>	<u>815,750</u>

Income has been deferred because it relates to future accounting periods as stipulated by the funders or where the conditions imposed have not yet been met

14 LEASING COMMITMENTS

	2012	2011
	£	£
The group had annual commitments under non-cancellable leases as follows		
Office Equipment		
Due to expire - within two to five years	<u>20,436</u>	<u>20,436</u>

Groundwork Wakefield Limited**Notes to the Financial Statements
For the Year ended 31 March 2012**

21.

15 PENSION COSTS

The company makes payments on behalf of employees to the West Yorkshire Pension Fund. It is a funded defined benefit scheme, with the assets held in separate trustee-administered funds.

A full valuation was carried out at 31 March 2010 and updated to 31 March 2012 by a qualified independent actuary.

Major assumptions

	31 March 2012	31 March 2011	31 March 2010
	%	%	%
Rate of increase in salaries	5.10	5.30	5.75
Rate of increase for pensions	2.60	2.90	4.00
Rate of inflation (RPI)	3.60	3.80	4.00
Rate of inflation (CPI)	2.60	2.90	n/a
Discount rate	4.80	5.30	5.60

Life expectancy assumptions

	31 March 2012 years	31 March 2011 years	31 March 2010 years
Male current pensioner age 65 now	22.0	21.9	21.8
At 65 for a male future pensioner aged 45 now	23.8	23.7	24.1
Female current pensioner age 65 now	24.1	24.0	25.4
At 65 for a female future pensioner aged 45 now	26.1	26.0	27.9

Share of assets and rate of return

	Long-term rate of return expected as at 31 March 2012	Value as at 31 March 2012	Long-term rate of return expected as at 31 March 2011	Value as at 31 March 2011
	%	£000	%	£000
Equities	8.1	1,286	8.4	1,236
Government bonds	3.1	228	4.4	193
Other bonds	3.7	98	5.1	66
Property	7.6	65	7.9	61
Cash	1.8	51	1.5	39
Other	8.1	81	8.4	96
Total market value of assets		1,809		1,691
Present value of scheme liabilities		(2,955)		(2,505)
Deficit		(1,146)		(814)

Movement in deficit

	2012 £000	2011 £000
At start of year	(814)	(1,119)
Current service charge	(114)	(148)
Employer contributions	72	79
Past service gain/(cost)	-	334
Net interest/return on assets	(6)	(29)
Actuarial gain/(loss)	(284)	69
At end of year	(1,146)	(814)

Notes to the Financial Statements
For the Year ended 31 March 2012

15 PENSION COSTS (continued)*Net interest/return on assets*

	2012	2011
	£000	£000
Expected return on assets	130	100
Interest on liabilities	<u>(136)</u>	<u>(129)</u>
	<u><u>(6)</u></u>	<u><u>(29)</u></u>

The total movement on the pension scheme deficit has been included as one line in the Statement of Financial Activities as it has been considered that the time involved to split this by category outweighs any benefit of further disclosure

The pension deficit is not expected to have any material impact on the financial viability of the organisation. A full scheme valuation is undertaken every three years by the scheme actuary which addresses the actions necessary over the long term to ensure the sustainability of the West Yorkshire Pension Fund

16 RESULTS OF PARENT CHARITY

	2012	2011
	£	£
(Decrease) in restricted funds	-	-
Increase/(decrease) in unrestricted funds	<u>(225,901)</u>	<u>396,649</u>
Increase/(decrease) in funds	<u><u>(225,901)</u></u>	<u><u>396,649</u></u>
Incoming resources	2,650,024	3,380,909
Resources expended	<u>(2,543,925)</u>	<u>(3,289,260)</u>
Pension scheme deficit	<u>(332,000)</u>	<u>305,000</u>
Increase/(decrease) in funds	<u><u>(225,901)</u></u>	<u><u>396,649</u></u>
Gift aid donation from trading subsidiary (included above but eliminated on consolidation)	-	10,062

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Group			
Tangible fixed assets	-	6,900	6,900
Current assets	93,789	2,377,609	2,471,398
Creditors due within one year	<u>(93,789)</u>	<u>(1,481,312)</u>	<u>(1,575,101)</u>
Pension deficit	-	<u>(1,146,000)</u>	<u>(1,146,000)</u>
Net assets	<u><u>-</u></u>	<u><u>(242,803)</u></u>	<u><u>(242,803)</u></u>

Notes to the Financial Statements
For the Year ended 31 March 2012

17 ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS (continued)

	Restricted Funds £	Unrestricted Funds £	Total £
Company			
Tangible fixed assets	-	4,345	4,345
Investments	-	151	151
Current assets	93,789	1,827,963	1,921,752
Creditors due within one year	(93,789)	(878,344)	(972,133)
	-	954,115	954,115
Pension deficit	-	(1,146,000)	(1,146,000)
Net assets	-	(191,885)	(191,885)

18 RESTRICTED FUNDS

	Opening Balance £	Incoming Resources £	Outgoing Resources £	Transfers £	Closing Balance £
Community projects	-	309,239	(309,239)	-	-
Land projects	-	-	-	-	-
Employment projects	-	-	-	-	-
Education projects	-	45,583	(45,583)	-	-
Business projects	-	125,198	(125,198)	-	-
Youth projects	-	120,766	(120,766)	-	-
Programme delivery	-	-	-	-	-
Internal invoicing	-	-	-	-	-
	-	600,786	(600,786)	-	-

Unrestricted funds are the retained surpluses of the group and are available to be used for any purpose specified within the trust's objectives and are the only funds that are available for use at the discretion of the trustees

Restricted funds represent unspent balances on grants received for specific projects. The restrictions are generally imposed by the funding body and often include the type of expenditure allowed and geographical area of project and the activity to be supported

Notes to the Financial Statements
For the Year ended 31 March 2012**19 RELATED PARTY TRANSACTIONS**

The Federation of Groundwork Trusts and Wakefield Metropolitan District Council are the members of the trust. The Federation of Groundwork Trusts is also a member of Groundwork North Yorkshire.

During the year in the ordinary course of business, the group entered into transactions with the above as follows

	2012	2011
	£	£
Incoming resources recognised		
Wakefield Metropolitan District Council	379,558	823,746
The Federation of Groundwork Trusts	165,954	375,515
Groundwork North Yorkshire	476,436	930,994
Other Groundwork Trusts	276,152	353,587
Resources expended		
Wakefield Metropolitan District Council	1,305,202	1,689,317
The Federation of Groundwork Trusts	4,493	9,294
Groundwork North Yorkshire	118,506	6,755
Other Groundwork Trusts	71,497	119,693
Debtors		
Wakefield Metropolitan District Council	79,211	382,305
The Federation of Groundwork Trusts	29,504	87,668
Groundwork North Yorkshire	58,116	266,573
Other Groundwork Trusts	20,110	10,012
Creditors		
Wakefield Metropolitan District Council	21,037	437,812
The Federation of Groundwork Trusts	1,986	950
Groundwork North Yorkshire	60,456	10,707
Other Groundwork Trusts	7,311	1,681

Purchases from Wakefield Metropolitan District Council include payroll costs, as the Council processes the group's payroll.